



ANNUAL REPORT 2017-18

# Driving Synergies for a Sweeter Tomorrow

AS A WILMAR SUGAR SUBSIDIARY



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### 04 Notice of Annual General Meeting

# Driving Synergies for a Sweeter Tomorrow

As a Wilmar Sugar subsidiary

At Shree Renuka Sugars Limited, we are at an inflection point. We have evolved into a lean enterprise with a sharpened focus on improving the bottom line. FY18 was a watershed year for us, as it witnessed the culmination of our efforts to revive our creditworthiness and instil investor confidence.

Wilmar Sugar Holdings increased their stake in our Company, enabling us to scale up the production of our flagship offerings – refined sugar and ethanol. We are poised to drive cross-organisational synergies that will help us leverage the expertise, exposure and experience of Wilmar to provide a strong product value, bringing us closer to a sweeter tomorrow.



## Corporate Identity

# About Shree Renuka Sugars Limited

Shree Renuka Sugars Limited (SRSL) is one of the principal sugar manufacturers and refiners in the world. As a global agribusiness and bioenergy corporation, it is present across three segments: sugar, ethanol and power generation. It is one of the first in India's sugar industry to have ventured into sugar refining. The Company pioneered the concept of operating sugar manufacturing assets on lease in India. It also undertakes power projects at third-party mills on a build-own-operate-transfer (BOOT) basis. SRSL has aligned its strategies to achieve synergies from its presence in Brazil, the world's largest sugar producer and India, the largest sugar consumer globally, as well as the Company's extensive reach in the growing sugar markets of Asia.

## Celebrating Two Decades of Sweetness

### OUR VISION

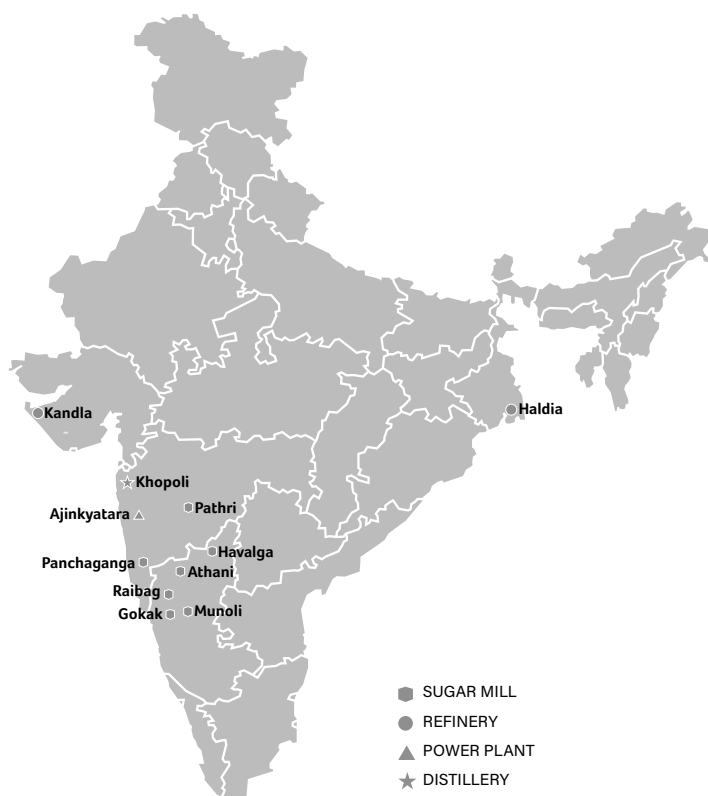
To be among the top three integrated sugar and ethanol companies in the world by harnessing our strengths and realising synergies through our global presence.

### OUR CORE STRENGTHS

- We are present in the world's largest sugar-producing and consuming regions, leveraging information flows for sustainable growth
- Our Indian operations are conducted across southern and western parts of the country (where there is higher recovery rate for sugarcane compared to other sugarcane-growing regions)
- Our strategically located port-based refineries in India help us cater to the markets in South Asia and the Middle East
- We are the largest supplier of ethanol to oil marketing companies in India
- Madhur, one of our key brands, is very well established in India, particularly in the western and southern regions

### OUR MANUFACTURING ASSETS

We operate 11 integrated sugar mills (**four in Brazil and seven in India**) and two port-based refineries in India.

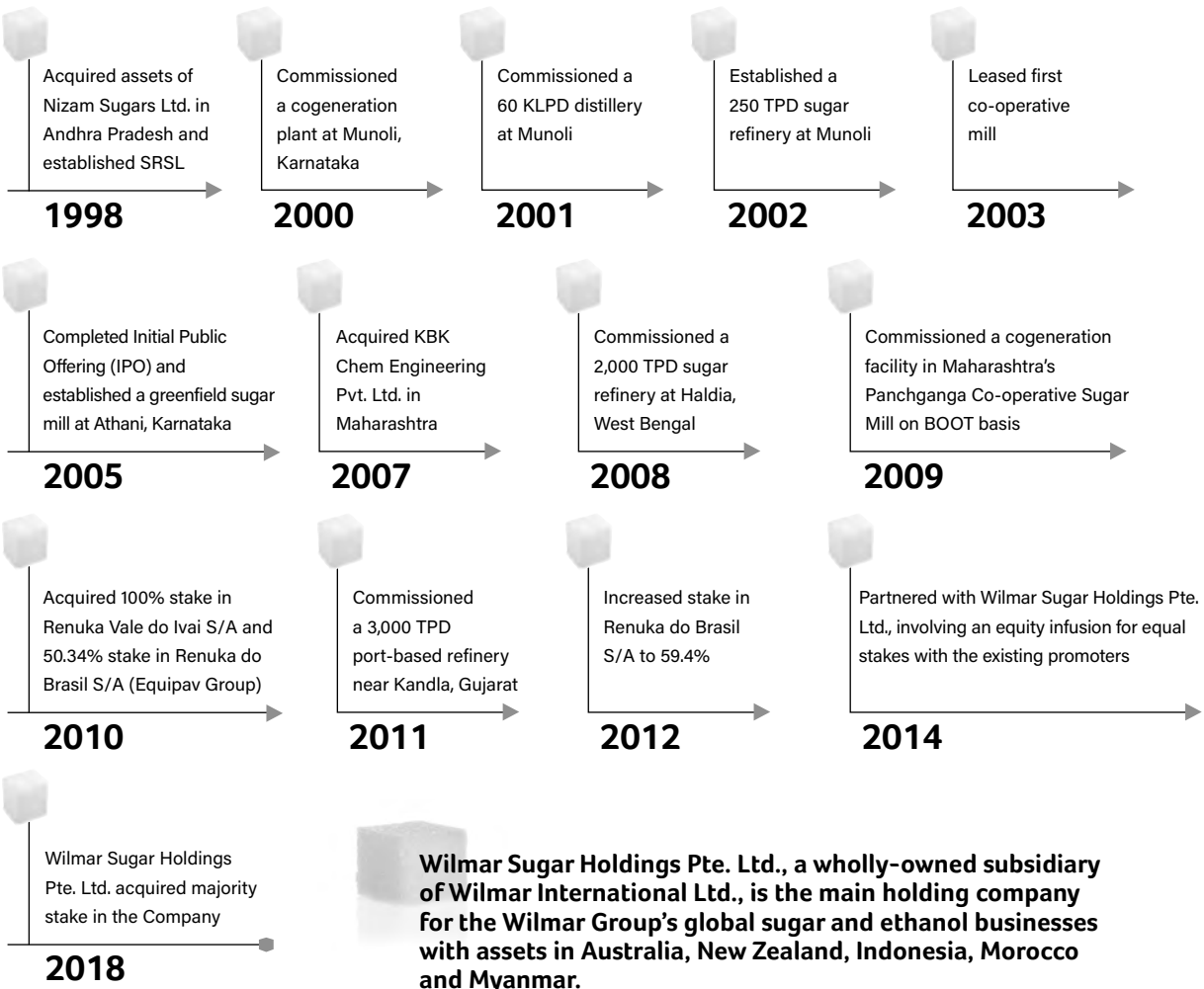


Note: Map not to Scale





## OUR JOURNEY



## Core Verticals

# Reviewing Our Business



### SUGAR

- Our mills are fully integrated to process sugarcane and produce sugar and its by-products – molasses, bagasse and organic manure
- The seven sugar mills in India have a total crushing capacity of 8.4 MTPA and the two port-based sugar refineries in India have a total capacity of 1.7 MTPA



### ETHANOL

- We manufacture potable and fuel-grade ethanol that can be blended with petrol
- Our distillery capacity in India is 930 KLPD (630 KLPD from molasses and 300 KLPD from denatured spirit). KBK Chem Engineering, our subsidiary, provides turnkey distillery, ethanol and certain sugar process equipment and biofuel plant solutions



### POWER

- We generate power from bagasse for captive consumption and sell surplus power to national grids in India
- Our Indian operations produce 256 MW of power with an exportable surplus of 142 MW



## Flagship Products

# Building a Sweeter and Greener Tomorrow

### MADHUR

Refined white sugar contains 99.9% sucrose and is used as a key ingredient in various processed foods and beverages. Launched in 2007, Madhur is India's leading refined white sugar brand, known for its purity and hygiene. From local 'kirana' stores to leading supermarket chains, Madhur sugar is available across a variety of retail platforms. Strong on-ground marketing and sales resources drive the brand's market dominance. At present, Madhur has a strong presence in Gujarat, Maharashtra, Delhi, Rajasthan and Karnataka. At SRSL, we are also increasing our footprint in the states of Haryana, Madhya Pradesh, Andhra Pradesh, Kerala, Punjab and Jammu and Kashmir.



### What sets Madhur apart?

#### Natural sweetness

Made from a superior variety of sugarcane

#### Globally compliant production technology

Manufactured, packed, stored and shipped in state-of-the-art facilities

#### Healthy for consumption

Stringent quality control coupled with a sulphur-free refining process

#### Reliable quality

Refined, sparkling white, moisture-free and highly soluble sugar crystals

### ETHANOL

Molasses which is a by-product of sugar manufacturing process is converted to alcohol. This alcohol is used to manufacture ethanol and potable alcohol. Ethanol is used for blending primarily in petrol by oil marketing companies and potable alcohol is used by liquor companies.



### Why focus on ethanol?

While the global demand for transportation fuel will continue to grow, the role of renewable energy sources will increase at the expense of fossil fuels. The importance of biofuels in lowering carbon-intensity of transportation fuels is expected to expand greatly. Further, curbing greenhouse gas (GHG) emission has become increasingly important for countries after the 2015 United Nations Climate Change Conference (COP21). At the Conference, countries across the world committed to taking immediate action to significantly reduce emissions in the transportation sector and mandate the blending of biofuels as part of their national plan.

Ethanol is proven to reduce vehicular emissions vis-à-vis fuels based on petroleum. It has emerged as a key for global sustainable progress, and India has been at the forefront of these developments in the production of ethanol.

At SRSL, we are well-positioned to harness this opportunity and help countries reduce their carbon footprint.

Letter to the Shareholders

## Embarking on a New Path



**“The strength of our product portfolio lies in its diversity, lending us competitive advantage over other sugar producing companies. We are motivated to grow our renewable energy potential and build our sugar brand Madhur.”**

**Dear Friends,**

FY18 was critical to both the Indian economy and the sugar industry. India forged ahead with comprehensive structural reforms, such as the landmark Goods and Services Tax (GST), to usher in an era of greater transparency and accountability. The country retained its pole position as ‘the fastest-growing economy in the world,’ outperforming its neighbour China. Clocking an annualised growth rate of 6.7%, India is projected to continue showcasing robust numbers across all focus areas of progress and development.

Despite drought in major sugarcane growing states, sugarcane production in India posted record growth during the reporting period. The industry’s cyclical nature was particularly pronounced during the year, with more than 32 MTPA of sugar being produced in the October-September season alone, surpassing expectations by a wide margin. With the onset of a sugar production boom across the world, sugar prices in India too were impacted negatively. The Government of India acted proactively and implemented various measures to ensure that the sugar industry was able to meet its payment obligation to sugarcane farmers.

**'Green' shoots**

The renewable energy sector in India is growing at a promising rate. The Government raised the price of ethanol to ₹43.70 per litre in a bid to lower India's dependence on oil imports, while also incentivising higher ethanol production. It has also fixed the price of ethanol produced directly from sugarcane juice at ₹47.49 per litre, helping mill owners diversify their product mix in years of sugar surplus. The Government, in accordance to global commitments made at COP21, mandated the blending of up to 10% of ethanol in petrol, but oil companies achieved less than 4% of this target in the year under review.

In line with the Government's increasing focus on renewable energy, your Company is expanding its ethanol-producing capacity to cater to the growing demand.

**Cross-organisational synergies**

Your Company continued extensive debt-restructuring exercise during the year, in conjunction with Singapore-based agro-company Wilmar International Ltd. As a part of this endeavour, Wilmar Sugar Holdings Pte. Ltd. (WSH), made an additional equity

investment and subsequently also acquired additional equity shares in your Company through an open offer. Consequently, WSH's total stake stands at 58.34% of the paid-up equity share capital. Your Company also issued on preferential basis, equity shares, optionally convertible preference shares, redeemable preference shares and non-convertible debentures to the lenders against conversion of debt.

**Strategic outlook amid challenges**

With adequate and timely monsoon predicted in FY19, sugarcane production is likely to continue its upward trend. The boost in yield will also be felt in the production of ethanol and renewable power. In the context of falling market prices and high fair remunerative prices in the sector, shrinking net realisation and earnings across sugar mills, high levels of sugar inventory and mounting liabilities accruing towards sugarcane farmers, it is imperative that we further sharpen our bottom line focus.

The strength of our product portfolio lies in its diversity, lending us competitive advantage over other sugar-producing companies. We are motivated to grow our renewable energy potential and build our sugar brand Madhur.

Going forward, we will sustain our efforts to divest our Brazilian subsidiaries and concentrate on manufacturing refined sugar and sugarcane-based ethanol. Madhur is the market leader in India and we will continue to reinforce its presence in the segment.

As we proceed to write the next chapters of our journey, I must reiterate that I am grateful for your continued support. Your confidence in us has enabled us to steer our ship past the difficult challenges of the recent years. I am excited to see what the future holds for us, as we join forces with WSH.

Warm regards,

**Mr. Atul Chaturvedi**  
**Chairman**



## CSR Initiatives

# Uplifting Communities

At SRS, we believe in holistically developing the communities around us. The 'greener tomorrow' that we envision is incomplete without growth that is inclusive and well-rounded. Our efforts in the fields of health, education, skills training and infrastructure empower communities and elevate the quality of their lives. The Shree Renuka Sugars Development Foundation (SRSDF) Trust and Shree Renuka Institute for Rural Development and Research (SRIRDR) have been founded under the aegis of SRS to drive our initiatives towards socio-economic development. While the SRSDF Trust focusses on education and related activities to hone personal skills of individuals, SRIRDR emphasises uplifting the underprivileged sections of rural communities through a host of health and education programmes.

### EDUCATION



# 1,900+

Students received quality education at nominal cost

# ITIs

Established to upskill local youth

### Operating schools and colleges

- SRSDF runs three CBSE schools near our Kokatnur, Munoli and Havalga plants. With a student count of over 1,700, spread across 10 grades, the schools focus on delivering quality education at nominal cost. Each of the schools is furnished with large classrooms, audio-visual aids, library, e-learning, bus facilities and advanced laboratories
- Since 2008, we operate Raibag Polytechnic College that provides diploma courses across several engineering streams.

We consistently invest in upgrading infrastructure and improving teaching standards

### Upskilling students, youth and workers

- Our Industrial Training Institutes (ITI) at Kokatnur and Havalga offer necessary technical education to local youth, with the objective of upskilling them and enhancing their employability
- We also offer technical courses, including vocational education and research opportunities for gaining skills and knowledge, through our

Sugar Institute at Kokatnur. The institute is affiliated with Directorate General of Employment and Training, State Council of Vocational Training and Government of Karnataka, and enables employment opportunities in sugar and allied industries

- We introduced Sakhar Shalas near our plants to impart quality training related to sugarcane-harvesting for students and migrant workers. Further, these institutes also serve daily wholesome meals comprising milk, bread, eggs and bananas to students, along with organising health check-up camps for them



### HOSTEL ACCOMMODATION

- We operate a 30-bed boys' hostel in Belgaum, furnished with computer and internet facilities, for underprivileged children pursuing higher education



### SCHOLARSHIPS

- We offer scholarships (ranging from ₹5,000 to ₹15,000) to children of our staff and sugarcane farmers for higher studies in engineering, science and ITI courses



### FEMALE EMPOWERMENT

- We conduct workshops among women-only Self-Help Groups (SHGs) to empower them through socio-economic activities

## HEALTH



~50

Patients treated at  
healthcare centres  
every day

- We have three healthcare centres in Karnataka (at Kokatnur, Havalga and Munoli) that provide medical assistance to our people and their families, sugarcane farmers, harvesting offices and residents near our plants. Each centre attends to nearly 50 patients every day
- We offer the services of two well-resourced ambulances at subsidised rates in Havalga and Athani in Karnataka



### SAFE DRINKING WATER

- We have set up two reverse-osmosis water treatment plants near Havalga and Munoli

# Corporate Information

## BOARD OF DIRECTORS

### Mr. Atul Chaturvedi

(Executive Chairman  
w.e.f. 2<sup>nd</sup> July, 2018)

### Mr. Vijendra Singh

Whole-time Director

### Mr. Jean-Luc Bohbot

Non-Executive Director

### Mr. Stephen Ho Kiam Kong

Non-Executive Director

### Mr. Surender Kumar Tuteja

Independent Director

### Mr. Dorab Mistry

Independent Director

### Mr. Bhupatrai Premji

Independent Director

### Mr. Madhu Rao

Additional Director (Independent)  
(w.e.f. 27<sup>th</sup> June, 2018)

### Dr. Bharat Kumar Mehta

Independent Director  
(w.e.f. 13<sup>th</sup> November, 2017)

### Mr. Narendra Murkumbi

(Non-Executive Director  
w.e.f. 1<sup>st</sup> July, 2018)

## CHIEF FINANCIAL OFFICER

### Mr. Sunil Ranka

(w.e.f. 4<sup>th</sup> May, 2018)

## COMPANY SECRETARY

### Mr. Rupesh Saraiya

(w.e.f. 13<sup>th</sup> November, 2017)

## AUDITORS

### S R B C & Co LLP

Chartered Accountants

## BANKERS

Axis Bank Ltd.

EXIM Bank of India

ICICI Bank Ltd.

IDBI Bank Ltd.

Kotak Mahindra Bank Ltd.

RBL Bank Ltd.

State Bank of India

Yes Bank Ltd.

## PLANT LOCATIONS (INDIA)

### Unit I

Munoli Sugar, Distillery

Co-Generation and Sugar Refinery

Munoli

Taluka: Saundatti

Dist.: Belagavi, Karnataka

### Unit II

Athani Sugar, Distillery

Co-Generation and Sugar Refinery

Taluka: Athani, Dist.: Belagavi

Karnataka

### Unit III

Havalga Sugar, Distillery

Co-Generation and Sugar Refinery

Taluka: Afzalpur, Dist.: Gulbarga

Karnataka

### Unit IV

Raibag (Leased) Sugar

Taluka: Raibag

Dist.: Belagavi, Karnataka

### Unit V

Pathri Sugar

Deonandra

Taluka: Pathri

Dist.: Parbhani, Maharashtra

### Unit VI

Gokak Sugar and Co-Generation

Kolavi

Taluka: Gokak

Dist.: Belagavi, Karnataka

### Unit VII

Ajinkyatara (BOOT) Co-Generation

Shahunagar, Shendre

Tal./Dist.: Satara, Maharashtra

### Unit VIII

Panchaganga (Leased, BOOT)

Sugar & Co-Generation

Ganganagar, Ichalkaranji

Taluka: Hatkanangle

Dist.: Kolhapur, Maharashtra

### Unit E1

Khopoli Ethanol Distillery

Donvat, Taluka: Khalapur

Maharashtra

### Unit R1

Haldia Sugar Refinery &

Co-Generation Kolkata, West Bengal

### Unit R2

Kandla Sugar Refinery &

Co-Generation Kandla, Gujarat

## KBK Chem Engineering Pvt. Ltd. Engineering, Procurement & Construction of Distillery Plants and Sugar & Oil Process Equipments

Taluka: Mulshi, Dist.: Pune

Maharashtra

## REGISTERED OFFICE

BC 105, Havelock Road

Camp, Belagavi - 590 001

Tel.: 91-831-2404000

## CORPORATE OFFICE

7<sup>th</sup> 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

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### STANDALONE

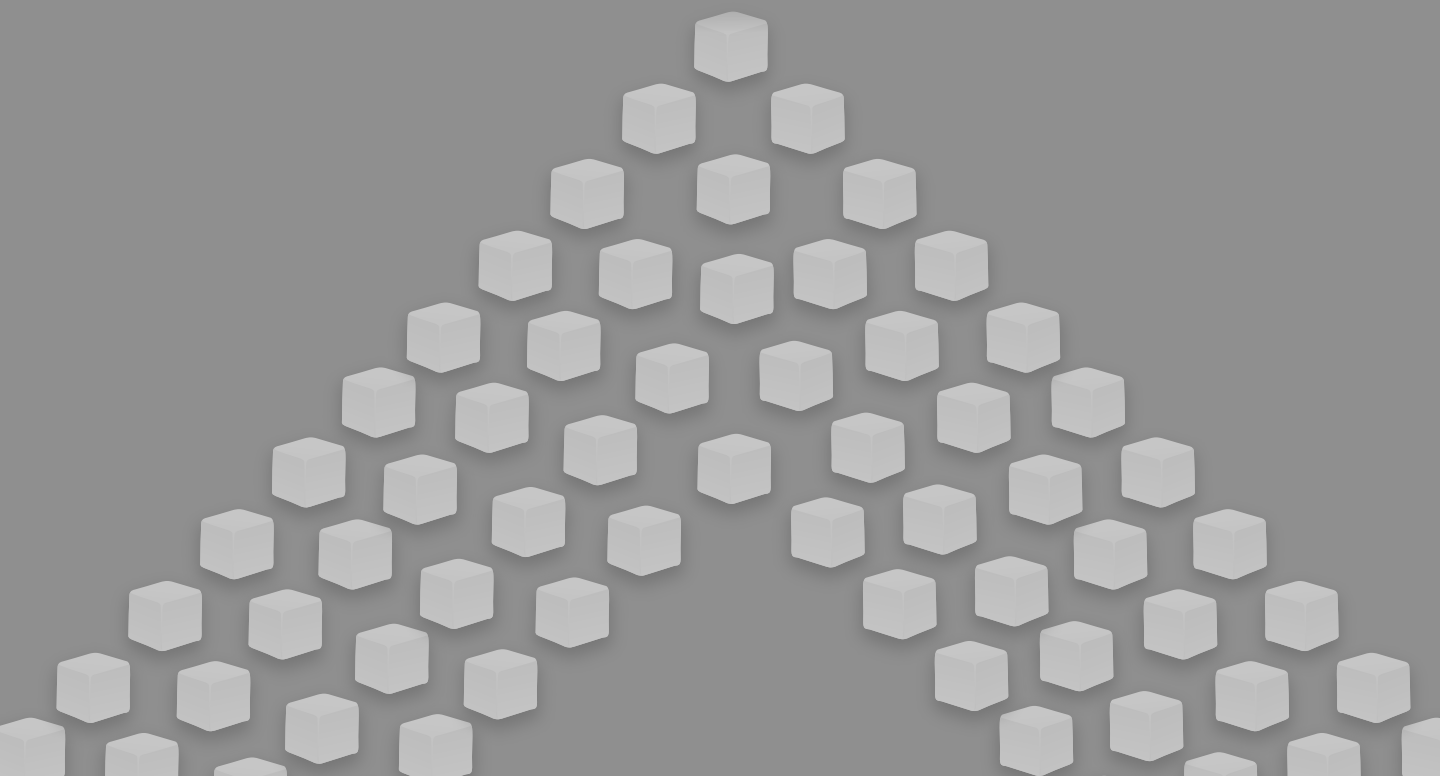
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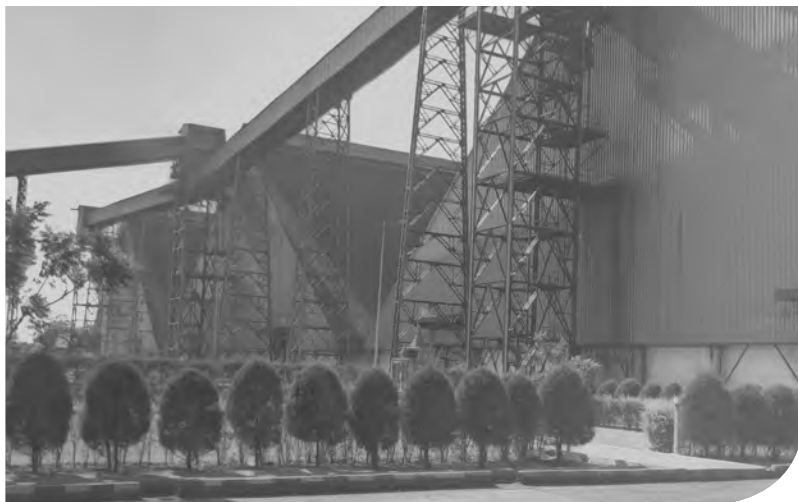
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# Management Discussion and Analysis



Registering an overall growth rate of 6.7% in financial year 2017-18 (FY18), India regained its status as the fastest-growing economy in the world.

## ECONOMIC ENVIRONMENT WORLD

Global economy grew by 3.8% in 2017 (CY17) on the back of accelerated pace of output in the developed nations of western Europe, Japan and the US, among others. This improvement in economic growth was also fuelled by recovery in commodity exporting countries, coupled with revival in investment spends across the emerging markets of India and China.

Going forward, the broad-based progress is expected to continue to gain momentum. Global gross domestic product (GDP) growth in both CY18 and CY19 is pegged at 3.9%, on the back of improving commodity prices, favourable market sentiments and greater trade and investment (Source: International Monetary Fund).

### Global growth (GDP) trend (%)

| CY16 (E) | CY17 (E) | CY18 (P) | CY19 (P) |
|----------|----------|----------|----------|
| 3.2      | 3.8      | 3.9      | 3.9      |

Source: International Monetary Fund | E: Estimate | P: Projection | CY: Calendar Year

## INDIA

Registering an overall growth rate of 6.7% in financial year 2017-18 (FY18), India regained its status as the fastest-growing economy in the world. With a \$2.597 Trillion GDP, it has outpaced France to become the sixth largest economy globally.

During the year, the Government of India executed several broad structural reforms. The landmark Goods and Services Tax (GST) was enforced from 1<sup>st</sup> July, 2017. Introduced on the heels of demonetisation in 2016, GST sought to further formalise the economy. This unified tax regime eliminates

the cascading effects of a multi-layered tax structure. The Government also pursued recapitalisation of public sector banks, the Insolvency and Bankruptcy Code/bill (IBC) and the Ujwal DISCOM Assurance Yojana (UDAY).

The agriculture sector grew by 2.1%, industries by 4.4% and services by 8.3% in FY18 (Source: Economic Survey of India 2017-18). Averaging at 3.3%, Consumer Price Index (CPI) based headline inflation, in FY18, continued to be benign for the fourth year in a row (Source: Economic Survey of India 2017-18). This was due to adequate monsoons, decline in core commodity prices (with the broad exception of housing, fuel and electricity) and consistent price regulation by the Central and State Governments.

Cognisant of the evolving Indian economy, renowned credit rating agency Moody's, in November 2017, upgraded the nation's investment outlook from stable to positive. This was the first revision in 14 years in the Government's bond rating. Concurrently, India rose up 30 positions to enter the top 100 countries in the Ease of Doing Business index prepared by the World Bank.

### India's GDP growth (%)

| FY15 | FY16 | FY17 | FY18 |
|------|------|------|------|
| 7.3  | 7.6  | 7.1  | 6.7  |

Source: Central Statistics Office

### Sectoral growth (%)

| Sectors     | FY16 | FY17 | FY18 |
|-------------|------|------|------|
| Agriculture | 0.7  | 4.9  | 2.1  |
| Industry    | 8.8  | 5.6  | 4.4  |
| Services    | 9.7  | 7.7  | 8.3  |

Source: Central Statistics Office and Economic Survey of India 2017-18



## SUGAR INDUSTRY OVERVIEW

### 2017-18 KEY HIGHLIGHTS OF GLOBAL SUGAR INDUSTRY

- World sugar production is estimated at 191.8 MMT, up 10.3% from the previous season
- Top five sugar producers, namely Brazil, India, European Union, Thailand and China, account for ~61% of global sugar production
- Production continued to increase in the top 10 sugar producing countries
- Sugar mills in Centre-South Brazil increased their allocation of sucrose towards sugar vis-à-vis ethanol with ~46.4% of sugarcane in 2017-18 season resulted in higher sugar production, the sugar mix was highest ever achieved in previous seasons
- EU sugar market's decontrolled regime started in 2017-18 with record production and exports in this year
- Global sugar consumption is estimated at 174.1 MMT

## GLOBAL SUGAR INDUSTRY

Globally sugar is produced both from beet and sugarcane. However, major portion is contributed by sugarcane, which is cyclical in nature; it is dependent on the weather and availability of adequate water. Being supply-driven, sugar is one of the most price-volatile commodities across the globe. Unprecedented fluctuations in production, combined with improving agricultural and industrial productivity and higher government interventions, contribute to the cyclicity in the sector.

The production of sugar in 2017-18 grew by 10.3% to reach 191.8 MMT from 174 MMT in the previous year due to increase in production in India, Thailand, EU and Pakistan. However, sugar consumption in 2017-18 was recorded at 174.1 MMT, representing a growth of 2% over 170.8 MMT in the previous year. Global sugar imports remained relatively flat at 53.7 MMT in 2017-18. Due to production surpassing the consumption, ending stocks of sugar increased to 49.5 MMT in 2017-18, growing by 18% over 41.9MMT in the previous year. India was a major contributor in the world stocks where end stock rose by 6.7 MMT to reach 10.5 MMT, owing to an unprecedented improvement in production.

## World Sugar Supply-Demand Balance

(In Million Tonnes)

|             | Beginning stocks | Total production | Total consumption | Total imports | Total supply | Total exports | Ending stocks |
|-------------|------------------|------------------|-------------------|---------------|--------------|---------------|---------------|
| 2014-15     | 45               | 178              | 169               | 50            | 273          | 55            | 49            |
| 2015-16     | 49               | 165              | 170               | 55            | 268          | 54            | 44            |
| 2016-17     | 44               | 174              | 172               | 54            | 272          | 59            | 42            |
| 2017-18     | 42               | 192              | 175               | 54            | 288          | 63            | 50            |
| 2018-19 (P) | 50               | 188              | 178               | 53            | 290          | 63            | 49            |

Source: United States Department of Agriculture | P: Projected

## PRICE TRENDS

As of March 2018, international sugar price stood at ~\$351.2 a tonne – the lowest in two and half years. This can be attributed to the supply glut experienced across the world market, driven by the sugar surplus in Brazil, India, European Union and Thailand, an increase in Europe's sugar output after the reform of abolishing the production quotas in September 2017 and the decline in import demand from one of the leading sugar importers, China, after the nation increased tariffs on out-of-quota imports from 50% to 95%.

**Sugar mills in Centre-South Brazil increased their allocation of sucrose towards sugar vis-à-vis ethanol with ~46.4% of sugarcane in 2017-18 season resulted in higher sugar production, the sugar mix was highest ever achieved in previous seasons**

## International Sugar Price

| Sugar                           | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|---------------------------------|---------|---------|---------|---------|
| NY#11-Raw Sugar – c/lb          | 13.1    | 17.4    | 16.6    | 13.4    |
| London 5 – White Sugar – USD/mt | 357.7   | 476.3   | 461.3   | 376.6   |

Note: For 2017-18 price are average for October 2017 to July 2018 period

## INDIAN SUGAR INDUSTRY

### 2017-18 KEY HIGHLIGHTS

- 32 Million sugarcane farmers in the country
- 525-530 sugar mills operate through the season
- 0.5 Million workers are employed by mills
- Sugarcane output is expected to be 353.22 MMT from 4.95 Million hectares of land
- Consumption is estimated at 25-26 MMT, with per capita annual consumption of 19.5 -20.1 kg
- Annual sugar output is valued at ~₹800-935 Billion
- Uttar Pradesh is the largest sugar producer in India, followed by Maharashtra; both states combined contribute up to 70% of India's total sugar production
- The Government of India announced several policy measures such as Minimum Indicative Export Quotas (MIEQ) export quota, export incentive of ₹55 per MT of sugarcane crushed
- Ethanol price is revised higher for the ethanol sold for Ethanol Blending Programme
- Minimum selling price of sugar, ₹29 per kg has been announced and mechanism of domestic sales quota has been reinstated to support and stabilise the falling sugar prices in domestic market

### SUGAR INDUSTRY IN INDIA

Sugar production is expected to be 32.2 MMT as compared to 20.2 MMT last year. This is due to a bumper production increase in the state of Maharashtra, Uttar Pradesh and Karnataka, which together produced 26.5 MMT vis-à-vis 15.1 MMT the previous year, a sharp rise of 11.4 MMT.

India's sugar consumption for 2017-18, is pegged at 25.0 MMT, up 1.6% from the previous year as per estimates of Indian Sugar Mills Association (ISMA). This demand is led by bulk users, quick-service restaurants, sweet shops, rural households and livestock feed use.

### OUTLOOK

A good monsoon in 2016 and 2017 had resulted in 45-50% increase in acreage in Maharashtra, while Uttar Pradesh witnessed an early start to the crushing season. With adequate rainfall, more planting and increased sugarcane acreage, the same trend is expected to repeat in 2018-19 season. According to initial industry estimate, sugar production is forecasted to be 35.0 MMT vis-à-vis last year's production of 32.2 MMT whereas the consumption is estimated at 25.7 MMT. Therefore, ending stocks of sugar shall continue to increase even in the year 2018-19 to 19.8 MMT, against 10.5 MMT of previous year unless India exports in large quantities to ease the extra stock burden.

## Indian Sugar – Supply and Demand

(In Million Tonnes)

|   | 2010-11     | 2011-12     | 2012-13     | 2013-14     | 2014-15     | 2015-16     | 2016-17 (P) | 2017-18 (F) | 2018-19 (F) |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Opening stock (as on 1 <sup>st</sup> October)     | 5.0         | 5.9         | 6.6         | 9.3         | 7.5         | 9.7         | 7.7         | 3.8         | 10.5        |
| Production during the season                      | 24.4        | 26.3        | 25.1        | 24.4        | 28.3        | 25.1        | 20.2        | 32.2        | 35.0        |
| Imports   | 0           | 0           | 0.7         | 0.1         | 0           | 0           | 0.4         | 0.3         | 0           |
| <b>Total availability</b>                         | <b>29.4</b> | <b>32.2</b> | <b>32.4</b> | <b>33.8</b> | <b>35.8</b> | <b>34.2</b> | <b>28.4</b> | <b>36.2</b> | <b>45.5</b> |
| Off-take  |             |             |             |             |             |             |             |             |             |
| Internal consumption (A)                          | 20.8        | 22.6        | 22.8        | 24.2        | 25.6        | 24.9        | 24.6        | 25.0        | 25.7        |
| Exports (B)                                       | 2.6         | 3.0         | 0.3         | 2.1         | 1.1         | 1.7         | 0           | 0.8         | 0           |
| <b>Total off-take (A + B)</b>                     | <b>23.4</b> | <b>25.6</b> | <b>23.1</b> | <b>26.3</b> | <b>26.7</b> | <b>26.5</b> | <b>24.6</b> | <b>25.8</b> | <b>25.7</b> |
| Closing stocks (as on 30 <sup>th</sup> September) | 6.0         | 6.6         | 9.3         | 7.5         | 9.1         | 7.7         | 3.8         | 10.5        | 19.8        |
| Months of inventory                               | 3.5         | 3.5         | 4.9         | 3.7         | 4.3         | 3.7         | 1.8         | 5.0         | 9.2         |

Source: \* ISMA, Industry Analysis – 2018-19, Preliminary estimates from ISMA

## PRICE TRENDS

Indian sugar prices have responded to higher surplus of 2017-18 and also expected bigger surplus in the year 2018-19. Sugar prices went down from ₹3,500-₹3,550 per quintal to ₹2,900 per quintal in Karnataka (Source: NCDEX spot price data), a fall of 20%. The price trends continue to be soft due to surplus.

### Domestic Sugar Price

| Benchmark Markets                    | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|--------------------------------------|---------|---------|---------|---------|
| Kolhapur Market – Maharashtra State  | 3,158   | 3,765   | 3,316   | 2,584   |
| Muzaffarnagar Market – Uttar Pradesh | 3,242   | 3,836   | 3,393   | 2,736   |

Note: NCDEX spot price ₹ Quintal, for 2017-18 average prices for October-June period

Due to lower sugar prices, sugar mills have not been able to pay the Government of India mandated Fair Renumeraive Price (FRP) of ₹2,550 per MT to farmers. According to ISMA, outstanding 'sugarcane payment' at all India level are ₹120 Billion as of 15<sup>th</sup> July, 2018, which were around ₹180-190 Billion at their peak in March 2018.

### GOVERNMENT POLICY INITIATIVES

The Government of India took several steps in the current year to encourage the sugar industry and exports. In order to stabilise the domestic prices, the Government of India introduced policies to balance the supply and demand of sugar in domestic market. It introduced a reverse quota system for two-months in February-March 2018. The Government of India later in the month of June 2018 reintroduced a monthly release mechanism for sale in domestic market. It also declared a minimum sale price of ₹29 per kg of sugar for the sugar mills.

The Government of India allowed the exports of sugar under Duty Free Import Authorisation Scheme. It also announced a Minimum Indicative Export Quota (MIEQ) of 2 MMT across the industry. Import duty on sugar was increased to 100% and export duty of 20% was removed.

### ETHANOL

National Policy on Biofuels was launched by Ministry of New and Renewable Energy in 2009 to address the need of biofuel production. The Government, in May 2018, approved a new bio-ethanol policy to incentivise ₹5,000 Crore investments for setting up projects with a total production capacity (using lignocellulosic biomass and other renewable feedstock) of at least 1 Billion litres of ethanol per annum. It expands the scope of raw material for ethanol production **by allowing the use of sugarcane juice, sugar-containing materials like sugar beet and sweet sorghum**, starch-containing materials like corn and cassava, and damaged food grains unfit for human consumption for ethanol production. The policy also eases the use of surplus foodgrains for producing ethanol that is blended with petrol.

Under the Ethanol Blended Petrol (EBP) Programme, the Government states that 10% of sugarcane-based ethanol should be mixed with petrol. The programme aspires for 20% ethanol blending in petrol by 2030. With a 139.5 Crore litre supply of ethanol in 2017-18, a 4% blending likely to be achieved (Source: Press Trust of India).

The Government of India gave a major focus to increase fuel ethanol programme in the country. In June 2018, the Union Cabinet approved a revision in the prices of ethanol supplied to the public sector oil-marketing companies, fixing it at ₹43.8 per litre for ethanol from C-molasses and ₹47.5 per litre for ethanol from B-heavy molasses. The ex-mill ethanol price earlier was fixed at ₹40.85 per litre. This revision is intended to facilitate continued policy support, ensuring price stability and delivering remunerative prices for ethanol suppliers. This step will help divert more sucrose to ethanol and reduce sugar surplus and also decrease dependence on crude oil, save precious foreign exchange and benefit the environment.

The Government of India also encouraged ethanol production and its supply under Ethanol Blended Petrol (EBP) Programme by giving an interest subvention on bank loans, limited to investment of ₹20 Crore in new incineration boilers and ₹80 Crore in setting up new distilleries.

### ABOUT SHREE RENUKA SUGARS LIMITED

Shree Renuka Sugars Limited (SRSL) is a global agribusiness and bioenergy corporation. It is one of the largest sugar-producing and sugar-refining companies in the world and a leading sugar manufacturer in India. SRSL, with a substantial biofuel manufacturing capacity, is also one of the largest producers of fuel-grade ethanol. It also generates electricity from bagasse (a sugarcane derivative) for captive consumption and sale to the power grids in India and Brazil.

SRSL has manufacturing facilities across the top two sugar producers of the world, India and Brazil.

## BUSINESS REVIEW

### Operational Performance

| FY18                              | India  | Brazil | Total    |
|-----------------------------------|--------|--------|----------|
| Capacity crushing (TCD)           | 42,000 | 59,520 | 1,01,520 |
| Annual crushing capacity (MMT)    | 8.4    | 13.6   | 22       |
| Ethanol capacity (KLPD)           | 930    | 3,230  | 4,160    |
| Sugar refining capacity (TPD)     | 10,000 | -      | 10,000   |
| Power generating capacity (MW)*   | 256    | 317    | 573      |
| Power exportable (MW)*            | 142    | 221    | 363      |
| Own cane plantation (in hectares) | -      | 20,000 | 20,000   |

\*w.e.f. 1<sup>st</sup> July, 2017

### Segmental Operational Performance (India)

|   | FY18             | FY17             | y-o-y (in %) |
|---|------------------|------------------|--------------|
| <b>A. Sugar Mills</b>                       |                  |                  |              |
| Sugarcane crushed (tonnes)                  | 3,574,270        | 2,152,080        | 66           |
| Recovery (weighted average)                 | 11.01%           | 11.28%           | (2)          |
| Sugar produced from cane (tonnes) (I)       | 393,524          | 242,667          | 62           |
| <b>B. Refining</b>                          |                  |                  |              |
| Raw sugar processed (tonnes)                | 1,183,950        | 1,352,421        | (12)         |
| Sugar produced from raw sugar (tonnes) (II) | 1,150,425        | 1,323,295        | (13)         |
| <b>Total sugar produced (tonnes) (I+II)</b> | <b>1,543,949</b> | <b>1,565,962</b> | <b>(1)</b>   |
| <b>C. Co-generation</b>                     |                  |                  |              |
| Generation of power (Million Kwh)           | 550              | 537              | 2            |
| Captive consumption (Million Kwh)           | 264              | 229              | 15           |
| Power exported (Million Kwh)                | 287              | 308              | (7)          |
| <b>D. Ethanol plant</b>                     |                  |                  |              |
| Ethanol produced (Million litres)           | 80               | 74               | 8            |

### Consolidated Financial Performance

|  | FY18     | FY17     | y-o-y (in %) |
|--|----------|----------|--------------|
| Total income (₹ in Million)            | 78,410   | 1,23,217 | (36)         |
| EBITDA (₹ in Million)                  | (11,093) | 10,836   | (202)        |
| Profit before Tax (PBT) (₹ in Million) | (27,176) | (11,659) | (133)        |
| Profit after Tax (PAT) (₹ in Million)  | (22,038) | (11,520) | (91)         |
| Basic Earnings per Share (EPS) (₹)     | (21.87)  | (12.40)  | (76)         |
| Net block (₹ in Million)               | 62,213   | 76,217   | (18)         |

### Standalone Financial Performance

|                             | FY18     | FY17    | y-o-y (in %) |
|-----------------------------|----------|---------|--------------|
| Total income (₹ in Million) | 59,031   | 79,158  | (25)         |
| EBITDA (₹ in Million)       | (1,336)  | 3,522   | (138)        |
| PBT (₹ in Million)          | (36,098) | (3,119) | (1,057)      |
| PAT (₹ in Million)          | (29,821) | (2,358) | (1,165)      |
| Basic EPS (₹)               | (29.63)  | (2.54)  | (1,067)      |
| Net block (₹ in Million)    | 38,882   | 41,924  | (7)          |

**Production:** In FY18, sugarcane crushed by the Company increased by 66% from 2,152,080 MT in FY17 to 3,574,270 MT. Total recoverable sugar (yield) per MT of sugarcane declined from 11.28% in FY17 to 11.01% in FY18. The total sugar produced decreased by 1% from 15,65,962 MT in FY17 to 15,43,949 MT in FY18. Reduction in sugar production is due to lower production in refineries. Total power generation and ethanol production increased by 2% and 8%, respectively to 550 Million Kwh and 80 Million litres, respectively in FY18.

### Financials Standalone Basis

**Revenues:** The Company's total turnover (total revenue gross of excise duty and including other income) dropped to ₹59,031 Million in FY18 compared to ₹79,158 Million in FY17.

### Revenue (₹ in Million)

| Segment      | FY18   | FY17   | Change (in %) |
|--------------|--------|--------|---------------|
| Sugar        | 46,345 | 60,498 | (23%)         |
| Ethanol      | 2,454  | 4,686  | (48%)         |
| Cogeneration | 1,123  | 1,132  | (1%)          |

**Sales volume:** Sugar sales volumes declined from 1,719,807 MT in FY17 to 1,452,608 MT in FY18. There was a 9% drop in average sugar price realisation, from ₹34,732/tonne in FY17 to ₹31,755/tonne, leading to decrease in revenues from sugar.

Ethanol sales volume fell by 47%, from 104,113 KL in FY17 to 55,525 KL in FY18. Realisation marginally increased by 1%, from ₹43,274/KL in FY17 to ₹43,816/KL.

Co-generation sales volumes decreased from 301 Kwh in FY17 to 276 Kwh in FY18 and realisation increased from ₹3.64/unit to ₹4/unit.

**Expenditure:** The total expenditure (excluding provisions for tax, foreign currency gain/loss, interest and depreciation) decreased to ₹60,367 Million in FY18 from ₹75,635 Million in FY17.

**Raw material cost:** The cumulative raw material consumption decreased to ₹46,403 Million in FY18, from ₹52,535 Million in FY17. Raw material cost, as a percentage to sales, increased to 78.6% compared to 66.36% previous year.

**Interest cost:** The total interest cost increased by 27% to ₹4,986 Million in FY18 from ₹3,921 Million in FY17.

**Profit before Tax:** Loss before tax stood at ₹36,098 Million in FY18 compared to ₹3,119 Million in FY17, due to changes in various revenue and cost items discussed above.

## RISKS AND CONCERNS

Some of the risks that may impact the Company's operations are:

- Global fluctuations in demand and supply of sugar
- Macroeconomic factors that affect demand and supply of sugar, ethanol and power, including price fluctuations, interest rate volatility and adverse foreign currency movement (especially in countries where the Company conducts business)
- Seasonal uncertainties that impact the production of sugarcane
- Unfavourable shifts in government policies and regulations
- Increased cost of logistics
- Work stoppages owing to union strikes and other reasons
- High rate of attrition among employees

**Risk management:** The Company ensures timely identification and implementation of effective mitigation measures to ensure its smooth functioning. The Company's Risk Management Policy recognises that it is a going concern and strives to minimise the impact of both internal and external risk factors on the business through a thorough and periodic analysis.

## INTERNAL CONTROL SYSTEM

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

A comprehensive Annual Audit Plan, spanning all factories and locations of the Company, is drafted, updated and approved by the Audit Committee of the Board on a regular basis. This is followed by an audit conducted by Independent Chartered Accountants. These audits also test the effectiveness of mitigation actions implemented to defend the Company from various internal and external risks. A host of strategies are devised as a follow up measure to protect the Company from such uncertain events. Special audits are also

conducted as directed by the Management. The Company's robust IT architecture safeguards sensitive data and eases the audit process.

## AUDIT COMMITTEE

The Audit Committee of the Board of Directors *inter alia* views 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 and 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.

## HUMAN ASSET MANAGEMENT

The Company's workforce is its biggest asset and central to its success through the years. People, across tiers, levels and functions, drive the Company's profitability through their sense of ownership and purpose. With dedicated human resource policies in place, the Company endeavours to provide a learning-oriented high-performance work culture. In this manner, it not only establishes a transparent and supportive work environment but also nurtures the holistic growth of employees in conjunction with that of the organisation. There are several training and development programmes conducted throughout the year to build capabilities and upskill staff members.

The Company attracts a talented set of employees with broad skillsets, as well as unique competencies. This diverse talent pool enables the Company to stay ahead of the curve. As on 31<sup>st</sup> March, 2018, the Company employed a total of 8,360 people (2,782 in India and 5,578 in Brazil). As a respected member of the corporate community, it continues to uphold fair management practices and maintain harmonious industrial relations.

## ENVIRONMENT, HEALTH AND SAFETY

The Company adheres to mandatory Environment, Health and Safety (EHS) requirements and is committed to adopting stricter standards wherever suitable. It is fully cognisant of its responsibility towards the environment it operates in and the welfare of the people it employs. Workers' safety is paramount and a comprehensive array of measures are implemented across all manufacturing locations to ensure the same.

Given the nature of the sugar industry, investments are consistently made to follow industry-leading effluent management practices and reduce the carbon footprint of the organisation. Besides, the two focus areas of the Company's sustainability initiatives are community healthcare and education. It also has instituted a culture of awareness across all its facilities to educate employees on key topics of fitness and health.



# Board's Report

Dear members,

The Board of Directors presents their Twenty-Second Annual Report and audited financial statements for the financial year ended 31<sup>st</sup> March, 2018.

## STANDALONE FINANCIAL RESULTS

The highlights of the standalone financial results are as under:

| (₹ in Million)   |         |         |
|--|---------|---------|
| Particulars  | FY 2018 | FY 2017 |
| Revenues   | 59031   | 79158   |
| Profit /(loss) before financial expenses, depreciation and exceptional items | (1431)  | 3334    |
| Financial expenses   | 4986    | 3921    |
| Depreciation   | 2322    | 2532    |
| Profit /(loss) before provision for tax and exceptional items                | (8739)  | (3119)  |
| Exceptional Items  | 27359   | -       |
| Provision for taxation:  |         |         |
| - Current  | -       | -       |
| - Deferred Tax   | (6277)  | (761)   |
| Net Profit/(Loss)  | (29821) | (2358)  |
| Total comprehensive income/(loss)  | (30440) | (2363)  |
| Retained Earnings and Items of OCI brought forward from the previous year    | 6417    | 8905    |
| Changes in Retained Earnings   | (29149) | (1761)  |
| Changes in Items of Other Comprehensive Income (OCI)                         | (1291)  | (727)   |
| Transfer to Debenture Redemption Reserves                                    | -       | (125)   |
| Closing Retained Earnings and Items of OCI                                   | (24023) | (6417)  |

## OPERATING HIGHLIGHTS

The Company achieved a turnover of ₹ 59031 million for the year ended 31<sup>st</sup> March, 2018 as against ₹ 79158 million for the previous year. The EBITDA for the year under review stood at ₹ (1431) million as compared to ₹ 3334 million for the previous year, while the Net Loss stood at ₹ 29821 million as compared to Net Loss of ₹ 2358 million for the previous year. Analysis of operating performance is covered under Management Discussion and Analysis which forms part of this Report.

## DIVIDEND & DIVIDEND DISTRIBUTION POLICY

As the Company has incurred losses during the year under review, your Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2018. The Dividend Distribution Policy of the Company may be accessed on the Company's website at [www.renukasugars.com](http://www.renukasugars.com)

## TRANSFER TO RESERVES

Debenture Redemption Reserve is created to the extent of 25% of the non-convertible debentures (NCDs) equally over the period till maturity of the NCDs, as per the requirements of the applicable laws. During the current year, the Company has not created Debenture Redemption Reserve on outstanding amount of NCDs.

## FIXED DEPOSITS

Your Company has not accepted any deposits from public/ shareholders in accordance with Sections 73 and 74 of the Companies Act, 2013.

## DEBENTURES

During the year under review, your Company has allotted 5521 0.01% Non-Convertible Debentures (NCDs) of ₹ 10 lacs each aggregating to ₹ 5521 million to the lenders pursuant to debt restructuring exercise undertaken by the Company, by converting the part of the loans facilities availed by the Company from the lenders. The details of Debentures outstanding as on 31<sup>st</sup> March, 2018 are given in the financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (the Listing Regulations), Consolidated Financial Statements of the Company have been prepared for the year under review. The audited Consolidated Financial Statements along with the auditors' report thereon forms part of this Annual report.

A summary of the financial performance of each of the subsidiary, associate and joint venture companies in the prescribed Form AOC-1 is provided in the financial statements.

The Company's Policy for Determining Material Subsidiaries may be accessed on the Company's website at [www.renukasugars.com](http://www.renukasugars.com)

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and accounts of each of the subsidiaries of the Company are available on the website of the Company at [www.renukasugars.com](http://www.renukasugars.com). These documents will be made available to the Members for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and public holidays, between 9.00 a.m. and 6.00 p.m. upto the date of the ensuing Annual General Meeting. The Company will make available the documents of the subsidiaries upon request by any member of the Company interested in obtaining the same.

## SHARE CAPITAL

During the year under review, as a part of debt restructuring exercise, your Company allotted on preferential basis, 481,843,884 0.01% Compulsorily Convertible Preference Shares (CCPS) at ₹ 16.28 each aggregating to ₹ 7844.42 million to Wilmar Sugar Holdings Pte. Ltd., one of the promoter of the Company and also allotted 489,728,828 equity shares at ₹ 16.28 each aggregating to ₹ 7972.79 million, 4,28,08,858 0.01% Optionally Convertible Preference Shares at ₹ 100 each aggregating to ₹ 4280.89 million and 74,388,207 0.01% Redeemable Preference Shares at ₹ 100 each aggregating to ₹ 7438.82 million, to the lenders by converting the part of the loans facilities availed by the Company from the lenders. Subsequently, Wilmar Sugar Holdings Pte. Ltd. exercised the conversion option and converted 481,843,884 CCPS into equal number of equity shares.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 (the Act), Mr. Stephen Ho Kiam Kong (DIN: 07584449), Director of the Company, is proposed to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment

Pursuant to the recommendation of the Nomination & Remuneration/Compensation Committee, the Board of Directors have approved appointment of Mr. Madhu Rao (DIN: 02683483) as an Independent Director for a period of 5 years with effect from 27<sup>th</sup> June, 2018. Mr. Atul Chaturvedi, Non-Executive Director, has assumed charge as Executive Chairman (KMP) with effect from 2<sup>nd</sup> July, 2018.

Brief resumes and other particulars of Mr. Madhu Rao and Mr. Stephen Ho Kiam Kong, as stipulated under Regulation 36(3) of the Listing Regulations/Secretarial Standard-2 on General Meetings, are given in the Notice of Annual General Meeting, which forms part of this Annual Report. The Board recommends the appointment of the aforesaid Directors for members' approval.

The Company has received the declarations from the Independent Directors confirming that they satisfy the criteria of independence as prescribed under Section 149(6) of the Act and under the provisions of Listing Regulations.

Mrs. Vidya Murkumbi (DIN: 00007588) stepped-down as Executive Chairperson and Director of the Company effective from end of day on 30<sup>th</sup> June, 2018, upon completion of open offer by Wilmar Sugar Holdings Pte. Ltd.

Mr. Narendra Murkumbi (DIN: 00009164) stepped-down from the position of Vice Chairman & Managing Director of the Company effective from end of day on 30<sup>th</sup> June, 2018, upon completion of open offer by Wilmar Sugar Holdings Pte. Ltd. However, Mr. Murkumbi would continue as Non-Executive Director of the Company effective from 1<sup>st</sup> July, 2018.

Mr. Hrishikesh Parandekar (DIN: 01224244) resigned as Independent Director with effect from end of day on 30<sup>th</sup> June, 2018.

Mr. Sanjay Asher (DIN: 00008221) resigned as Independent Director with effect from end of day on 2<sup>nd</sup> July, 2018.

The Board places on record its appreciation towards valuable contribution made by outgoing directors during their tenure as a Director of the Company.

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

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

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

## MEETINGS OF THE BOARD

During the year, thirteen meetings of the Board of Directors were held, the details of which are given in the report on Corporate Governance.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with no material departures;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and of the loss of the Company for the year ended on that date;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable

laws and that such systems are adequate and operating effectively.

## AUDITORS AND AUDITORS' REPORT

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

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any adverse qualification, reservation, adverse remark or disclaimer.

During the year, the Statutory Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

## SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Companies Act, 2013, the Board had appointed M/s. Sanjay Dholakia & Associates, Practicing Company Secretary (Membership No. F2655/CP No. 1798), to conduct the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2018 is annexed herewith at Annexure 2 to this Report. The said report mentions that the Board of Directors of the company has approved the un-audited quarterly results for the quarter ended 31<sup>st</sup> December, 2017 on 12<sup>th</sup> March, 2018 and the Company has paid the requisite fees to BSE Limited and National Stock Exchange of India Limited for the same. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## COST AUDITORS

The Board of Directors on the recommendation of the Audit Committee, have appointed M/s. B. M. Sharma & Co, Cost Accountants, as the Cost Auditor to audit the cost records for the financial year ending 31<sup>st</sup> March, 2019. Remuneration payable to the Cost Auditor is subject to ratification by the members of the Company. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s. B. M. Sharma & Co, Cost Accountants, is included in the Notice convening the Annual General Meeting, along with relevant details, including the proposed remuneration.

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

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

## CORPORATE GOVERNANCE

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

## CEO/CFO CERTIFICATION

As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO Certificate is attached with this Annual Report.

## PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as Annexure 4 to this Report.

## EMPLOYEE STOCK OPTION SCHEME

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

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

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Contracts/arrangements entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Therefore, the disclosure in AOC-2 is not applicable for the financial year 2017-18. The details of transactions with related parties are given in notes to the financial statements. Details showing the disclosure of transactions with related parties as required under Ind AS-24 are set out in the financial statements.

The Company's Policy on Related Party Transactions may be accessed on the Company's website at [www.renukasugars.com](http://www.renukasugars.com)

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to Corporate Social Responsibility (CSR) by catering to the needs of the weaker sections of the society. Pursuant to the provisions of the Section 135 of the Companies Act, 2013 (the Act), your Company has constituted a CSR Committee of the Board of Directors to monitor the CSR activities of the Company. The details relating to the CSR Committee are described in the Corporate Governance Report forming part of this Annual Report. The CSR Policy of the Company may be accessed on the Company's website at [www.renukasugars.com](http://www.renukasugars.com)

The report on the CSR activities is provided at Annexure 5 to the Board's Report.

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return (MGT-9) of the Company is annexed herewith as Annexure 6 to this Report.

## RISK MANAGEMENT & INTERNAL FINANCIAL CONTROLS

The Company has adopted a Risk Management Policy which is reviewed on a periodic basis in order to recognize, assess and reduce exposure to risks wherever possible. The Company's Risk Management Policy is based on the philosophy of achieving substantial growth while mitigating and managing risks involved.

The Company's internal control systems with reference to the financial statements are adequate and commensurate with the nature of its business and the size and complexity of its operations. Periodic audits and checks are conducted and the controls to prevent, detect and correct any irregularities in the operations have been laid down by the Company.

## WHISTLE BLOWER POLICY

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has in place a Whistleblower Policy/Vigil Mechanism to deal with unethical behavior, victimisation, fraud and other grievances or concerns of directors and employees. The Whistleblower Policy can be accessed on the Company's website at [www.renukasugars.com](http://www.renukasugars.com)

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

("the Act") and Rules made thereunder, your Company has constituted Internal Complaints Committees.

During the year, there were no complaints received by the Company under the Act.

## HUMAN RESOURCES (HR)

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

## MATERIAL CHANGES & EVENTS AFTER BALANCE SHEET DATE

- During FY 18, the Company implemented a Resolution Plan which contemplated Additional investment of ₹ 784.92 crores by Wilmar Sugar Holdings Pte. Ltd. (WSH); upfront repayment and settlement of ₹ 730.13 crores of the outstanding debt; waiver of ₹ 657.99 crores of the debt; restructuring of the sustainable debt of SRSIL through changes in the repayment terms by way of a rupee loan facility and a working capital facility; and conversion by certain lenders of part of the unsustainable debt into equity shares, optionally convertible preference shares, redeemable preference shares and non-convertible debentures.

Further, in connection with the Debt Restructuring Package, WSH, Wilmar International Limited, the Company and the Murkumbi Group have executed the Joint Venture Termination Agreement on 9<sup>th</sup> March, 2018, pursuant to which the earlier Joint Venture Agreement entered into among them, governing their mutual rights and obligations as shareholders including but not limited to management rights, reserved matters and transfer restrictions, has been terminated.

- The Company's Brazilian subsidiary Shree Renuka Do Brasil Participacoes Ltda (SRDBPL) together with all of its subsidiaries (collectively 'Renuka Brazil'), had on 28<sup>th</sup> September, 2015, filed for protection under Judicial Recovery Law (Law 11.101/2005-Recuperação Judicial) in the designated court in the capital of the state of São Paulo.

On 6<sup>th</sup> July, 2018 a recovery plan of Renuka Vale do Ivaí was approved by Creditors in the Creditors General Assembly and Court approval is awaited.

In Renuka do Brasil, the recovery plan was approved by creditors on 22<sup>nd</sup> May, 2017 and judge also approved the plan on 6<sup>th</sup> June, 2017. However the plan was not implemented as the Superior Court of Sao Paulo granted injunction to Banco Nacional do Desenvolvimento (BNDES Bank) to suspend the Amended RJ Plan and its effects.

Presently, new recovery plan is under discussion with Creditors and it will be presented for approval on 29<sup>th</sup> August 2018.

## OTHER DISCLOSURES/REPORTING

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

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

## APPRECIATION & ACKNOWLEDGEMENTS

The Board wishes to place on record its gratitude for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and cane growers and finally to all its members for the trust and confidence reposed on the Company. The Board further wishes to record its sincere appreciation for the significant contributions made by employees at all levels for their competence, dedication and contribution towards the operations of the Company.

For and on behalf of the Board,  
**Atul Chaturvedi**  
Chairman

8<sup>th</sup> August, 2018, Mumbai



# Annexure 1

## Nomination and Remuneration Policy

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

### 1. DEFINITIONS

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

management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

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

### 2. OBJECTIVE

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

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

- 2.8 To develop a succession plan for the Board and to regularly review the plan.
- 2.9 To assist the Board in fulfilling responsibilities.
- 2.10 To implement and monitor policies and processes regarding principles of corporate governance.

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

#### **3.1 Appointment Criteria and Qualifications:**

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

#### **4. TERM/TENURE**

##### **4.1 Managerial Personnel:**

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment

shall be made earlier than one year before the expiry of term.

##### **4.2 Independent Director:**

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

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

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

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

### **5. RETIREMENT**

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

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

### **6. EVALUATION**

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

### **7. REMOVAL**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management

subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

## 8. REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT

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

Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel subject to the provisions of the Act.

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

## 9. REMUNERATION TO NON-EXECUTIVE/ INDEPENDENT DIRECTORS

- 9.1 Remuneration/Commission:

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

- 9.2 Sitting Fees:

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

- 9.3 Limit of Remuneration/Commission:

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

## 10. DUTIES IN RELATION TO NOMINATION MATTERS

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

- 10.1 Determining the appropriate size, diversity and composition of the Board;
- 10.2 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.3 Ensuring that on appointment to the Board, Independent Directors receive a formal letter of

appointment in accordance with the Guidelines provided under the Act;

- 10.4 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.5 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.6 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.7 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.8 Recommend any necessary changes to the Board; and
- 10.9 Considering any other matters, as may be requested by the Board.

## 11. DUTIES IN RELATION TO REMUNERATION MATTERS

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

- 11.1 Considering and determining the Remuneration Policy, based on the performance and also

bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

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

## 12. REVIEW AND AMENDMENT TO THE POLICY

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

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

# Annexure 2

## Form No. MR 3

### SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

### SHREE RENUKA SUGARS LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHREE RENUKA SUGARS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; There were no ESOPS issued during the year under review.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; There were no proposals for delisting of its Equity shares during the year under review; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There were no Buy Back of its equity shares during the year under review.

- (vi) The Company has devised systems for compliance of applicable laws, the list of which is given below:

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

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective July 1, 2015;

- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), effective from 1<sup>st</sup> December, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above except the following:

1. Pursuant to the regulation 33(3)(a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board of Directors of the company has approved the un-audited quarterly results for the quarter ended 31<sup>st</sup> December 2017 on 12<sup>th</sup> March, 2018 and the Company has paid the requisite fees to BSE Limited and National Stock Exchange of India Limited for the same.

#### **I further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI Listing Regulations.

Requisite notice to schedule the Board Meetings, agenda and detailed notes on agenda were given to all directors in pursuance of the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**

#### **SANJAY R. DHOLAKIA**

Practising Company Secretary  
Proprietor  
Membership No. 2655 /CP No. 1798

Date: 3<sup>rd</sup> May, 2018  
Place: Mumbai

#### **Annexure A**

To,  
The members,  
**SHREE RENUKA SUGARS LIMITED**

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

#### **SANJAY R. DHOLAKIA**

Practising Company Secretary  
Proprietor  
Membership No. 2655 /CP No. 1798

Date: 3<sup>rd</sup> May, 2018  
Place: Mumbai

# Annexure 3

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134(3) OF COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

## A. CONSERVATION OF ENERGY

### (i) Steps taken for conservation of energy

#### Kolavi:

1. Auto Power Factor Control system installed with 700 KVR Capacitor bank to improve PF from 0.78 to 0.98 to save energy.
2. Reduced steam consumption by 3.5% by utilizing I & II body vapour instead of direct steam for molasses conditioning and soda boiling of evaporator bodies.

#### Panchaganga:

1. Reduced steam consumption by 1.25% by utilizing the waste heat of second body condensate hot water using liquid to liquid heat exchangers.

## B. TECHNOLOGY ABSORPTION

### (i) Efforts made towards technology absorption:

#### Munoli:

1. Installed Granular Activated Carbon system to achieve colour reduction.

### (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

1. Colour reduction in final product achieved.

### (iii) Details regarding imported technology (imported during last three years reckoned from the beginning of the financial year):

|  |                |
|--|----------------|
| (a) The details of technology imported   | Nil            |
| (b) The year of import   | Not Applicable |
| (c) Whether the technology been fully absorbed   | Not Applicable |
| (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | Not Applicable |

### (iv) Expenditure incurred on Research and Development:

Nil.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earned : 36188.76 million

Outgo of Foreign Exchange : 12117.73 million



## Annexure 4

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

| Sr. No. | Name of Director/KMP and Designation                     | Remuneration of Director/KMP for Financial Year (FY) 2017-18 (₹ in Million) | % increase in Remuneration in the Financial Year 2017-18 | Ratio of remuneration of each Director to median remuneration of employees |
|---------|--|---|--|--|
| 1       | Mrs. Vidya Murkumbi, Executive Chairperson               | 17.37   | 0.00%  | 70.74  |
| 2       | Mr. Narendra Murkumbi, Vice Chairman & Managing Director | 19.48   | 0.00%  | 79.33  |
| 3       | Mr. Vijendra Singh, Executive Director                   | 19.44   | 295.26%  | 79.15  |
| 4       | Mr. Sanjay Asher, Independent Director                   | 0.40  | (24.07%)   | 1.63   |
| 5       | Mr. Hrishikesh Parandekar, Independent Director          | 0.73  | (15.54%)   | 2.96   |
| 6       | Mr. S. K. Tuteja, Independent Director                   | 0.88  | 34.02%   | 3.57   |
| 7       | Mr. Ashit Mallick, Independent Director*                 | 0.20  | (20.20%)   | 0.82   |
| 8       | Mr. Atul Chaturvedi, Non-Executive Director              | -   | NA   | NA   |
| 9       | Mr. Jean-Luc Bohbot, Non-Executive Director              | -   | NA   | NA   |
| 10      | Mr. Bharatkumar Mehta, Independent Director^             | 0.35  | 100.00%  | 1.43   |
| 11      | Mr. Stephen Ho Kiam Kong, Non-Executive Director         | -   | NA   | NA   |
| 12      | Mr. Bhupatrai Premji, Independent Director               | 0.73  | 100.00%  | 2.95   |
| 13      | Mr. Dorab Mistry, Independent Director                   | -   | NA   | NA   |
| 14      | Mr. K. K. Kumbhat, Chief Financial Officer               | 25.13   | (0.26%)  | 102.34   |
| 15      | Mr. Naveen Manghani, Company Secretary#                  | 1.58  | NA   | 6.44   |
| 16      | Mr. Rupesh Saraiya, Company Secretary^                   | 1.60  | NA   | 1.46   |

Note - Remuneration to Independent Directors consists only of sitting fees paid for FY 2017-18.

\* Passed away on 10<sup>th</sup> September, 2017.

# Upto 31<sup>st</sup> October, 2017.

^ W.e.f. 13<sup>th</sup> November, 2017

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 0.25 million.
- (iii) In the financial year, there was an decrease of 1.18% in the median remuneration of employees.
- (iv) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2018 were 2,062.
- (v) Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2017-18 was 7.17% and increase in the managerial remuneration was by 40.02%.
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**Information relating to particulars of employees under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:**

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

| Sr. No. | Name and Designation                                       | Remuneration Received (₹ in Million) | Qualifications                  | Total Experience (No. of years) | Date of Commencement of Employment | Age in Year | Previous Employment    |
|---------|--|--------------------------------------|---------------------------------|---------------------------------|------------------------------------|-------------|------------------------|
| 1       | Mr. K. K. Kumbhat<br>Chief Financial Officer               | 25.13                                | B.Com, ACA, ACS                 | 37                              | 12 <sup>th</sup> March, 2008       | 59          | Ashapura Minechem Ltd. |
| 2       | Mr. Narendra Murkumbi<br>Vice Chairman & Managing Director | 19.48                                | BE (E&C), PGDM (IIM), Ahmedabad | 21                              | 20 <sup>th</sup> September, 1997   | 48          | -                      |



| Sr. No. | Name and Designation  | Remuneration Received (₹ in Million) | Qualifications  | Total Experience (No. of years) | Date of Commencement of Employment  | Age in Year | Previous Employment                          |
|---------|---|--------------------------------------|---|---------------------------------|-------------------------------------|-------------|--|
| 3       | Mrs. Vidya Murkumbi<br>Executive Chairperson                    | 17.37                                | B.Sc., Doctorate by<br>Karnataka State<br>Bijapur Woman's<br>University | 35                              | 1 <sup>st</sup> April, 2004         | 70          | -  |
| 4       | Mr. Vijendra Singh<br>President (Sugar Mills)                   | 16.29                                | B.Sc., PGD<br>(SUGAR TECH)  | 34                              | 15 <sup>th</sup> September,<br>2010 | 58          | Ashapura<br>Minechem Ltd.                    |
| 5       | Mr. Ravi Gupta<br>President (Corporate)                         | 12.88                                | B.Com, PGD<br>(Forestry<br>Management)                                  | 27                              | 1 <sup>st</sup> May, 2013           | 48          | Noble Natural<br>Resource India<br>Pvt. Ltd. |
| 6       | Mr. Ashok Kumar Sharma<br>Senior Vice President<br>(Operations) | 9.15                                 | BE (MECH), BOE  | 42                              | 5 <sup>th</sup> September,<br>2011  | 68          | Uttam Sugars<br>Ltd.                         |
| 7       | Mr. Shripad Nerlikar<br>Executive Director (Cane)               | 9.09                                 | B.Sc. (AGRI)  | 41                              | 1 <sup>st</sup> October, 2003       | 62          | Halasidhanath<br>SSK Ltd.                    |
| 8       | Mr. Anil Joshi Senior<br>Vice President (HR)                    | 7.14                                 | B. Com, Diploma<br>(Personal<br>Management<br>& Business<br>Management) | 38                              | 16 <sup>th</sup> February,<br>2015  | 58          | KEC<br>International<br>Limited              |
| 9       | Mr Sanjay Kumar Bansal<br>Senior General Manager<br>(Finance)   | 6.04                                 | B. Sc. & CA   | 16                              | 7 <sup>th</sup> December,<br>2013   | 42          | ABG Group                                    |
| 10      | Mr. Sanjay Kumar Goyal<br>Vice President (Accounts & MIS)       | 5.37                                 | M.com, FCA &<br>DISA(ICAI)  | 26                              | 29 <sup>th</sup> April, 2011        | 49          | Bajaj<br>Hindustan Ltd.                      |

**(ii) Employed throughout the financial year, was in receipt of remuneration for that year which, in aggregate, was not less than ₹ 10,200,000/-**

(₹ In Million)

| Sr. No. | Name and Designation  | Remuneration received (₹) | Qualifications  | Total Experience (No. of Years) | Date of commencement of Employment  | Age in Year | Previous Employment                          |
|---------|---|---------------------------|---|---------------------------------|-------------------------------------|-------------|--|
| 1       | Mr. K. K. Kumbhat<br>Chief Financial Officer                  | 25.13                     | B.Com, ACA, ACS   | 37                              | 12 <sup>th</sup> March, 2008        | 59          | Ashapura<br>Minechem Ltd.                    |
| 2       | Mr. Narendra Murkumbi<br>Vice Chairman & Managing<br>Director | 19.48                     | BE (E&C), PGDM<br>(IIM), Ahmedabad                                      | 21                              | 20 <sup>th</sup> September,<br>1997 | 48          | -  |
| 3       | Mrs. Vidya Murkumbi<br>Executive Chairperson                  | 17.37                     | B.Sc., Doctorate by<br>Karnataka State<br>Bijapur Woman's<br>University | 35                              | 1 <sup>st</sup> April, 2004         | 70          | -  |
| 4       | Mr. Vijendra Singh<br>President (Sugar Mills)                 | 16.29                     | B.Sc., PGD<br>(SUGAR TECH)  | 34                              | 15 <sup>th</sup> September,<br>2010 | 58          | Ashapura<br>Minechem Ltd.                    |
| 5       | Mr. Ravi Gupta<br>President (Corporate)                       | 12.88                     | B.Com, PGD<br>(Forestry<br>Management)                                  | 27                              | 1 <sup>st</sup> May, 2013           | 48          | Noble Natural<br>Resource India<br>Pvt. Ltd. |

**(iii) Employed for the part of the year, was in receipt of remuneration in aggregate not less than ₹ 850,000/- per month**

(₹ In Million)

| Sr. No. | Name and Designation | Remuneration received (₹) | Qualifications | Total Experience (No. of Years) | Date of commencement of Employment | Age in Year | Previous Employment |
|---------|----------------------|---------------------------|----------------|---------------------------------|------------------------------------|-------------|---------------------|
| Nil     |                      |                           |                |                                 |                                    |             |                     |

# Annexure 5

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18  
(Pursuant to Section 135 of the Companies Act, 2013)

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

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

**2. The composition of the CSR Committee as on 31<sup>st</sup> March, 2018<sup>#</sup>**

Mr. Surender Kumar Tuteja, Chairman

Mr. Narendra M. Murkumbi, Member

Mrs. Vidya M. Murkumbi, Member

*# The Committee has been reconstituted and presently it consists of following members:*

*Mr. Surender Kumar Tuteja, Chairman*

*Mr. Jean-Luc Bohbot, Member*

*Mr. Atul Chaturvedi, Member*

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

Pursuant to Section 198 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was in negative. Accordingly, the Company was not required to spend any CSR Expenditure during the financial year 2017-18.

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

Nil

**5. Details of CSR spent during the financial year**

- a) Total amount to be spent for the financial year: Nil
- b) Amount un-spent, if any: Not Applicable
- c) Manner in which the amount spent during financial year, is detailed below:

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

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

Not Applicable

**7. Responsibility statement of the CSR Committee**

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

Date: 8<sup>th</sup> August, 2018

Place: Mumbai

**Surender Kumar Tuteja**

Chairman - CSR Committee

**Atul Chaturvedi**

Member - CSR Committee

# Annexure 6

## MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

|      |   |   |
|------|---|---|
| i.   | CIN   | L01542KA1995PLC019046   |
| ii.  | Registration Date   | 25 <sup>th</sup> October, 1995  |
| iii. | Name of the Company   | Shree Renuka Sugars Limited   |
| iv.  | Category/Sub-Category of the Company                                      | Public Company/Limited by Shares  |
| v.   | Address of the Registered Office and contact details                      | BC 105, Havelock Road, Camp, Belagavi, Karnataka - 590001, India.<br>Tel. No.: +91-831-2404000<br>Website: www.renukasugars.com   |
| vi.  | Whether listed Company  | Yes   |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Private Limited<br>Karvy Selenium Tower No. B, Plot No. 31-32, Gachibowli,<br>Financial District Nanakramguda, Hyderabad - 500032, India.<br>Tel. No.: +91-40-6716 1700/6716 2222<br>Fax No.: +91-40-6716 1680/2300 1153<br>Website: www.karvycomputershare.com |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Name and Description of main products/services | NIC Code of the product/service | % to total turnover of the Company <sup>#</sup> |
|--|---------------------------------|---|
| Sugar  | 10721                           | 93.52   |

<sup>#</sup> On the basis of Gross Turnover

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name of the Company   | Address of the Company  | CIN/GLN               | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|---|---|-----------------------|--------------------------------|------------------|--------------------|
| 1.      | Shree Renuka Agri Ventures Limited  | BC 105, Havelock Road, Camp, Belagavi 590001, Karnataka.  | U15330KA2008PLC047205 | Subsidiary                     | 100              | 2(87)(ii)          |
| 2.      | Gokak Sugars Limited  | 238, 263, Kolavi, Gokak, Belagavi - 591344, Karnataka.  | U15429KA2000PLC026433 | Subsidiary                     | 93.64            | 2(87)(ii)          |
| 3.      | Monica Trading Private Limited (Formerly known as Monica Realators & Investments Private Limited) | 23, 2 <sup>nd</sup> Floor, Madhuli Co-Op. Hsg. Soc. Ltd., B/h Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018, Maharashtra.                  | U51502MH2006PTC163752 | Subsidiary                     | 100              | 2(87)(ii)          |
| 4.      | Shree Renuka Tunaport Private Limited   | BC 105, Havelock Road, Camp, Belagavi 590001, Karnataka.  | U45205KA2013PTC067486 | Subsidiary                     | 100              | 2(87)(ii)          |
| 5.      | KBK Chem- Engineering Private Limited   | 1 <sup>st</sup> & 2 <sup>nd</sup> Floor, Survey No.1/10 to 16, Amachi Colony, Plot No. 33 & 34, Bhavdhan Khurd, NDA- Pashan Road, Pune - 411021. Maharashtra. | U74210PN1997PTC111151 | Subsidiary                     | 100              | 2(87)(ii)          |
| 6.      | Renuka Commodities DMCC   | 24k, AU Gold Tower, Jumeirah Lakes Tower, Sheikh Zayed Road, Dubai, U.A.E.  | -                     | Subsidiary                     | 100              | 2(87)(ii)          |
| 7.      | Shree Renuka Global Ventures Ltd.   | IFS Court, Twenty Eight, Cyber City, Ebene, Mauritius.  | -                     | Subsidiary                     | 100              | 2(87)(ii)          |

| Sr. No. | Name of the Company                                      | Address of the Company   | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|--|--|---------|--------------------------------|------------------|--------------------|
| 8.      | Shree Renuka East Africa Agriventures PLC                | House No. New, Dire Dawa Building, Woreda: 3, Kirkos Sub- City, Addis Ababa, Ethiopia.   | -       | Subsidiary                     | 100              | 2(87)(ii)          |
| 9.      | Lanka Sugar Refinery Company (Private) Limited           | RNH House No. 622B, Kotte Road, Kotte, Sri Lanka.  | -       | Subsidiary                     | 100              | 2(87)(ii)          |
| 10.     | Shree Renuka do Brasil Participações Ltda.               | Nove de Julho Avenue, 5519, 5 <sup>th</sup> floor, Jardim Paulista, Zip Code: 01.406-200, in the city of São Paulo/ SP.                            | -       | Subsidiary                     | 100              | 2(87)(ii)          |
| 11.     | Shree Renuka São Paulo Participações Ltda.               | Nove de Julho Avenue, 5519, 5 <sup>th</sup> floor, Jardim Paulista, Zip Code: 01.406-200, in the city of São Paulo/ SP.                            | -       | Subsidiary                     | 100              | 2(87)(ii)          |
| 12.     | Renuka do Brasil S/A                                     | Marechal Rondon Road, Km 455 - Bairro Patos, Água Branca Farm, Zip Code: 16.370-000 CP 01, in the city of Promissão/SP. CNPJ: 43.932.102/0005-81   | -       | Subsidiary                     | 59.41            | 2(87)(ii)          |
| 13.     | Revati S.A- Acucar e Alcool                              | at CRD-339 Local Road, Coroados- Brejo Alegre, no number, Rural Areal, Zip Code: 16.265-000, in the city of Brejo Alegre/SP                        | -       | Subsidiary                     | 59.41            | 2(87)(ii)          |
| 14.     | Renuka Geradora de Energia Elétrica Ltda.                | Marechal Rondon Road, Km 455 - Bairro Patos, Água Branca Farm, Zip Code: 16.370-000 CP 01, in the city of Promissão/SP                             | -       | Subsidiary                     | 59.41            | 2(87)(ii)          |
| 15.     | Renuka Cogeração Ltda.                                   | Marechal Rondon Road, Km 455 - Bairro Patos, Água Branca Farm, Zip Code: 16.370-000 CP 01, in the city of Promissão/SP                             | -       | Subsidiary                     | 59.41            | 2(87)(ii)          |
| 16.     | Revati Geradora de Energia Elétrica Ltda.                | CRD-339 Local Road, Coroados- Brejo Alegre, no number, Rural Areal, Zip Code: 16.265-000, in the city of Brejo Alegre/SP                           | -       | Subsidiary                     | 59.41            | 2(87)(ii)          |
| 17.     | Revati Agropecuaria Ltda.                                | Fazenda Águas Claras, Estrada Municipal CRD-339, Coroados a Brejo Alegre, s/n, in the city of Brejo Alegre, State of São Paulo, Zip code 16265-000 | -       | Subsidiary                     | 59.41            | 2(87)(ii)          |
| 18.     | Apoena Logistica E Comercio De Productos Agrícolas Ltda. | Nove de Julho Avenue, 5519, 5 <sup>th</sup> floor, Jardim Paulista, Zip Code: 01.406-200, in the city of São Paulo/ SP.                            | -       | Subsidiary                     | 100              | 2(87)(ii)          |
| 19.     | Renuka Vale do IVAI S/A                                  | Marisa Road, Km 03, Rural Zone, Zip Code 86945-000, in city of São Pedro do Ivaí/ PR   | -       | Subsidiary                     | 100              | 2(87)(ii)          |

| Sr. No. | Name of the Company                 | Address of the Company  | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|-------------------------------------|---|---------|--------------------------------|------------------|--------------------|
| 20.     | Ivaicana Agropecuaria Ltda.         | Marisa Road, Km 03, Rural Zone, Zip Code 86945-000, in city of São Pedro do Ivaí/ PR          | -       | Subsidiary                     | 100              | 2(87)(ii)          |
| 21.     | Biovale Comercio de Leveduras Ltda. | Marisa Road, Km 03, Rural Zone, Zip Code 86945-000, in city of São Pedro do Ivaí/ PR          | -       | Subsidiary                     | 100              | 2(87)(ii)          |
| 22.     | Ivai Logistica Ltda.                | Road BR 376 - Rodovia Melo Peixoto, KM 4,5, Zip Code 86900- 000, in city of Jandaia do Sul/PR | -       | Subsidiary                     | 50               | 2(87)(ii)          |

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) CATEGORY-WISE SHAREHOLDING

| Category Code | Category of Shareholder                  | No. of Shares Held at the Beginning of the Year |          |                    |                   | No. of Shares Held at the End of the Year |          |                    |                   | % Change During the Year |
|---------------|--|---|----------|--------------------|-------------------|---|----------|--------------------|-------------------|--------------------------|
|               |  | Demat   | Physical | Total              | % of Total Shares | Demat                                     | Physical | Total              | % of Total Shares |                          |
| <b>(A)</b>    | <b>Promoter and Promoter Group</b>       |   |          |                    |                   |   |          |                    |                   |                          |
| (1)           | INDIAN                                   |   |          |                    |                   |   |          |                    |                   |                          |
| (a)           | Individual /HUF                          | 21,917,565                                      | 0        | 21,917,565         | 2.32              | 21,917,565                                | 0        | 21,917,565         | 1.14              | (1.18)                   |
| (b)           | Central Government/State Government(s)   | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (c)           | Bodies Corporate                         | 234,337,170                                     | 0        | 234,337,170        | 24.79             | 234,337,170                               | 0        | 234,337,170        | 12.23             | (12.57)                  |
| (d)           | Financial Institutions / Banks           | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (e)           | Others                                   | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
|               | <b>Sub-Total A(1) :</b>                  | <b>256,254,735</b>                              | <b>0</b> | <b>256,254,735</b> | <b>27.11</b>      | <b>256,254,735</b>                        | <b>0</b> | <b>256,254,735</b> | <b>13.37</b>      | <b>(13.74)</b>           |
| (2)           | FOREIGN                                  |   |          |                    |                   |   |          |                    |                   |                          |
| (a)           | Individuals (NRIs/ Foreign Individuals)  | 1,087,732                                       | 0        | 1,087,732          | 0.12              | 1,087,732                                 | 0        | 1,087,732          | 0.06              | (0.06)                   |
| (b)           | Bodies Corporate                         | 257,492,467                                     | 0        | 257,492,467        | 27.24             | 739,336,351                               | 0        | 739,336,351        | 38.57             | 11.33                    |
| (c)           | Institutions                             | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (d)           | Qualified Foreign Investor               | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (e)           | Others                                   | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
|               | <b>Sub-Total A(2) :</b>                  | <b>258,580,199</b>                              | <b>0</b> | <b>258,580,199</b> | <b>27.36</b>      | <b>740,424,083</b>                        | <b>0</b> | <b>740,424,083</b> | <b>38.63</b>      | <b>11.27</b>             |
|               | <b>Total A=A(1)+A(2)</b>                 | <b>514,834,934</b>                              | <b>0</b> | <b>514,834,934</b> | <b>54.47</b>      | <b>996,678,818</b>                        | <b>0</b> | <b>996,678,818</b> | <b>52.00</b>      | <b>(2.47)</b>            |
| <b>(B)</b>    | <b>Public Shareholding</b>               |   |          |                    |                   |   |          |                    |                   |                          |
| (1)           | INSTITUTIONS                             |   |          |                    |                   |   |          |                    |                   |                          |
| (a)           | Mutual Funds /UTI                        | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (b)           | Financial Institutions /Banks            | 38,068,121                                      | 0        | 38,068,121         | 4.03              | 498,902,528                               | 0        | 498,902,528        | 26.03             | 22.00                    |
| (c)           | Central Government / State Government(s) | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (d)           | Venture Capital Funds                    | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |
| (e)           | Insurance Companies                      | 0   | 0        | 0                  | 0.00              | 0   | 0        | 0                  | 0.00              | 0.00                     |

| Category Code | Category of Shareholder   | No. of Shares Held at the Beginning of the Year |                  |                    |                   | No. of Shares Held at the End of the Year |                  |                      |                   | % Change During the Year |
|---------------|---|---|------------------|--------------------|-------------------|---|------------------|----------------------|-------------------|--------------------------|
|               |   | Demat   | Physical         | Total              | % of Total Shares | Demat                                     | Physical         | Total                | % of Total Shares |                          |
| (f)           | Foreign Institutional Investors   | 0   | 0                | 0                  | 0.00              | 501,000                                   | 0                | 501,000              | 0.03              | 0.03                     |
| (g)           | Foreign Portfolio Investors   | 24,443,650                                      | 0                | 24,443,650         | 2.59              | 23,581,976                                | 0                | 23,581,976           | 1.23              | (1.36)                   |
| (h)           | Foreign Venture Capital Investors   | 0   | 0                | 0                  | 0.00              | 0   | 0                | 0                    | 0.00              | 0.00                     |
| (i)           | Qualified Foreign Investor  | 0   | 0                | 0                  | 0.00              | 0   | 0                | 0                    | 0.00              | 0.00                     |
| (j)           | Others  | 0   | 0                | 0                  | 0.00              | 31,586,497                                | 0                | 31,586,497           | 1.65              | 1.65                     |
|               | <b>Sub-Total B(1) :</b>   | <b>62,511,771</b>                               | <b>0</b>         | <b>62,511,771</b>  | <b>6.61</b>       | <b>554,572,001</b>                        | <b>0</b>         | <b>554,572,001</b>   | <b>28.93</b>      | <b>23.67</b>             |
| (2)           | NON-INSTITUTIONS  |   |                  |                    |                   |   |                  |                      |                   |                          |
| (a)           | Bodies Corporate  | 51,509,713                                      | 0                | 51,509,713         | 5.45              | 62,870,105                                | 0                | 62,870,105           | 3.28              | (2.17)                   |
| (b)           | Individuals   |   |                  |                    |                   |   |                  |                      |                   |                          |
|               | (i) Individuals holding nominal share capital upto ₹ 1 lakh                   | 215,379,392                                     | 5,311,970        | 220,691,362        | 23.35             | 200,679,325                               | 5,266,246        | 205,945,571          | 10.74             | (12.60)                  |
|               | (ii) Individuals holding nominal share capital in excess of ₹ 1 lakh          | 58,392,516                                      | 435,000          | 58,827,516         | 6.22              | 61,223,757                                | 435,000          | 61,658,757           | 3.22              | (3.01)                   |
| (c)           | Others  |   |                  |                    |                   |   |                  |                      |                   |                          |
|               | Clearing Members  | 2,215,040                                       | 0                | 2,215,040          | 0.23              | 1,958,005                                 | 0                | 1,958,005            | 0.10              | (0.13)                   |
|               | Directors   | 1,125,450                                       | 0                | 1,125,450          | 0.12              | 1,070,000                                 | 0                | 1,070,000            | 0.06              | (0.06)                   |
|               | Non Resident Indians  | 6,000,794                                       | 2,000,000        | 8,000,794          | 0.85              | 4,986,930                                 | 2,000,000        | 6,986,930            | 0.36              | (0.48)                   |
|               | NRI Non-Repatriation  | 2,086,174                                       | 0                | 2,086,174          | 0.22              | 1,538,492                                 | 0                | 1,538,492            | 0.08              | (0.14)                   |
|               | Trusts  | 23,050,004                                      | 5,000            | 23,055,004         | 2.44              | 23,049,504                                | 5,000            | 23,054,504           | 1.20              | (1.24)                   |
|               | NBFC  | 388,822   |                  | 388,822            | 0.04              | 486,109                                   |                  | 486,109              | 0.03              | (0.02)                   |
| (d)           | Qualified Foreign Investor  | 0   | 0                | 0                  | 0.00              | 0   | 0                | 0                    | 0.00              | 0.00                     |
|               | <b>Sub-Total B(2) :</b>   | <b>360,147,905</b>                              | <b>7,751,970</b> | <b>367,899,875</b> | <b>38.92</b>      | <b>357,862,227</b>                        | <b>7,706,246</b> | <b>365,568,473</b>   | <b>19.07</b>      | <b>(19.85)</b>           |
|               | <b>Total B=B(1)+B(2) :</b>  | <b>422,659,676</b>                              | <b>7,751,970</b> | <b>430,411,646</b> | <b>45.53</b>      | <b>912,434,228</b>                        | <b>7,706,246</b> | <b>920,140,474</b>   | <b>48.00</b>      | <b>3.82</b>              |
|               | <b>Total (A+B) :</b>  | <b>937,494,610</b>                              | <b>7,751,970</b> | <b>945,246,580</b> | <b>100.00</b>     | <b>1,909,113,046</b>                      | <b>7,706,246</b> | <b>1,916,819,292</b> | <b>100.00</b>     | <b>1.36</b>              |
| (C)           | Shares held by custodians, against which Depository Receipts have been issued |   |                  |                    |                   |   |                  |                      |                   |                          |
| (1)           | Promoter and Promoter Group   | 0   | 0                | 0                  | 0.00              | 0   | 0                | 0                    | 0.00              | 0.00                     |
| (2)           | Public  | 0   | 0                | 0                  | 0.00              | 0   | 0                | 0                    | 0.00              | 0.00                     |
|               | <b>GRAND TOTAL (A+B+C) :</b>  | <b>937,494,610</b>                              | <b>7,751,970</b> | <b>945,246,580</b> | <b>100.00</b>     | <b>1,909,113,046</b>                      | <b>7,706,246</b> | <b>1,916,819,292</b> | <b>100.00</b>     |                          |

**ii) SHAREHOLDING OF PROMOTERS**

| Sr. No.      | Name of Shareholder                           | Shareholding at the beginning of the year |                                  |  | Cumulative Shareholding during the year |                                   |  | % of change during the Year |
|--------------|---|---|----------------------------------|--|---|-----------------------------------|--|-----------------------------|
|              |   | No. of Shares                             | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | No. of Shares                           | % of total Shares of the Company# | % of Shares Pledged/encumbered to total shares |                             |
| 1            | Wilmar Sugar Holdings Pte. Ltd.               | 257,492,467                               | 27.24                            | -  | 739,336,351                             | 38.57                             | -  | 11.33                       |
| 2            | Murkumbi Investments Pvt. Ltd.                | 121,414,000                               | 12.84                            | 12.84  | 121,414,000                             | 6.33                              | 6.33   | (6.51)                      |
| 3            | Khandepar Investments Pvt. Ltd.               | 75,400,000                                | 7.98                             | 7.97   | 75,400,000                              | 3.93                              | 3.93   | (4.05)                      |
| 4            | Agri Venture Trading and Investment Pvt. Ltd. | 37,523,170                                | 3.97                             | 3.97   | 37,523,170                              | 1.96                              | 1.96   | (2.01)                      |
| 5            | Narendra Madhusudan Murkumbi                  | 10,812,905                                | 1.14                             | 1.14   | 10,812,905                              | 0.56                              | 0.56   | (0.58)                      |
| 6            | Narendra Madhusudan Murkumbi*                 | 2,000,000                                 | 0.21                             | -  | 2,000,000                               | 0.10                              | -  | (0.11)                      |
| 7            | Supriya Shailesh Rojekar                      | 4,710,000                                 | 0.50                             | -  | 4,710,000                               | 0.25                              | -  | (0.25)                      |
| 8            | Inika Narendra Murkumbi                       | 1,400,000                                 | 0.15                             | -  | 1,400,000                               | 0.07                              | -  | (0.08)                      |
| 9            | Malvika Narendra Murkumbi                     | 1,400,000                                 | 0.15                             | -  | 1,400,000                               | 0.07                              | -  | (0.08)                      |
| 10           | Anuradha Ravindra Kulkarni                    | 1,087,732                                 | 0.12                             | -  | 1,087,732                               | 0.06                              | -  | (0.06)                      |
| 11           | Vidya Murkumbi                                | 1,228,800                                 | 0.13                             | 0.13   | 1,228,800                               | 0.06                              | 0.06   | (0.07)                      |
| 12           | Dilip Vasant Rao Deshpande                    | 315,860                                   | 0.03                             | -  | 315,860                                 | 0.02                              | -  | (0.01)                      |
| 13           | Apoorva Narendra Murkumbi                     | 50,000                                    | 0.01                             | -  | 50,000                                  | 0.00                              | -  | (0.01)                      |
| <b>Total</b> |   | <b>514,834,934</b>                        | <b>54.47</b>                     | <b>26.05</b>                                   | <b>996,678,818</b>                      | <b>52.00</b>                      | <b>12.85</b>                                   |                             |

\* Holding shares as Karta of Narendra Madhusudan Murkumbi (HUF)

# Change in percentage of shareholding is due to allotment of equity shares to Wilmar Sugar Holdings Pte. Ltd. upon conversion of 0.01% CCPS into equity shares of the Company and preferential allotment of equity shares to the lenders upon conversion of part of the loan.

**iii) CHANGE IN PROMOTERS' SHAREHOLDING**

| Sr. No. | Name of the Promoter                        | Shareholding at the beginning of the year |                                  | Date wise Increase/Decrease in Shareholding during the year |          |               | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------|---------------|---|----------------------------------|
|         |   | No. of shares                             | % of total shares of the company | Date  | Reason   | No. of Shares | No. of Shares                           | % of total Shares of the company |
| 1       | Wilmar Sugar Holdings Pte. Ltd.             | 257,492,467                               | 27.24                            | 01/04/2017  | -        | -             | 257,492,467                             | 27.24                            |
|         |   |   |                                  | 09/03/2018  | Purchase | 481,843,884   | 739,336,351                             | 38.57                            |
|         |   |   |                                  | 31/03/2018  | -        | -             | 739,336,351                             | 38.57                            |
| 2       | Murkumbi Investments Pvt. Ltd.              | 121,414,000                               | 12.84                            | 01/04/2017  | -        | -             | 121,414,000                             | 12.84                            |
|         |   |   |                                  | 31/03/2018  | -        | -             | 121,414,000                             | 6.33*                            |
|         |   |   |                                  |   |          |               |   |                                  |
| 3       | Khandepar Investments Pvt. Ltd.             | 75,400,000                                | 7.98                             | 01/04/2017  | -        | -             | 75,400,000                              | 7.98                             |
|         |   |   |                                  | 31/03/2018  | -        | -             | 75,400,000                              | 3.93*                            |
|         |   |   |                                  |   |          |               |   |                                  |
| 4       | Agri Venture Trading and Investment Pvt Ltd | 37,522,295                                | 3.97                             | 01/04/2017  | -        | -             | 37,522,295                              | 3.97                             |
|         |   |   |                                  | 31/03/2018  | -        | -             | 37,523,170                              | 1.96*                            |
|         |   |   |                                  |   |          |               |   |                                  |
| 5       | Narendra Madhusudan Murkumbi                | 10,812,905                                | 1.14                             | 01/04/2017  | -        | -             | 10,812,905                              | 1.14                             |
|         |   |   |                                  | 31/03/2018  | -        | -             | 10,812,905                              | 0.56*                            |
|         |   |   |                                  |   |          |               |   |                                  |
| 6       | Narendra Madhusudan Murkumbi#               | 2,000,000                                 | 0.21                             | 01/04/2017  | -        | -             | 2,000,000                               | 0.21                             |
|         |   |   |                                  | 31/03/2018  | -        | -             | 2,000,000                               | 0.10*                            |
|         |   |   |                                  |   |          |               |   |                                  |
| 7       | Supriya Shailesh Rojekar                    | 4,710,000                                 | 0.50                             | 01/04/2017  | -        | -             | 4,710,000                               | 0.50                             |
|         |   |   |                                  | 31/03/2018  | -        | -             | 4,710,000                               | 0.25*                            |
|         |   |   |                                  |   |          |               |   |                                  |
| 8       | Inika Narendra Murkumbi                     | 1,400,000                                 | 0.15                             | 01/04/2017  | -        | -             | 1,400,000                               | 0.15                             |
|         |   |   |                                  | 31/03/2018  | -        | -             | 1,400,000                               | 0.07*                            |
|         |   |   |                                  |   |          |               |   |                                  |
| 9       | Malvika Narendra Murkumbi                   | 1,400,000                                 | 0.15                             | 01/04/2017  | -        | -             | 1,400,000                               | 0.15                             |
|         |   |   |                                  | 31/03/2018  | -        | -             | 1,400,000                               | 0.07*                            |
|         |   |   |                                  |   |          |               |   |                                  |

| Sr. No. | Name of the Promoter       | Shareholding at the beginning of the year |                                  | Date wise Increase/Decrease in Shareholding during the year |        |               | Cumulative Shareholding during the year |                                  |
|---------|----------------------------|---|----------------------------------|---|--------|---------------|---|----------------------------------|
|         |                            | No. of shares                             | % of total shares of the company | Date  | Reason | No. of Shares | No. of Shares                           | % of total Shares of the company |
| 10      | Anuradha Ravindra Kulkarni | 1,087,732                                 | 0.13                             | 01/04/2017  | -      | -             | 1,087,732                               | 0.13                             |
|         |                            |   |                                  | 31/03/2018  | -      | -             | 1,087,732                               | 0.06*                            |
| 11      | Vidya Murkumbi             | 1,228,800                                 | 0.13                             | 01/04/2017  | -      | -             | 1,228,800                               | 0.13                             |
|         |                            |   |                                  | 31/03/2018  | -      | -             | 1,228,800                               | 0.06*                            |
| 12      | Dilip Vasant Rao Deshpande | 315,860                                   | 0.03                             | 01/04/2017  | -      | -             | 315,860                                 | 0.03                             |
|         |                            |   |                                  | 31/03/2018  | -      | -             | 315,860                                 | 0.02*                            |
| 13      | Apoorva Narendra Murkumbi  | 50,000                                    | 0.01                             | 01/04/2017  | -      | -             | 50,000                                  | 0.01                             |
|         |                            |   |                                  | 31/03/2018  | -      | -             | 50,000                                  | 0.00*                            |

# Holding shares as Karta of Narendra Madhusudan Murkumbi (HUF)

\* Change in percentage of shareholding is due to allotment of equity shares to Wilmar Sugar Holdings Pte. Ltd. upon conversion of 0.01% CCPS into equity shares of the Company and preferential allotment of equity shares to the lenders upon conversion of part of the loan.

#### iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

| Sr. No. | Name of the Share Holder | No. of Shares | % of total shares of the company | Date       | Increase/Decrease in share holding | Reason   | No of Shares | % of total shares of the company |
|---------|--------------------------|---------------|----------------------------------|------------|------------------------------------|----------|--------------|----------------------------------|
| 1       | ICICI BANK LTD           | 1,134,428     | 0.12                             | 01/04/2017 |                                    |          | 1,134,428    | 0.12                             |
|         |                          |               |                                  | 07/04/2017 | (49,945)                           | Sale     | 1,084,483    | 0.11                             |
|         |                          |               |                                  | 14/04/2017 | (3,377)                            | Sale     | 1,081,106    | 0.11                             |
|         |                          |               |                                  | 21/04/2017 | 7,006                              | Purchase | 1,088,112    | 0.12                             |
|         |                          |               |                                  | 28/04/2017 | (5,354)                            | Sale     | 1,082,758    | 0.11                             |
|         |                          |               |                                  | 05/05/2017 | (78,560)                           | Sale     | 1,004,198    | 0.11                             |
|         |                          |               |                                  | 12/05/2017 | 280,210                            | Purchase | 1,284,408    | 0.14                             |
|         |                          |               |                                  | 19/05/2017 | (5,684)                            | Sale     | 1,278,724    | 0.14                             |
|         |                          |               |                                  | 26/05/2017 | (276,692)                          | Sale     | 1,002,032    | 0.11                             |
|         |                          |               |                                  | 02/06/2017 | (6,072)                            | Sale     | 995,960      | 0.11                             |
|         |                          |               |                                  | 09/06/2017 | (2,800)                            | Sale     | 993,160      | 0.11                             |
|         |                          |               |                                  | 16/06/2017 | (9,195)                            | Sale     | 983,965      | 0.10                             |
|         |                          |               |                                  | 23/06/2017 | 25,171                             | Purchase | 1,009,136    | 0.11                             |
|         |                          |               |                                  | 30/06/2017 | (30)                               | Sale     | 1,009,106    | 0.11                             |
|         |                          |               |                                  | 07/07/2017 | (67,022)                           | Sale     | 942,084      | 0.10                             |
|         |                          |               |                                  | 14/07/2017 | (5,019)                            | Sale     | 937,065      | 0.10                             |
|         |                          |               |                                  | 21/07/2017 | (10,344)                           | Sale     | 926,721      | 0.10                             |
|         |                          |               |                                  | 28/07/2017 | (16,700)                           | Sale     | 910,021      | 0.10                             |
|         |                          |               |                                  | 04/08/2017 | (60,332)                           | Sale     | 849,689      | 0.09                             |
|         |                          |               |                                  | 11/08/2017 | (7,738)                            | Sale     | 841,951      | 0.09                             |
|         |                          |               |                                  | 18/08/2017 | (9,200)                            | Sale     | 832,751      | 0.09                             |
|         |                          |               |                                  | 25/08/2017 | (4,670)                            | Sale     | 828,081      | 0.09                             |
|         |                          |               |                                  | 01/09/2017 | 574,506                            | Purchase | 1,402,587    | 0.15                             |
|         |                          |               |                                  | 08/09/2017 | 8,481                              | Purchase | 1,411,068    | 0.15                             |
|         |                          |               |                                  | 15/09/2017 | (23,453)                           | Sale     | 1,387,615    | 0.15                             |



| Sr. No. | Name of the Share Holder | No. of Shares | % of total shares of the company | Date       | Increase/Decrease in share holding | Reason    | No of Shares | % of total shares of the company |
|---------|--------------------------|---------------|----------------------------------|------------|------------------------------------|-----------|--------------|----------------------------------|
|         |                          |               |                                  | 22/09/2017 | 248,814                            | Purchase  | 1,636,429    | 0.17                             |
|         |                          |               |                                  | 29/09/2017 | (34,027)                           | Sale      | 1,602,402    | 0.17                             |
|         |                          |               |                                  | 06/10/2017 | (27,579)                           | Sale      | 1,574,823    | 0.17                             |
|         |                          |               |                                  | 13/10/2017 | 23,933                             | Purchase  | 1,598,756    | 0.17                             |
|         |                          |               |                                  | 20/10/2017 | 7,249                              | Purchase  | 1,606,005    | 0.17                             |
|         |                          |               |                                  | 27/10/2017 | 18,907                             | Purchase  | 1,624,912    | 0.17                             |
|         |                          |               |                                  | 31/10/2017 | (5,082)                            | Sale      | 1,619,830    | 0.17                             |
|         |                          |               |                                  | 03/11/2017 | 98,250                             | Purchase  | 1,718,080    | 0.18                             |
|         |                          |               |                                  | 10/11/2017 | 184,454                            | Purchase  | 1,902,534    | 0.20                             |
|         |                          |               |                                  | 17/11/2017 | (92,506)                           | Sale      | 1,810,028    | 0.19                             |
|         |                          |               |                                  | 24/11/2017 | (14,245)                           | Sale      | 1,795,783    | 0.19                             |
|         |                          |               |                                  | 01/12/2017 | (39,328)                           | Sale      | 1,756,455    | 0.19                             |
|         |                          |               |                                  | 08/12/2017 | 70,000                             | Purchase  | 1,826,455    | 0.19                             |
|         |                          |               |                                  | 08/12/2017 | (8,246)                            | Sale      | 1,818,209    | 0.19                             |
|         |                          |               |                                  | 15/12/2017 | (70,790)                           | Sale      | 1,747,419    | 0.18                             |
|         |                          |               |                                  | 22/12/2017 | (549,848)                          | Sale      | 1,197,571    | 0.13                             |
|         |                          |               |                                  | 29/12/2017 | 132,664                            | Purchase  | 1,330,235    | 0.14                             |
|         |                          |               |                                  | 05/01/2018 | (45,921)                           | Sale      | 1,284,314    | 0.14                             |
|         |                          |               |                                  | 12/01/2018 | (782)                              | Sale      | 1,283,532    | 0.14                             |
|         |                          |               |                                  | 19/01/2018 | 81,926                             | Purchase  | 1,365,458    | 0.14                             |
|         |                          |               |                                  | 26/01/2018 | 45,734                             | Purchase  | 1,411,192    | 0.15                             |
|         |                          |               |                                  | 02/02/2018 | 672,190                            | Purchase  | 2,083,382    | 0.22                             |
|         |                          |               |                                  | 09/02/2018 | (40,175)                           | Sale      | 2,043,207    | 0.22                             |
|         |                          |               |                                  | 16/02/2018 | (62,122)                           | Sale      | 1,981,085    | 0.21                             |
|         |                          |               |                                  | 23/02/2018 | (13,065)                           | Sale      | 1,968,020    | 0.21                             |
|         |                          |               |                                  | 02/03/2018 | (608,595)                          | Sale      | 1,359,425    | 0.14                             |
|         |                          |               |                                  | 09/03/2018 | (20,480)                           | Sale      | 1,338,945    | 0.07                             |
|         |                          |               |                                  | 09/03/2018 | 190,750,711                        | Allotment | 192,089,656  | 10.02                            |
|         |                          |               |                                  | 16/03/2018 | 1,900                              | Purchase  | 192,091,556  | 10.02                            |
|         |                          |               |                                  | 16/03/2018 | (15,842)                           | Sale      | 192,075,714  | 10.02                            |
|         |                          |               |                                  | 23/03/2018 | (283,655)                          | Sale      | 191,792,059  | 10.01                            |
|         |                          |               |                                  | 30/03/2018 | 604,520                            | Purchase  | 192,396,579  | 10.04                            |
|         |                          |               |                                  | 31/03/2018 |                                    |           | 192,396,579  | 10.04                            |
| 2       | IDBI BANK LTD.           | -             | 0.00                             | 01/04/2017 |                                    |           | -            | 0.00                             |
|         |                          |               |                                  | 09/03/2018 | 181,969,219                        | Allotment | 181,969,219  | 9.49                             |
|         |                          |               |                                  | 31/03/2018 |                                    |           | 181,969,219  | 9.49                             |

| Sr. No. | Name of the Share Holder | No. of Shares | % of total shares of the company | Date       | Increase/ Decrease in share holding | Reason   | No of Shares | % of total shares of the company |
|---------|--------------------------|---------------|----------------------------------|------------|-------------------------------------|----------|--------------|----------------------------------|
| 3       | AXIS BANK LIMITED        | 816,709       | 0.09                             | 01/04/2017 |                                     |          | 816,709      | 0.09                             |
|         |                          |               |                                  | 07/04/2017 | 155,000                             | Purchase | 971,709      | 0.10                             |
|         |                          |               |                                  | 07/04/2017 | (425)                               | Sale     | 971,284      | 0.10                             |
|         |                          |               |                                  | 14/04/2017 | 59,798                              | Purchase | 1,031,082    | 0.11                             |
|         |                          |               |                                  | 21/04/2017 | (70,860)                            | Sale     | 960,222      | 0.10                             |
|         |                          |               |                                  | 28/04/2017 | 102,492                             | Purchase | 1,062,714    | 0.11                             |
|         |                          |               |                                  | 05/05/2017 | (51,880)                            | Sale     | 1,010,834    | 0.11                             |
|         |                          |               |                                  | 12/05/2017 | (9,960)                             | Sale     | 1,000,874    | 0.11                             |
|         |                          |               |                                  | 19/05/2017 | 8,190                               | Purchase | 1,009,064    | 0.11                             |
|         |                          |               |                                  | 26/05/2017 | (67,250)                            | Sale     | 941,814      | 0.10                             |
|         |                          |               |                                  | 02/06/2017 | (31,762)                            | Sale     | 910,052      | 0.10                             |
|         |                          |               |                                  | 09/06/2017 | 14,301                              | Sale     | 924,353      | 0.10                             |
|         |                          |               |                                  | 16/06/2017 | (229,645)                           | Sale     | 694,708      | 0.07                             |
|         |                          |               |                                  | 23/06/2017 | 7,968                               | Purchase | 702,676      | 0.07                             |
|         |                          |               |                                  | 30/06/2017 | (57,890)                            | Sale     | 644,786      | 0.07                             |
|         |                          |               |                                  | 07/07/2017 | 50,000                              | Purchase | 694,786      | 0.07                             |
|         |                          |               |                                  | 14/07/2017 | 742,316                             | Purchase | 1,437,102    | 0.15                             |
|         |                          |               |                                  | 21/07/2017 | (99,147)                            | Sale     | 1,337,955    | 0.14                             |
|         |                          |               |                                  | 28/07/2017 | (830,511)                           | Sale     | 507,444      | 0.05                             |
|         |                          |               |                                  | 04/08/2017 | (95,153)                            | Sale     | 412,291      | 0.04                             |
|         |                          |               |                                  | 11/08/2017 | 253,387                             | Purchase | 665,678      | 0.07                             |
|         |                          |               |                                  | 18/08/2017 | 250,469                             | Purchase | 916,147      | 0.10                             |
|         |                          |               |                                  | 25/08/2017 | (18,380)                            | Sale     | 897,767      | 0.09                             |
|         |                          |               |                                  | 01/09/2017 | (364,388)                           | Sale     | 533,379      | 0.06                             |
|         |                          |               |                                  | 08/09/2017 | 375,327                             | Purchase | 908,706      | 0.10                             |
|         |                          |               |                                  | 15/09/2017 | 11,462                              | Purchase | 920,168      | 0.10                             |
|         |                          |               |                                  | 22/09/2017 | 18,281                              | Purchase | 938,449      | 0.10                             |
|         |                          |               |                                  | 29/09/2017 | (26,306)                            | Sale     | 912,143      | 0.10                             |
|         |                          |               |                                  | 06/10/2017 | 40,686                              | Purchase | 952,829      | 0.10                             |
|         |                          |               |                                  | 13/10/2017 | (48,610)                            | Sale     | 904,219      | 0.10                             |
|         |                          |               |                                  | 20/10/2017 | (1,200)                             | Sale     | 903,019      | 0.10                             |
|         |                          |               |                                  | 27/10/2017 | 52,125                              | Purchase | 955,144      | 0.10                             |
|         |                          |               |                                  | 31/10/2017 | 60,000                              | Purchase | 1,015,144    | 0.11                             |
|         |                          |               |                                  | 03/11/2017 | (90,650)                            | Sale     | 924,494      | 0.10                             |
|         |                          |               |                                  | 10/11/2017 | 4,807                               | Purchase | 929,301      | 0.10                             |
|         |                          |               |                                  | 17/11/2017 | 107,065                             | Purchase | 1,036,366    | 0.11                             |
|         |                          |               |                                  | 24/11/2017 | 72,825                              | Purchase | 1,109,191    | 0.12                             |
|         |                          |               |                                  | 01/12/2017 | 800                                 | Purchase | 1,109,991    | 0.12                             |
|         |                          |               |                                  | 08/12/2017 | 3,100                               | Purchase | 1,113,091    | 0.12                             |

| Sr. No. | Name of the Share Holder                   | No. of Shares | % of total shares of the company | Date       | Increase/Decrease in share holding | Reason    | No of Shares | % of total shares of the company |
|---------|--|---------------|----------------------------------|------------|------------------------------------|-----------|--------------|----------------------------------|
|         |  |               |                                  | 15/12/2017 | (212,972)                          | Sale      | 900,119      | 0.10                             |
|         |  |               |                                  | 22/12/2017 | 127,555                            | Purchase  | 1,027,674    | 0.11                             |
|         |  |               |                                  | 29/12/2017 | (130,541)                          | Sale      | 897,133      | 0.09                             |
|         |  |               |                                  | 05/01/2018 | (2,044)                            | Sale      | 895,089      | 0.09                             |
|         |  |               |                                  | 12/01/2018 | 99,018                             | Purchase  | 994,107      | 0.11                             |
|         |  |               |                                  | 19/01/2018 | 81,461                             | Purchase  | 1,075,568    | 0.11                             |
|         |  |               |                                  | 26/01/2018 | 220,958                            | Purchase  | 1,296,526    | 0.14                             |
|         |  |               |                                  | 02/02/2018 | (142,614)                          | Sale      | 1,153,912    | 0.12                             |
|         |  |               |                                  | 09/02/2018 | 210,227                            | Purchase  | 1,364,139    | 0.14                             |
|         |  |               |                                  | 16/02/2018 | (87,218)                           | Sale      | 1,276,921    | 0.14                             |
|         |  |               |                                  | 23/02/2018 | (26,001)                           | Sale      | 1,250,920    | 0.13                             |
|         |  |               |                                  | 02/03/2018 | 259,077                            | Purchase  | 1,509,997    | 0.16                             |
|         |  |               |                                  | 09/03/2018 | 160,324                            | Purchase  | 1,670,321    | 0.09                             |
|         |  |               |                                  | 09/03/2018 | 38,968,987                         | Allotment | 40,639,308   | 2.12                             |
|         |  |               |                                  | 16/03/2018 | (144,911)                          | Sale      | 40,494,397   | 2.11                             |
|         |  |               |                                  | 23/03/2018 | 9,986                              | Purchase  | 40,504,383   | 2.11                             |
|         |  |               |                                  | 23/03/2018 | (271,487)                          | Sale      | 40,232,896   | 2.10                             |
|         |  |               |                                  | 30/03/2018 | 30,458                             | Purchase  | 40,263,354   | 2.10                             |
|         |  |               |                                  | 30/03/2018 | (344,750)                          | Sale      | 39,918,604   | 2.08                             |
|         |  |               |                                  | 31/03/2018 |                                    |           | 39,918,604   | 2.08                             |
| 4       | STANDARD CHARTERED BANK, UAE Branch        | -             | 0.00                             | 01/04/2017 |                                    |           | -            | 0.00                             |
|         |  |               |                                  | 09/03/2018 | 29,386,497                         | Allotment | 29,386,497   | 1.53                             |
|         |  |               |                                  | 31/03/2018 |                                    |           | 29,386,497   | 1.53                             |
| 5       | SHREE RENUKA SUGARS DEVELOPMENT FOUNDATION | 2,05,72,884   | 2.18                             | 01/04/2017 |                                    |           | 20,572,884   | 2.18                             |
|         |  |               |                                  | 31/03/2018 |                                    |           | 20,572,884   | 1.07                             |
| 6       | LIFE INSURANCE CORPORATION OF INDIA        | 1,87,20,122   | 1.98                             | 01/04/2017 |                                    |           | 18,720,122   | 1.98                             |
|         |  |               |                                  | 31/03/2018 |                                    |           | 18,720,122   | 0.98                             |
| 7       | STANDARD CHARTERED BANK                    | 1,64,35,338   | 1.74                             | 01/04/2017 |                                    |           | 16,435,338   | 1.74                             |
|         |  |               |                                  | 31/03/2018 |                                    |           | 16,435,338   | 0.86                             |
| 8       | RAJASTHAN GLOBAL SECURITIES PVT LTD        | -             | 0.00                             | 01/04/2017 |                                    |           | -            | 0.00                             |
|         |  |               |                                  | 21/07/2017 | 120,699                            | Purchase  | 120,699      | 0.01                             |
|         |  |               |                                  | 28/07/2017 | 4,095,000                          | Purchase  | 4,215,699    | 0.45                             |
|         |  |               |                                  | 28/07/2017 | (113,599)                          | Sale      | 4,102,100    | 0.43                             |

| Sr. No. | Name of the Share Holder     | No. of Shares | % of total shares of the company | Date       | Increase/Decrease in share holding | Reason    | No of Shares | % of total shares of the company |
|---------|------------------------------|---------------|----------------------------------|------------|------------------------------------|-----------|--------------|----------------------------------|
|         |                              |               |                                  | 04/08/2017 | 2,000,000                          | Purchase  | 6,102,100    | 0.65                             |
|         |                              |               |                                  | 15/09/2017 | 1,000,000                          | Purchase  | 7,102,100    | 0.75                             |
|         |                              |               |                                  | 22/09/2017 | 1,000,000                          | Purchase  | 8,102,100    | 0.86                             |
|         |                              |               |                                  | 22/09/2017 | (500,000)                          | Sale      | 7,602,100    | 0.80                             |
|         |                              |               |                                  | 29/09/2017 | 2,738,321                          | Purchase  | 10,340,421   | 1.09                             |
|         |                              |               |                                  | 20/10/2017 | 1,612                              | Purchase  | 10,342,033   | 1.09                             |
|         |                              |               |                                  | 10/11/2017 | (25,000)                           | Sale      | 10,317,033   | 1.09                             |
|         |                              |               |                                  | 17/11/2017 | 2,669,882                          | Purchase  | 12,986,915   | 1.37                             |
|         |                              |               |                                  | 24/11/2017 | 654,161                            | Purchase  | 13,641,076   | 1.44                             |
|         |                              |               |                                  | 01/12/2017 | 1,934,309                          | Purchase  | 15,575,385   | 1.65                             |
|         |                              |               |                                  | 08/12/2017 | 3,681,705                          | Purchase  | 19,257,090   | 2.04                             |
|         |                              |               |                                  | 15/12/2017 | 304,457                            | Purchase  | 19,561,547   | 2.07                             |
|         |                              |               |                                  | 22/12/2017 | 311,061                            | Purchase  | 19,872,608   | 2.10                             |
|         |                              |               |                                  | 19/01/2018 | 206,690                            | Purchase  | 20,079,298   | 2.12                             |
|         |                              |               |                                  | 26/01/2018 | 487,109                            | Purchase  | 20,566,407   | 2.18                             |
|         |                              |               |                                  | 02/02/2018 | 778,404                            | Purchase  | 21,344,811   | 2.26                             |
|         |                              |               |                                  | 09/02/2018 | 79,471                             | Purchase  | 21,424,282   | 2.27                             |
|         |                              |               |                                  | 16/02/2018 | (614,684)                          | Sale      | 20,809,598   | 2.20                             |
|         |                              |               |                                  | 23/02/2018 | (2,410,285)                        | Sale      | 18,399,313   | 1.95                             |
|         |                              |               |                                  | 02/03/2018 | (76,422)                           | Sale      | 18,322,891   | 1.94                             |
|         |                              |               |                                  | 09/03/2018 | 2,227,515                          | Purchase  | 20,550,406   | 1.07                             |
|         |                              |               |                                  | 09/03/2018 | (4,361,000)                        | Sale      | 16,189,406   | 0.84                             |
|         |                              |               |                                  | 16/03/2018 | (112,433)                          | Sale      | 16,076,973   | 0.84                             |
|         |                              |               |                                  | 23/03/2018 | (1,450,377)                        | Sale      | 14,626,596   | 0.76                             |
|         |                              |               |                                  | 31/03/2018 |                                    |           | 14,626,596   | 0.76                             |
| 9       | KOTAK MAHINDRA BANK LTD      | -             | 0.00                             | 01/04/2017 |                                    |           | -            | 0.00                             |
|         |                              |               |                                  | 09/03/2018 | 12,866,283                         | Allotment | 12,866,283   | 0.67                             |
|         |                              |               |                                  | 31/03/2018 |                                    |           | 12,866,283   | 0.67                             |
| 10      | STATE BANK OF INDIA          | -             | 0.00                             | 01/04/2017 |                                    |           | -            | 0.00                             |
|         |                              |               |                                  | 09/03/2018 | 11,757,861                         | Allotment | 11,757,861   | 0.61                             |
|         |                              |               |                                  | 31/03/2018 |                                    |           | 11,757,861   | 0.61                             |
| 11      | EXPORT- IMPORT BANK OF INDIA | -             | 0.00                             | 01/04/2017 |                                    |           | -            | 0.00                             |
|         |                              |               |                                  | 09/03/2018 | 9,352,564                          | Allotment | 9,352,564    | 0.49                             |
|         |                              |               |                                  | 31/03/2018 |                                    |           | 9,352,564    | 0.49                             |

| Sr. No. | Name of the Share Holder                      | No. of Shares | % of total shares of the company | Date       | Increase/Decrease in share holding | Reason    | No of Shares | % of total shares of the company |
|---------|---|---------------|----------------------------------|------------|------------------------------------|-----------|--------------|----------------------------------|
| 12      | YES BANK LIMITED                              | -             | 0.00                             | 01/04/2017 |                                    |           | -            | 0.00                             |
|         |   |               |                                  | 09/03/2018 | 8,155,796                          | Allotment | 8,155,796    | 0.43                             |
|         |   |               |                                  | 31/03/2018 |                                    |           | 8,155,796    | 0.43                             |
| 13      | GOVERNMENT PENSION FUND GLOBAL                | 6,555,153     | 0.69                             | 01/04/2017 |                                    |           | 6,555,153    | 0.69                             |
|         |   |               |                                  | 26/01/2018 | (851,425)                          | Sale      | 5,703,728    | 0.60                             |
|         |   |               |                                  | 02/02/2018 | (771,158)                          | Sale      | 4,932,570    | 0.52                             |
|         |   |               |                                  | 09/02/2018 | (1,033,299)                        | Sale      | 3,899,271    | 0.41                             |
|         |   |               |                                  | 16/02/2018 | (710,863)                          | Sale      | 3,188,408    | 0.34                             |
|         |   |               |                                  | 23/02/2018 | (204,462)                          | Sale      | 2,983,946    | 0.32                             |
|         |   |               |                                  | 02/03/2018 | (359,343)                          | Sale      | 2,624,603    | 0.28                             |
|         |   |               |                                  | 09/03/2018 | (91,615)                           | Sale      | 2,532,988    | 0.13                             |
|         |   |               |                                  | 16/03/2018 | (70,703)                           | Sale      | 2,462,285    | 0.13                             |
|         |   |               |                                  | 31/03/2018 |                                    |           | 2,462,285    | 0.13                             |
| 14      | RBL BANK LIMITED                              | -             | 0.00                             | 01/04/2017 |                                    |           | -            | 0.00                             |
|         |   |               |                                  | 09/03/2018 | 6,520,910                          | Allotment | 6,520,910    | 0.34                             |
|         |   |               |                                  | 31/03/2018 |                                    |           | 6,520,910    | 0.34                             |
| 15      | VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 5,107,730     | 0.54                             | 01/04/2017 |                                    |           | 5,107,730    | 0.54                             |
|         |   |               |                                  | 31/03/2018 |                                    |           | 5,107,730    | 0.27                             |
| 16      | IL AND FS SECURITIES SERVICES LIMITED         | 4,923,625     | 0.52                             | 01/04/2017 |                                    |           | 4,923,625    | 0.52                             |
|         |   |               |                                  | 07/04/2017 | (198,260)                          | Sale      | 4,725,365    | 0.50                             |
|         |   |               |                                  | 14/04/2017 | (56,231)                           | Sale      | 4,669,134    | 0.49                             |
|         |   |               |                                  | 21/04/2017 | 138,830                            | Purchase  | 4,807,964    | 0.51                             |
|         |   |               |                                  | 28/04/2017 | (65,373)                           | Sale      | 4,742,591    | 0.50                             |
|         |   |               |                                  | 05/05/2017 | 10,361                             | Purchase  | 4,752,952    | 0.50                             |
|         |   |               |                                  | 12/05/2017 | (115,409)                          | Sale      | 4,637,543    | 0.49                             |
|         |   |               |                                  | 19/05/2017 | (385,022)                          | Sale      | 4,252,521    | 0.45                             |
|         |   |               |                                  | 26/05/2017 | 190,640                            | Purchase  | 4,443,161    | 0.47                             |
|         |   |               |                                  | 02/06/2017 | (71,287)                           | Sale      | 4,371,874    | 0.46                             |
|         |   |               |                                  | 09/06/2017 | 4,824                              | Purchase  | 4,376,698    | 0.46                             |
|         |   |               |                                  | 16/06/2017 | 39,010                             | Purchase  | 4,415,708    | 0.47                             |
|         |   |               |                                  | 16/06/2017 | (5,000)                            | Sale      | 4,410,708    | 0.47                             |
|         |   |               |                                  | 23/06/2017 | 136,954                            | Purchase  | 4,547,662    | 0.48                             |
|         |   |               |                                  | 30/06/2017 | (68,458)                           | Sale      | 4,479,204    | 0.47                             |
|         |   |               |                                  | 07/07/2017 | 2,044,678                          | Purchase  | 6,523,882    | 0.69                             |
|         |   |               |                                  | 07/07/2017 | (2,100,674)                        | Sale      | 4,423,208    | 0.47                             |

| Sr. No. | Name of the Share Holder | No. of Shares | % of total shares of the company | Date       | Increase/Decrease in share holding | Reason   | No of Shares | % of total shares of the company |
|---------|--------------------------|---------------|----------------------------------|------------|------------------------------------|----------|--------------|----------------------------------|
|         |                          |               |                                  | 14/07/2017 | (46,792)                           | Sale     | 4,376,416    | 0.46                             |
|         |                          |               |                                  | 21/07/2017 | 134,432                            | Purchase | 4,510,848    | 0.48                             |
|         |                          |               |                                  | 28/07/2017 | (220,300)                          | Sale     | 4,290,548    | 0.45                             |
|         |                          |               |                                  | 04/08/2017 | 605,031                            | Purchase | 4,895,579    | 0.52                             |
|         |                          |               |                                  | 11/08/2017 | (125,146)                          | Sale     | 4,770,433    | 0.50                             |
|         |                          |               |                                  | 18/08/2017 | (776,046)                          | Sale     | 3,994,387    | 0.42                             |
|         |                          |               |                                  | 25/08/2017 | (11,547)                           | Sale     | 3,982,840    | 0.42                             |
|         |                          |               |                                  | 01/09/2017 | 191,214                            | Purchase | 4,174,054    | 0.44                             |
|         |                          |               |                                  | 08/09/2017 | 8,456                              | Purchase | 4,182,510    | 0.44                             |
|         |                          |               |                                  | 15/09/2017 | 705,345                            | Purchase | 4,887,855    | 0.52                             |
|         |                          |               |                                  | 15/09/2017 | (663,639)                          | Sale     | 4,224,216    | 0.45                             |
|         |                          |               |                                  | 22/09/2017 | 174,139                            | Purchase | 4,398,355    | 0.47                             |
|         |                          |               |                                  | 29/09/2017 | 34,368                             | Purchase | 4,432,723    | 0.47                             |
|         |                          |               |                                  | 06/10/2017 | 57,124                             | Purchase | 4,489,847    | 0.47                             |
|         |                          |               |                                  | 13/10/2017 | (118,310)                          | Sale     | 4,371,537    | 0.46                             |
|         |                          |               |                                  | 20/10/2017 | (8,905)                            | Sale     | 4,362,632    | 0.46                             |
|         |                          |               |                                  | 27/10/2017 | 64,832                             | Purchase | 4,427,464    | 0.47                             |
|         |                          |               |                                  | 31/10/2017 | (7,150)                            | Sale     | 4,420,314    | 0.47                             |
|         |                          |               |                                  | 03/11/2017 | 21,371                             | Purchase | 4,441,685    | 0.47                             |
|         |                          |               |                                  | 10/11/2017 | 155,845                            | Purchase | 4,597,530    | 0.49                             |
|         |                          |               |                                  | 17/11/2017 | 192,273                            | Purchase | 4,789,803    | 0.51                             |
|         |                          |               |                                  | 24/11/2017 | (100,777)                          | Sale     | 4,689,026    | 0.50                             |
|         |                          |               |                                  | 01/12/2017 | 162,347                            | Purchase | 4,851,373    | 0.51                             |
|         |                          |               |                                  | 08/12/2017 | 671,296                            | Purchase | 5,522,669    | 0.58                             |
|         |                          |               |                                  | 08/12/2017 | (40,500)                           | Sale     | 5,482,169    | 0.58                             |
|         |                          |               |                                  | 15/12/2017 | 69,384                             | Purchase | 5,551,553    | 0.59                             |
|         |                          |               |                                  | 15/12/2017 | (20,328)                           | Sale     | 5,531,225    | 0.59                             |
|         |                          |               |                                  | 22/12/2017 | (5,289)                            | Sale     | 5,525,936    | 0.58                             |
|         |                          |               |                                  | 29/12/2017 | 8,876                              | Purchase | 5,534,812    | 0.59                             |
|         |                          |               |                                  | 29/12/2017 | (557,305)                          | Sale     | 4,977,507    | 0.53                             |
|         |                          |               |                                  | 30/12/2017 | (25,000)                           | Sale     | 4,952,507    | 0.52                             |
|         |                          |               |                                  | 05/01/2018 | 396,175                            | Purchase | 5,348,682    | 0.57                             |
|         |                          |               |                                  | 05/01/2018 | (577,481)                          | Sale     | 4,771,201    | 0.50                             |
|         |                          |               |                                  | 12/01/2018 | 209,836                            | Purchase | 4,981,037    | 0.53                             |
|         |                          |               |                                  | 19/01/2018 | 41,261                             | Purchase | 5,022,298    | 0.53                             |
|         |                          |               |                                  | 26/01/2018 | 278,293                            | Purchase | 5,300,591    | 0.56                             |
|         |                          |               |                                  | 02/02/2018 | (152,737)                          | Sale     | 5,147,854    | 0.54                             |
|         |                          |               |                                  | 09/02/2018 | 1,999,593                          | Purchase | 7,147,447    | 0.76                             |
|         |                          |               |                                  | 16/02/2018 | 95,265                             | Purchase | 7,242,712    | 0.77                             |

| Sr. No. | Name of the Share Holder                           | No. of Shares | % of total shares of the company | Date       | Increase/Decrease in share holding | Reason   | No of Shares | % of total shares of the company |
|---------|--|---------------|----------------------------------|------------|------------------------------------|----------|--------------|----------------------------------|
|         |  |               |                                  | 23/02/2018 | 369,964                            | Purchase | 7,612,676    | 0.81                             |
|         |  |               |                                  | 02/03/2018 | 5,051                              | Purchase | 7,617,727    | 0.81                             |
|         |  |               |                                  | 09/03/2018 | (3,006,958)                        | Sale     | 4,610,769    | 0.24                             |
|         |  |               |                                  | 16/03/2018 | 847,424                            | Purchase | 5,458,193    | 0.28                             |
|         |  |               |                                  | 16/03/2018 | (818,277)                          | Sale     | 4,639,916    | 0.24                             |
|         |  |               |                                  | 23/03/2018 | (26,628)                           | Sale     | 4,613,288    | 0.24                             |
|         |  |               |                                  | 30/03/2018 | (36,355)                           | Sale     | 4,576,933    | 0.24                             |
|         |  |               |                                  | 31/03/2018 | (13,588)                           | Sale     | 4,563,345    | 0.24                             |
|         |  |               |                                  | 31/03/2018 |                                    |          | 4,563,345    | 0.24                             |
| 17      | SHAILESH NANDKISHOR ROJEKAR                        | 4,320,000     | 0.47                             | 01/04/2017 |                                    |          | 4,320,000    | 0.46                             |
|         |  |               |                                  | 31/03/2018 |                                    |          | 4,320,000    | 0.23                             |
| 18      | VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE | 4,292,932     | 0.46                             | 01/04/2017 |                                    |          | 4,292,932    | 0.45                             |
|         |  |               |                                  | 07/07/2017 | 91,496                             | Purchase | 4,384,428    | 0.46                             |
|         |  |               |                                  | 14/07/2017 | 222,664                            | Purchase | 4,607,092    | 0.49                             |
|         |  |               |                                  | 04/08/2017 | 115,192                            | Purchase | 4,722,284    | 0.50                             |
|         |  |               |                                  | 11/08/2017 | 151,844                            | Purchase | 4,874,128    | 0.52                             |
|         |  |               |                                  | 01/09/2017 | 188,496                            | Purchase | 5,062,624    | 0.54                             |
|         |  |               |                                  | 08/09/2017 | 267,036                            | Purchase | 5,329,660    | 0.56                             |
|         |  |               |                                  | 15/09/2017 | 240,856                            | Purchase | 5,570,516    | 0.59                             |
|         |  |               |                                  | 06/10/2017 | 154,920                            | Purchase | 5,725,436    | 0.61                             |
|         |  |               |                                  | 13/10/2017 | 160,084                            | Purchase | 5,885,520    | 0.62                             |
|         |  |               |                                  | 20/10/2017 | 118,772                            | Purchase | 6,004,292    | 0.64                             |
|         |  |               |                                  | 27/10/2017 | 108,444                            | Purchase | 6,112,736    | 0.65                             |
|         |  |               |                                  | 23/03/2018 | 6,112,736                          | Purchase | 12,225,472   | 0.64                             |
|         |  |               |                                  | 23/03/2018 | (6,112,736)                        | Sale     | 6,112,736    | 0.32                             |
|         |  |               |                                  | 31/03/2018 |                                    |          | 6,112,736    | 0.32                             |
| 19      | MV SCIF MAURITIUS                                  | 3,860,143     | 0.42                             | 01/04/2017 |                                    |          | 3,860,143    | 0.41                             |
|         |  |               |                                  | 07/04/2017 | 87,454                             | Purchase | 3,947,597    | 0.42                             |
|         |  |               |                                  | 14/04/2017 | 43,726                             | Purchase | 3,991,323    | 0.42                             |
|         |  |               |                                  | 21/04/2017 | 43,702                             | Purchase | 4,035,025    | 0.43                             |
|         |  |               |                                  | 28/04/2017 | 436,996                            | Purchase | 4,472,021    | 0.47                             |
|         |  |               |                                  | 05/05/2017 | 87,392                             | Purchase | 4,559,413    | 0.48                             |
|         |  |               |                                  | 19/05/2017 | 436,822                            | Purchase | 4,996,235    | 0.53                             |
|         |  |               |                                  | 02/06/2017 | 43,682                             | Purchase | 5,039,917    | 0.53                             |
|         |  |               |                                  | 16/06/2017 | 88,786                             | Purchase | 5,128,703    | 0.54                             |
|         |  |               |                                  | 23/06/2017 | 277,248                            | Purchase | 5,405,951    | 0.57                             |

| Sr. No. | Name of the Share Holder              | No. of Shares | % of total shares of the company | Date       | Increase/Decrease in share holding | Reason   | No of Shares | % of total shares of the company |
|---------|---------------------------------------|---------------|----------------------------------|------------|------------------------------------|----------|--------------|----------------------------------|
|         |                                       |               |                                  | 07/07/2017 | (276,708)                          | Sale     | 5,129,243    | 0.54                             |
|         |                                       |               |                                  | 21/07/2017 | (92,248)                           | Sale     | 5,036,995    | 0.53                             |
|         |                                       |               |                                  | 11/08/2017 | 62,614                             | Purchase | 5,099,609    | 0.54                             |
|         |                                       |               |                                  | 15/09/2017 | (185,676)                          | Sale     | 4,913,933    | 0.52                             |
|         |                                       |               |                                  | 22/09/2017 | (91,335)                           | Sale     | 4,822,598    | 0.51                             |
|         |                                       |               |                                  | 29/09/2017 | 15,699                             | Purchase | 4,838,297    | 0.51                             |
|         |                                       |               |                                  | 06/10/2017 | 4,970                              | Purchase | 4,843,267    | 0.51                             |
|         |                                       |               |                                  | 27/10/2017 | 73,111                             | Purchase | 4,916,378    | 0.52                             |
|         |                                       |               |                                  | 31/10/2017 | 90,718                             | Purchase | 5,007,096    | 0.53                             |
|         |                                       |               |                                  | 03/11/2017 | 136,068                            | Purchase | 5,143,164    | 0.54                             |
|         |                                       |               |                                  | 10/11/2017 | 181,208                            | Purchase | 5,324,372    | 0.56                             |
|         |                                       |               |                                  | 15/12/2017 | 45,250                             | Purchase | 5,369,622    | 0.57                             |
|         |                                       |               |                                  | 22/12/2017 | (64,466)                           | Sale     | 5,305,156    | 0.56                             |
|         |                                       |               |                                  | 12/01/2018 | (44,882)                           | Sale     | 5,260,274    | 0.56                             |
|         |                                       |               |                                  | 09/02/2018 | (224,265)                          | Sale     | 5,036,009    | 0.53                             |
|         |                                       |               |                                  | 16/02/2018 | 23,314                             | Purchase | 5,059,323    | 0.54                             |
|         |                                       |               |                                  | 16/03/2018 | (89,830)                           | Sale     | 4,969,493    | 0.26                             |
|         |                                       |               |                                  | 23/03/2018 | (240,660)                          | Sale     | 4,728,833    | 0.25                             |
|         |                                       |               |                                  | 31/03/2018 |                                    |          | 4,728,833    | 0.25                             |
| 20      | SHIVASARAN ENTERPRISES & ADVISORY LLP | 3,650,000     | 0.39                             | 01/04/2017 |                                    |          | 3,650,000    | 0.39                             |
|         |                                       |               |                                  | 07/04/2017 | 800,000                            | Purchase | 4,450,000    | 0.47                             |
|         |                                       |               |                                  | 26/05/2017 | 250,000                            | Purchase | 4,700,000    | 0.50                             |
|         |                                       |               |                                  | 14/07/2017 | 150,000                            | Purchase | 4,850,000    | 0.51                             |
|         |                                       |               |                                  | 11/08/2017 | (4,850,000)                        | Sale     | -            | 0.00                             |
|         |                                       |               |                                  | 31/03/2018 |                                    |          | -            | 0.00                             |
| 21      | NANDKISHORE SHRIDHAR ROJEKAR          | 2,537,800     | 0.27                             | 01/04/2017 |                                    |          | 2,537,800    | 0.27                             |
|         |                                       |               |                                  | 17/11/2017 | (20,000)                           | Sale     | 2,517,800    | 0.27                             |
|         |                                       |               |                                  | 24/11/2017 | (40,000)                           | Sale     | 2,477,800    | 0.26                             |
|         |                                       |               |                                  | 01/12/2017 | (30,000)                           | Sale     | 2,447,800    | 0.26                             |
|         |                                       |               |                                  | 31/03/2018 |                                    |          | 2,447,800    | 0.13                             |



**v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

| Sr. No. | Name of the Shareholder  |                           | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                     |
|---------|--------------------------|---------------------------|---|----------------------------------|---|-------------------------------------|
|         |                          |                           | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company @@ |
| A       | Directors                |                           |   |                                  |   |                                     |
|         | 1.                       | Mrs. Vidya Murkumbi       | 1,228,800                                 | 0.13                             | 1,228,800                               | 0.06                                |
|         | 2.                       | Mr. Narendra Murkumbi     | 10,812,905                                | 1.16                             | 10,812,905                              | 0.56                                |
|         | 3.                       | Mr. Vijendra Singh        | -   | -                                | -                                       | -                                   |
|         | 4.                       | Mr. Sanjay Asher          | 1,010,000                                 | 0.11                             | 1,010,000                               | 0.05                                |
|         | 5.                       | Mr. Surender Kumar Tuteja | 60,000                                    | 0.01                             | 60,000                                  | 0.00                                |
|         | 7.                       | Mr. Hrishikesh Parandekar | -   | -                                | -                                       | -                                   |
|         | 8.                       | Mr. Atul Chaturvedi       | -   | -                                | -                                       | -                                   |
|         | 9.                       | Mr. Ashit Mallick@        | -   | -                                | -                                       | -                                   |
|         | 10.                      | Mr. Jean-Luc Bohbot       | -   | -                                | -                                       | -                                   |
|         | 11.                      | Mr. Dorab Mistry          | -   | -                                | -                                       | -                                   |
|         | 12.                      | Mr. Bhupatrai Premji      | -   | -                                | -                                       | -                                   |
|         | 13.                      | Mr. Stephen Ho Kiam Kong  | -   | -                                | -                                       | -                                   |
|         | 14.                      | Mr. Bharat Kumar Mehta%   | -   | -                                | 2,000                                   | 0.00                                |
| B       | Key Managerial Personnel |                           |   |                                  |   |                                     |
|         | 1.                       | Mr. Naveen Manghani*      | -   | -                                | -                                       | -                                   |
|         | 2.                       | Mr. Rupesh Saraiya**      | -   | -                                | -                                       | -                                   |
|         | 3.                       | Mr. K. K. Kumbhat         | 160,000                                   | 0.02                             | 160,000                                 | 0.01                                |

@ Passed away on 10<sup>th</sup> September, 2017

% Appointed as Director w.e.f. 13<sup>th</sup> November, 2017

\*\* Appointed as Company Secretary w.e.f. 13<sup>th</sup> November, 2017

\* Resigned as Company Secretary w.e.f. 31<sup>st</sup> October, 2017

@@ Change in percentage of shareholding is due to allotment of equity shares to Wilmar Sugar Holdings Pte. Ltd. upon conversion of 0.01% CCPS into equity shares of the Company and preferential allotment of equity shares to the lenders upon conversion of part of the loan.

**V. INDEBTEDNESS**

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

(₹ in Million)

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 36,189.58                        | -               | -        | 36,189.58          |
| ii) Interest due but not paid                              | 76.14                            | -               | -        | 76.14              |
| iii) Interest accrued but not due                          | 474.98                           | -               | -        | 474.98             |
| <b>Total (i+ii+iii)</b>                                    | <b>36,740.70</b>                 | <b>-</b>        | <b>-</b> | <b>36,740.70</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| - Addition   | (19,503.22)                      | -               | -        | (19,503.22)        |
| - Reduction  | 6,709.65                         | -               | -        | 6,709.65           |
| <b>Net Change</b>  | <b>(12,793.57)</b>               | <b>-</b>        | <b>-</b> | <b>(12,793.57)</b> |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 23,638.50                        | -               | -        | 23,638.50          |
| ii) Interest due but not paid                              | 49.65                            | -               | -        | 49.65              |
| iii) Interest accrued but not due                          | 258.98                           | -               | -        | 258.98             |
| <b>Total (i+ii+iii)</b>                                    | <b>23,947.13</b>                 | <b>-</b>        | <b>-</b> | <b>23,947.13</b>   |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

(₹ in Million)

| Sr. No. | Particulars of Remuneration   | Name of MD/WTD/Manager                       |  |  | Total Amount |
|---------|---|--|--|--|--------------|
|         |   | Mrs. Vidya Murkumbi<br>Executive Chairperson | Mr. Narendra Murkumbi<br>Vice Chairman & Managing Director | Mr. Vijendra Singh<br>Executive Director |              |
| 1       | Gross Salary  |  |  |  |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 15.22  | 19.44  | 19.44                                    | 54.10        |
|         | (b) Value of perquisites u/s 17(2) of the Income- tax Act, 1961                     | 2.15   | 0.04   | -  | 2.19         |
|         | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961       | -  | -  | -  | -            |
| 2       | Stock Option  | -  | -  | -  | -            |
| 3       | Sweat Equity  | -  | -  | -  | -            |
| 4       | Commission  |  |  |  |              |
|         | - as % of Profit  | -  | -  | -  | -            |
|         | - others, specify   | -  | -  | -  | -            |
| 5       | Others, please specify  | -  | -  | -  | -            |
|         | <b>Total</b>  | <b>17.37</b>                                 | <b>19.48</b>   | <b>19.44</b>                             | <b>56.29</b> |
|         | Ceiling as per the Act <sup>#</sup>   |  |  |  |              |

<sup>#</sup> The shareholders of the Company had passed special resolutions in respect of remuneration to above mentioned persons at their Annual General Meeting held on 21<sup>st</sup> December, 2017. Accordingly, the remuneration paid to them is within the limits stipulated in Schedule V of the Companies Act, 2013.

### B. REMUNERATION TO OTHER DIRECTORS

(₹ In Million)

| Sr. No. | Particulars of Remuneration                 | Name of the Independent Directors  |                           |                     |                          |                      |                       | Total Amount |
|---------|---|--|---------------------------|---------------------|--------------------------|----------------------|-----------------------|--------------|
|         |   | Mr. Sanjay Asher   | Mr. Hrishikesh Parandekar | Mr. S. K. Tuteja    | Mr. Ashit Mallick        | Mr. Bhupatrai Premji | Mr Bharat Kumar Mehta |              |
| I.      | Independent Directors                       |  |                           |                     |                          |                      |                       |              |
| (a)     | Fee for attending board/ committee meetings | 0.40   | 0.73                      | 0.88                | 0.20                     | 0.73                 | 0.35                  | 3.29         |
| (b)     | Commission                                  | -  | -                         | -                   | -                        | -                    | -                     | -            |
| (c)     | Others, please specify                      | -  | -                         | -                   | -                        | -                    | -                     | -            |
|         | <b>Total</b>                                | <b>0.40</b>  | <b>0.73</b>               | <b>0.88</b>         | <b>0.20</b>              | <b>0.73</b>          | <b>0.35</b>           | <b>3.29</b>  |
| Sr. No. | Particulars of Remuneration                 | Mr. Jean-Luc Bohbot  |                           | Mr. Atul Chaturvedi | Mr. Stephen Ho Kiam Kong |                      | Total Amount          |              |
| I.      | Other Non-Executive Directors               |  |                           |                     |                          |                      |                       |              |
| (a)     | Fee for attending board/ committee meetings |  |                           | -                   | -                        | -                    |                       | -            |
| (b)     | Commission                                  |  |                           | -                   | -                        | -                    |                       | -            |
| (c)     | Others, please specify                      |  |                           | -                   | -                        | -                    |                       | -            |
|         | <b>Total (2)</b>                            |  |                           | -                   | -                        | -                    |                       | -            |
|         | <b>TOTAL (B) = (1 + 2)</b>                  |  |                           |                     |                          |                      |                       | <b>3.29</b>  |
|         | <b>Total Managerial Remuneration</b>        |  |                           |                     |                          |                      |                       | <b>59.58</b> |
|         | Overall Ceiling as per the Act              | Overall ceiling as per the Companies Act, 2013 is not applicable to sitting fees |                           |                     |                          |                      |                       |              |

Note: Except for the above directors, as mentioned herein above no other directors have received any remuneration during the financial year 2017-18.

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

(₹ In Million)

| Sr. No. | Particulars of Remuneration   | Company Secretary   | Company Secretary   | Chief Financial Officer | Total Amount |
|---------|---|---|---|-------------------------|--------------|
|         |   | Mr. Naveen Manghani (Upto 31 <sup>st</sup> October, 2017) | Mr. Rupesh Saraiya (W.e.f. 13 <sup>th</sup> November, 2017) | Mr. K K Kumbhat         |              |
| 1       | Gross Salary  |   |   |                         |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1.58  | 1.60  | 25.09                   | 28.27        |
|         | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | -   |   | 0.04                    | 0.04         |
|         | (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961       | -   |   | -                       | -            |
| 2       | Stock Option  | -   |   | -                       | -            |
| 3       | Sweat Equity  | -   |   | -                       | -            |
| 4       | Commission  | -   |   | -                       | -            |
|         | - as % of Profit  |   |   |                         |              |
|         | - others, specify   | -   |   | -                       | -            |
| 5       | Others, please specify  | -   |   | -                       | -            |
|         | <b>Total</b>  | <b>1.58</b>   | <b>1.60</b>   | <b>25.13</b>            | <b>28.31</b> |

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

# 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 Limited is committed to good governance practices that create long term sustainable shareholder value. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its shareholders, employees, the Government and the lenders. The Company believes in adopting the 'best practices' that are followed in the area of corporate governance across various geographies. The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to corporate governance.

## 2. BOARD OF DIRECTORS

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. As on 31<sup>st</sup> March, 2018, Company's Board has a strength

of 12 (Twelve) Directors, comprising of 3 (Three) Executive Directors, 3 (Three) Non-Executive Directors and 6 (Six) Independent Directors. The Chairperson of the Board is an Executive Director.

- i) Thirteen Board Meetings were held during the year and the gap between any two meetings did not exceed four months. The Board Meetings were held on 29<sup>th</sup> May, 2017; 8<sup>th</sup> June, 2017; 27<sup>th</sup> July, 2017; 12<sup>th</sup> August, 2017; 13<sup>th</sup> November, 2017; 21<sup>st</sup> November, 2017; 30<sup>th</sup> January, 2018; 26<sup>th</sup> February, 2018; 5<sup>th</sup> March, 2018; 8<sup>th</sup> March, 2018; 9<sup>th</sup> March, 2018; 12<sup>th</sup> March, 2018 and 19<sup>th</sup> March, 2018.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies and number of shares held as on 31<sup>st</sup> March, 2018, are given herein below:

| Name   | Nature of Directorship | Board Meetings |          | Whether attended last AGM | Number of other Directorships in other Companies | Number of Committee positions held in other Public Companies |          | No. of Shares held |
|--|------------------------|----------------|----------|---------------------------|--|--|----------|--------------------|
|  |                        | Held           | Attended |                           |  | Member   | Chairman |                    |
| Mrs. Vidya Murkumbi <sup>@</sup><br>(Executive Chairperson)<br>DIN: 00007588               | Executive Director     | 13             | 9        | Yes                       | 3  | 1  | -        | 12,28,800          |
| Mr. Narendra Murkumbi <sup>^</sup><br>(Vice Chairman & Managing Director)<br>DIN: 00009164 | Executive Director     | 13             | 13       | Yes                       | -  | -  | -        | 10,812,905         |
| Mr. Vijendra Singh<br>DIN: 03537522  | Executive Director     | 13             | 9        | No                        | 2  | -  | -        | -                  |
| Mr. Sanjay Asher <sup>#</sup><br>DIN: 00008221   | Independent Director   | 13             | 5        | Yes                       | 9  | 8  | 3        | 1,010,000          |
| Mr. Surender Kumar Tuteja<br>DIN: 00594076   | Independent Director   | 13             | 12       | No                        | 7  | 9  | 5        | 60,000             |
| Mr. Hrishikesh Parandekar <sup>@</sup><br>DIN: 01224244                                    | Independent Director   | 13             | 10       | No                        | -  | -  | -        | -                  |
| Mr. Jean-Luc Bohbot<br>DIN : 06857132  | Non-Executive Director | 13             | 4        | No                        | -  | -  | -        | -                  |
| Mr. Atul Chaturvedi <sup>\$</sup><br>DIN : 00175355  | Non-Executive Director | 13             | 11       | No                        | 3  | -  | -        | -                  |
| Mr. Stephen Ho Kiam Kong<br>DIN : 07584449   | Non-Executive Director | 13             | 9        | No                        | -  | -  | -        | -                  |
| Mr. Bhupatrai Premji<br>DIN : 07223590   | Independent Director   | 13             | 12       | No                        | -  | -  | -        | -                  |
| Mr. Dorab Mistry<br>DIN : 07245114   | Independent Director   | 13             | 8        | No                        | -  | -  | -        | -                  |

| Name                                      | Nature of Directorship | Board Meetings |          | Whether attended last AGM | Number of other Directorships in other Companies | Number of Committee positions held in other Public Companies |          | No. of Shares held |
|---|------------------------|----------------|----------|---------------------------|--|--|----------|--------------------|
|   |                        | Held           | Attended |                           |  | Member   | Chairman |                    |
| Mr. Bharat Kumar Mehta*<br>DIN : 00895163 | Independent Director   | 13             | 7        | No                        | -  | -  | -        | 2,000              |
| Mr. Ashit Mallick%<br>DIN : 02139851      | Independent Director   | 13             | 4        | No                        | -  | -  | -        | -                  |

@ Resigned w.e.f. end of day on 30<sup>th</sup> June, 2018

^ Change of designation from Vice Chairman & Managing Director to Non-Executive Director w.e.f. 1<sup>st</sup> July, 2018

# Resigned w.e.f. end of day on 2<sup>nd</sup> July, 2018

\$ Assumed charge as Executive Chairman w.e.f. 2<sup>nd</sup> July, 2018

% Passed away on 10<sup>th</sup> September, 2017

\* Appointed as a Director, w.e.f. 13<sup>th</sup> November, 2017

Mr. Madhu Rao has been appointed as an Additional Director (Independent) w.e.f. 27<sup>th</sup> June, 2018

- Other directorships includes directorships in all public companies except foreign companies and companies under Section 8 of the Companies Act, 2013.
- In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered. None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than five Committees across all listed entities in which they are Director.

Notes:

Mr. Narendra Murkumbi is son of Mrs. Vidya Murkumbi. Except for the above, none of the Directors of the Company are related to any other Director.

None of the directors hold any convertible instruments.

The Company has familiarized its Independent Directors regarding the Company, their roles, rights, responsibilities and liabilities in the Company. During the year, the Directors were also familiarized with key changes in corporate laws and other relevant laws. The details of programs for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at [www.renukasugars.com](http://www.renukasugars.com)

#### ii) Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate meeting of the Independent Directors of the Company was held on 12<sup>th</sup> March, 2018.

### 3. COMMITTEES OF THE BOARD

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

#### A. AUDIT COMMITTEE

- The Audit Committee of the Company is constituted in line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- The terms of reference & Powers of the Audit Committee are broadly as under:
  - 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;
  - Recommending to the Board, the appointment/re-appointment, remuneration and terms of appointment of Auditors of the company;
  - 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 Directors' Responsibility Statement to be included in the Board's report in terms of Clause c of sub-section 3 of Section 134 of the Companies Act, 2013.

- Any changes in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with accounting standards.
  - Compliance with listing and other legal requirements concerning financial statements.
  - Disclosure of any related party transactions.
- d) Qualifications in the draft audit report;
- e) Reviewing, with the management, the statement of uses/application of funds raised through public issue, rights issue, preferential issue, etc., and the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- f) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- g) Approval or any subsequent modification of transactions of the Company with Related Parties;
- h) Scrutiny of inter-corporate loans and investments;
- i) Valuation of undertakings or assets of the Company, wherever it is necessary;
- j) Reviewing with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;
- k) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- l) Discussion with internal auditors on any significant findings and follow up thereon;
- m) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- n) Discussion with the statutory auditors before the audit commences on the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- o) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- p) Review the functioning of the Whistle Blower mechanism;
- q) Approval of appointment of Chief Financial Officer (CFO) (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;
- r) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be required by the Board.
- iii. The Audit Committee invites such of the executives, as it considers appropriate, representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. The previous AGM of the Company was held on 21<sup>st</sup> December, 2017 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 Asher (Chairman)@ | Independent Director   | 4               | 3        |
| Mr. Hrishikesh Parandekar@   | Independent Director   | 4               | 4        |
| Mr. Dorab Mistry             | Independent Director   | 4               | 4        |
| Mr. Stephen Ho Kiam Kong     | Non-Executive Director | 4               | 2        |
| Mr. Madhu Rao (Chairman)#    | Independent Director   | 4               | NA       |
| Mr. Surender Kumar Tuteja *  | Independent Director   | 4               | NA       |

@ Upto 27<sup>th</sup> June, 2018

# With effect from 27<sup>th</sup> June, 2018

\* With effect from 8<sup>th</sup> August, 2018

Four Meetings of the Audit Committee were held during the year. The dates on which the said Meetings were held are as follows: 29<sup>th</sup> May, 2017; 12<sup>th</sup> August, 2017; 13<sup>th</sup> November, 2017 and 12<sup>th</sup> March, 2018.

## B. NOMINATION AND REMUNERATION/ COMPENSATION COMMITTEE

- i) The Board has constituted a Nomination and Remuneration/Compensation Committee under Section 178 of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, comprising of three Independent Directors.
- ii) The broad terms of reference of the said Committee are as under:
  - a) To identify persons who are qualified to become directors and who may be appointed in senior management of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal;
  - b) To carry out the performance evaluation of individual Directors, the committees and of the Board;
  - c) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

- d) While formulating such policy, Nomination and Remuneration/ Compensation Committee 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 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. Surender Kumar Tuteja (Chairman) | Independent Director | 6               | 6        |
| Mr. Sanjay Asher@                    | Independent Director | 6               | 2        |
| Mr. Hrishikesh Parandekar@           | Independent Director | 6               | 5        |
| Mr. Bhupatrai Premji                 | Independent Director | 6               | 5        |
| Mr. Madhu Rao #                      | Independent Director | 6               | NA       |

@ Upto 27<sup>th</sup> June, 2018

# With effect from 27<sup>th</sup> June, 2018

Six meetings of the Nomination and Remuneration/ Compensation Committee were held during the year on 29<sup>th</sup> May, 2017; 12<sup>th</sup> August, 2017; 13<sup>th</sup> November, 2017; 5<sup>th</sup> March, 2018; 9<sup>th</sup> March, 2018 and 19<sup>th</sup> March, 2018.

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

iv. Details of remuneration paid/payable to Directors of the Company for the year ended 31<sup>st</sup> March, 2018:

| Name  | Salary / Perquisites | Retirement Benefits | Bonus / Ex- Gratia | Commission | Performance Incentive | Sitting Fee | Total      | Service Contract/ Stock options granted / Notice period / Severance Fees   |
|---|----------------------|---------------------|--------------------|------------|-----------------------|-------------|------------|--|
| Mrs. Vidya Murkumbi* (Executive Chairperson)                | 16,180,204           | 1,189,644           |                    |            |                       |             | 17,369,848 | * Term of office valid up to 31.03.2020. No Stock Options were granted to Mrs. Murkumbi and no notice period and severance fees are applicable to her.         |
| Mr. Narendra Murkumbi # (Vice Chairman & Managing Director) | 17,396,748           | 2,082,856           |                    |            |                       |             | 19,479,604 | # Term of office valid up to 19.09.2020. No Stock Options were granted to Mr. Narendra Murkumbi and no notice period and severance fees are applicable to him. |



| Name   | Salary / Perquisites | Retirement Benefits | Bonus / Ex- Gratia | Commission | Performance Incentive | Sitting Fee | Total      | Service Contract/ Stock options granted / Notice period / Severance Fees   |
|--|----------------------|---------------------|--------------------|------------|-----------------------|-------------|------------|--|
| Mr. Vijendra Singh<br>(Executive Director)                   | 16,715,896           | 622,140             | 432,048            | -          | 1,665,757             | -           | 19,435,841 | Term of office valid up to 9 <sup>th</sup> May, 2020.<br>3 months Notice period and severance fees equal to 3 months remuneration in case the Company waives the notice period of Mr. Singh. |
| Mr. Sanjay Asher <sup>\$</sup><br>(Independent Director)     | -                    | -                   | -                  | -          | -                     | 400,625     | 400,625    | -  |
| Mr. Surender Kumar Tuteja<br>(Independent Director)          | -                    | -                   | -                  | -          | -                     | 875,500     | 875,500    | -  |
| Mr. Hrishikesh Parandekar*<br>(Independent Director)         | -                    | -                   | -                  | -          | -                     | 725,750     | 725,750    | -  |
| Mr. Ashit Mallick <sup>%</sup><br>(Independent Director)     | -                    | -                   | -                  | -          | -                     | 200,500     | 200,500    | -  |
| Mr. Atul Chaturvedi<br>(Non-Executive Director)              | -                    | -                   | -                  | -          | -                     | -           | -          | -  |
| Mr. Jean-Luc Bohbot<br>(Non-Executive Director)              | -                    | -                   | -                  | -          | -                     | -           | -          | -  |
| Mr. Stephen Ho Kiam Kong<br>(Non-Executive Director)         | -                    | -                   | -                  | -          | -                     | -           | -          | -  |
| Mr. Bhupatrai Premji<br>(Independent Director)               | -                    | -                   | -                  | -          | -                     | 725,375     | 725,375    | -  |
| Mr. Dorab Mistry<br>(Independent Director)                   | -                    | -                   | -                  | -          | -                     | -           | -          | -  |
| Mr. Bharatkumar Mehta <sup>^</sup><br>(Independent Director) | -                    | -                   | -                  | -          | -                     | 350,000     | 350,000    | -  |

\* Resigned w.e.f. end of day on 30<sup>th</sup> June, 2018.

# Change of designation from Vice Chairman & Managing Director to Non-Executive Director w.e.f. 1<sup>st</sup> July, 2018.

\$ Resigned w.e.f. end of day on 2<sup>nd</sup> July, 2018.

% Passed away on 10<sup>th</sup> September, 2017.

^ Appointed as a Director w.e.f. 13<sup>th</sup> November, 2017.

The Non-Executive Directors of the Company do not have any pecuniary relationship or transactions with the Company. Independent Directors of the Company are paid sitting fees of ₹ 50,000/- for attending each meeting of the Board of Directors of the Company and sitting fees of ₹ 25,000/- for attending each meeting of the Committees of the Board.

v. Nomination and Remuneration Policy

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

@ Upto 27<sup>th</sup> June, 2018

# With effect from 27<sup>th</sup> June, 2018

\$ Assumed charge as Executive Director (Executive Chairman of the Board) on 2<sup>nd</sup> July, 2018

The Committee met 4 times during the year on 29<sup>th</sup> May, 2017; 12<sup>th</sup> August, 2017; 13<sup>th</sup> November, 2017 and 12<sup>th</sup> March, 2018

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

ii. Terms of reference of the Committee:

- To look into the redressal of grievances of shareholders, debenture holders and other security holders and to consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares/debentures, transmission/transposition/nomination of shares/debentures, dematerialization / rematerialisation of shares/debentures, non-receipt of annual report, non-receipt of dividends/interest/principal on shares and debentures, sub-divide, consolidate and issue share certificates/ duplicate share/debenture certificates, etc.;
- To look into matters that can facilitate better investor services and relations.

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 Asher (Chairman) <sup>@</sup> | Independent Director   | 4               | 3        |
| Mr. Surender Kumar Tuteja <sup>@</sup>   | Independent Director   | 4               | 4        |
| Mrs. Vidya Murkumbi <sup>@</sup>         | Executive Director     | 4               | 4        |
| Mr. Narendra Murkumbi <sup>@</sup>       | Executive Director     | 4               | 4        |
| Mr. Madhu Rao (Chairman) <sup>#</sup>    | Independent Director   | 4               | NA       |
| Mr. Jean-Luc Bohbot <sup>#</sup>         | Non-Executive Director | 4               | NA       |
| Mr. Atul Chaturvedi <sup>#</sup>         | Executive Director \$  | 4               | NA       |

iv. Details of investor complaints received and redressed during the year 2017-18 are as follows:

| Opening balance | Received during the year | Resolved during the year | Closing balance |
|-----------------|--------------------------|--------------------------|-----------------|
| 0               | 17                       | 17                       | 0               |

### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

i. In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board at its meeting held on 23<sup>rd</sup> May, 2014 constituted a Corporate Social Responsibility Committee.

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

| Name                                 | Category               | No. of meetings attended |          |
|--------------------------------------|------------------------|--------------------------|----------|
|                                      |                        | Held                     | Attended |
| Mr. Surender Kumar Tuteja (Chairman) | Independent Director   | 1                        | 1        |
| Mr. Narendra Murkumbi <sup>@</sup>   | Executive Director     | 1                        | 1        |
| Mrs. Vidya Murkumbi <sup>@</sup>     | Executive Director     | 1                        | 1        |
| Mr. Jean-Luc Bohbot <sup>#</sup>     | Non-Executive Director | 1                        | NA       |
| Mr. Atul Chaturvedi <sup>#</sup>     | Executive Director \$  | 1                        | NA       |

@ Upto 27<sup>th</sup> June, 2018

# With effect from 27<sup>th</sup> June, 2018

\$ Assumed charge as Executive Director (Executive Chairman of the Board) on 2<sup>nd</sup> July, 2018

During the year under review, the Committee met on 12<sup>th</sup> August, 2017.

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

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;

- To recommend the amount of expenditure to be incurred on the activities relating to corporate social responsibility;
- To monitor the CSR Policy of the Company from time to time;
- To institute a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs undertaken by the Company; and

- To ensure that the activities which are undertaken are included in the CSR Policy of the Company.

#### E. OTHER COMMITTEES

In addition to the above referred committees, the Board has also constituted committees of Directors to look into various business matters. These Committees includes

- Allotment Committee
- Share Transfer Committee

## 4. GENERAL BODY MEETINGS

### A. GENERAL MEETINGS

**Annual General Meetings (AGMs):** The details of last three AGMs and the Special Resolutions passed thereat are as under:

| Financial Year | Location  | Date & Time                                     | Special Resolutions Passed  |
|----------------|---|---|---|
| 2014-15        | Maratha Mandir Hall<br>(Near Railway Over Bridge)<br>Khanapur Road,<br>Belagavi - 590001.   | 30 <sup>th</sup> September,<br>2015, 11.30 a.m. | One Special Resolution was passed at the 19 <sup>th</sup> AGM for the approval of Re-appointment of Mr. Robert Taylor as an Independent Director of the Company not liable to retire by rotation and to hold office for period of 5 years with effect from 1 <sup>st</sup> April, 2015.   |
| 2015-16        | Maratha Mandir Hall<br>(Near Railway Over Bridge)<br>Khanapur Road,<br>Belagavi - 590001.   | 27 <sup>th</sup> September,<br>2016, 11.00 a.m. | Two Special Resolutions were passed at the 20 <sup>th</sup> AGM for the approval of the following items :<br><br>1. Approval for allotment of equity shares upon conversion of a part of the loans into Equity Shares;<br><br>2. Approval for payment of existing / same remuneration to Mr. Narendra Murkumbi, Vice Chairman & Managing Director of the Company (DIN 00009164), as per the terms and conditions approved by the Members at the Sixteenth Annual General Meeting of the Company held on 27 <sup>th</sup> July, 2012, as minimum remuneration for the period from 1 <sup>st</sup> April, 2016 till completion of his term on 19 <sup>th</sup> September, 2017.   |
| 2016-17        | Theosophical Society<br>Belgaum Lodge,<br>Gogte Rangmandir Hall<br>(School of Culture), 185,<br>Ramghat Road, Camp,<br>Belagavi - 590001, | 21 <sup>st</sup> December,<br>2017, 11.30 a.m.  | Seven Special Resolutions were passed at the 21 <sup>st</sup> AGM for the approval of following items:<br><br>1. Re-appointment and fixation of remuneration of Mrs. Vidya Murkumbi as Whole-time Director designated as 'Executive Chairperson';<br><br>2. Re-appointment and fixation of remuneration of Mr. Vijendra Singh as Whole-time Director designated as President (Sugar Mills);<br><br>3. Re-appointment and fixation of remuneration of Mr. Narendra Murkumbi as Vice Chairman & Managing Director;<br><br>4. Issue of upto 51,32,14,505 equity shares (FV ₹ 1 each) to the lenders pursuant to debt restructuring exercise;<br><br>5. Issue of upto 9,35,60,000, 0.01% Redeemable Preference Shares (FV ₹ 100 each) to the lenders pursuant to debt restructuring exercise; |

| Financial Year | Location | Date & Time | Special Resolutions Passed   |
|----------------|----------|-------------|--|
|                |          |             | 6. Issue of upto 4,50,00,000, 0.01% Optionally Convertible Preference Shares (FV ₹ 100 each) to the lenders pursuant to debt restructuring exercise; |
|                |          |             | 7. Issue of upto 5,850, 0.01% Non-Convertible Debentures (FV ₹ 10 lacs each) to the lenders pursuant to debt restructuring exercise                  |

## B. POSTAL BALLOT

No Resolution was passed through Postal Ballot during the Financial Year 2017-18. At present, there is no proposal to pass any special resolution through postal ballot.

## 5. OTHER DISCLOSURES

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

ii. There were no instances of non-compliance by the Company and no penalties/strictures were imposed on the Company by stock exchanges/SEBI/any statutory authority on any matter related to capital markets, during the last 3 years.

The Board of Directors of the Company had approved the unaudited quarterly results for the quarter and nine months ended 31<sup>st</sup> December, 2017 on 12<sup>th</sup> March, 2018 and the Company has paid the requisite fees to stock exchanges for the same.

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.

iv. The Company's Policy for Determining Material Subsidiaries may be accessed on the Company's website at [www.renukasugars.com](http://www.renukasugars.com)

v. The Company's Policy on Related Party Transactions may be accessed on the Company's website at [www.renukasugars.com](http://www.renukasugars.com)

vi. Disclosure on Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

### ▪ COMMODITY RISKS AND HEDGING:

Sugar price risk is one of the important market risk for the Company. The Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility. Commodity Risk Management Policy is formulated to articulate the risk management philosophy, objectives and processes.

The Company is exposed to usual price risk associated with fluctuation in sugar prices. In domestic market, physical sugar is mostly traded on spot basis on prevailing physical sugar prices.

### ▪ FOREIGN EXCHANGE RISK AND HEDGING:

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

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

vii. All mandatory requirements relating to corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, have been appropriately complied with and the status of non-mandatory (discretionary) requirements is given below:

The Financial Statements are free from any adverse audit qualifications.

The Internal Auditors of the Company report directly to the Audit Committee.

## 6. CODE OF CONDUCT

Pursuant to Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has laid down a 'Code of Conduct' for all the Board and Senior Management Members and they have affirmed compliance with the said Code of Conduct of the Company for the Financial Year 2017-18.

The declaration pursuant to Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that all the Board Members and Senior Management Members have affirmed their compliance with the said code of conduct for the year ended 31<sup>st</sup> March, 2018 is annexed to this Report.

The Code of conduct is also placed on the Company's website at [www.renukasugars.com](http://www.renukasugars.com).

## 7. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated, adopted and implemented "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Insiders" in the securities of the Company.

## 8. COMPLIANCE OFFICER

Mr. Naveen Manghani, Company Secretary was the Compliance Officer of the Company upto 31<sup>st</sup> October, 2017. Mr. Rupesh Saraiya has been appointed as the Company Secretary & Compliance Officer w.e.f. 13<sup>th</sup> November, 2017.

## 9. MEANS OF COMMUNICATION

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

## 10. GENERAL SHAREHOLDER'S INFORMATION

### i. Annual General Meeting (AGM)

Date: 29<sup>th</sup> September, 2018

Time: 1.30 p.m.

Venue: Maratha Mandir Hall, Near Railway Over Bridge, Khanapur Road, Belagavi - 590 001, Karnataka

The Financial Year of the Company is from 1<sup>st</sup> April to 31<sup>st</sup> March.

### ii. Financial Year

### iii. Tentative Financial Calendar 2018-19

1<sup>st</sup> Quarterly results

were declared on 8<sup>th</sup> August, 2018

2<sup>nd</sup> Quarterly results

on or before 14<sup>th</sup> November, 2018

3<sup>rd</sup> Quarterly results

on or before 14<sup>th</sup> February, 2019

4<sup>th</sup> Quarterly results

on or before 30<sup>th</sup> May, 2019

### iv. Date of Book Closure

Friday, 21<sup>st</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (both days inclusive).

### v. Dividend Payment Date

No Dividend has been recommended by the Board for the year ended 31<sup>st</sup> March, 2018

### vi. Corporate Identification of the Company

L01542KA1995PLC019046

### vii. ISINs

Equity shares

INE087H01022

0.01% Optionally Convertible Preference Shares

INE087H03028

0.01% Redeemable Preference Shares

INE087H04018

11.70% Non-Convertible Debentures

INE087H07060

11.30% Non-Convertible Debentures

INE087H07078

0.01% Non-Convertible Debentures

INE087H07086

### viii. Unclaimed Shares

In accordance with the requirement of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 1 <sup>st</sup> April, 2017; | 4                      | 2,080            |
| 2       | Number of shareholders who approached the Company 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, 31 <sup>st</sup> March, 2018;     | 4                      | 2,080            |

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

### ix. Listing on Stock Exchanges

The Company's equity shares are listed on the Stock Exchanges as mentioned hereunder:

|   |   |
|---|---|
| National Stock Exchange of India Limited (NSE)                        | BSE Limited (BSE)   |
| Exchange Plaza, Bandra Kurla Complex, Bandra (E),<br>Mumbai - 400051. | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -<br>400001 |

The Company has paid the listing fees for the year 2018-19.

### x. Stock Code:

NSE - RENUKA

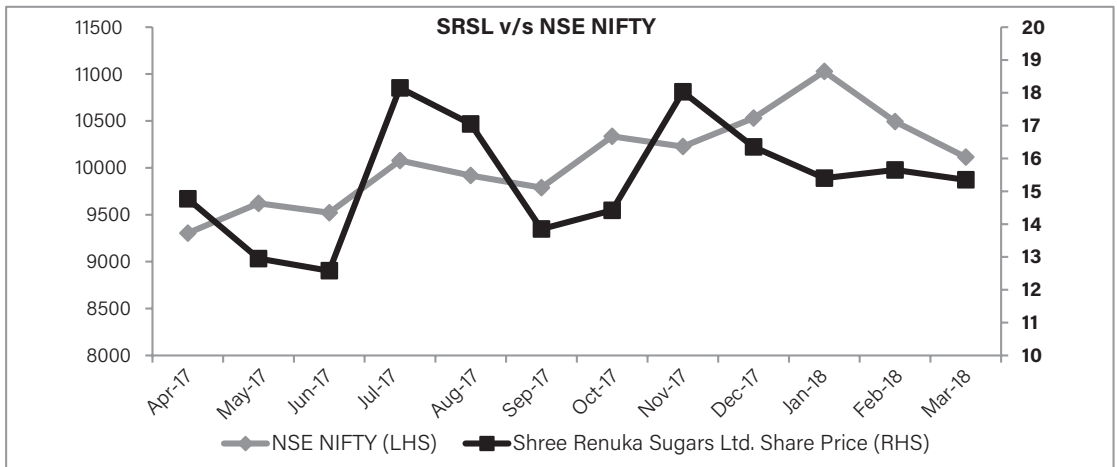
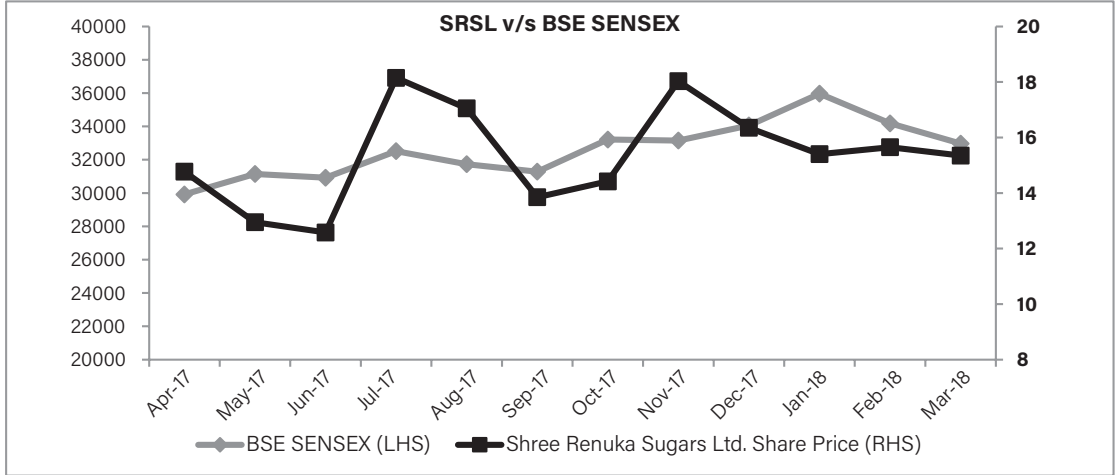
BSE - 532670

### xi. Market Price Data

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

| Month  | BSE              |       |         | NSE              |       |         |
|--------|------------------|-------|---------|------------------|-------|---------|
|        | Share Price in ₹ |       |         | Share Price in ₹ |       |         |
|        | High             | Low   | Closing | High             | Low   | Closing |
| Apr-17 | 15.83            | 14.22 | 14.77   | 15.85            | 14.20 | 14.75   |
| May-17 | 15.00            | 12.40 | 12.95   | 14.85            | 12.85 | 12.90   |
| Jun-17 | 13.45            | 12.00 | 12.58   | 13.40            | 12.40 | 12.55   |
| Jul-17 | 22.40            | 12.60 | 18.15   | 22.50            | 12.60 | 18.15   |
| Aug-17 | 19.75            | 16.20 | 17.05   | 19.70            | 16.20 | 17.10   |
| Sep-17 | 17.30            | 13.60 | 13.85   | 17.30            | 13.55 | 13.85   |
| Oct-17 | 15.29            | 13.50 | 14.42   | 15.35            | 13.60 | 14.40   |
| Nov-17 | 18.88            | 14.62 | 18.03   | 18.85            | 14.60 | 18.00   |
| Dec-17 | 18.75            | 15.55 | 16.35   | 18.75            | 15.50 | 16.35   |
| Jan-18 | 17.85            | 15.25 | 15.40   | 17.80            | 15.15 | 15.50   |
| Feb-18 | 16.40            | 14.05 | 15.65   | 16.40            | 13.95 | 15.65   |
| Mar-18 | 16.20            | 14.45 | 15.35   | 16.15            | 14.45 | 15.35   |

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



**xiii. Registrar & Transfer Agent**

Karvy Computershare Private Limited  
 Unit: Shree Renuka Sugars Limited  
 Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,  
 Nanakramguda, Hyderabad - 500 032  
 Tel. No. +91 40 6716 2222/6716 1700  
 Fax No. +91 40 2300 1153/6716 1680  
 e-mail: einward.ris@karvy.com

**xiv. 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.

**xv. Distribution of shareholding as on 31<sup>st</sup> March, 2018**

| Category      | Nos. of Cases  | % of Cases    | Total Shares         | Amount               | % Amount      |
|---------------|----------------|---------------|----------------------|----------------------|---------------|
| 1-5000        | 166,063        | 95.13         | 92,935,011           | 92,935,011           | 4.85          |
| 5001- 10000   | 4,629          | 2.65          | 36,495,733           | 36,495,733           | 1.90          |
| 10001- 20000  | 2,056          | 1.18          | 30,165,453           | 30,165,453           | 1.57          |
| 20001- 30000  | 647            | 0.37          | 16,160,962           | 16,160,962           | 0.84          |
| 30001- 40000  | 284            | 0.16          | 10,124,131           | 10,124,131           | 0.53          |
| 40001- 50000  | 220            | 0.13          | 10,254,849           | 10,254,849           | 0.53          |
| 50001- 100000 | 351            | 0.20          | 25,006,810           | 25,006,810           | 1.30          |
| 100001& Above | 314            | 0.18          | 1,695,676,343        | 1,695,676,343        | 88.46         |
| <b>Total</b>  | <b>174,564</b> | <b>100.00</b> | <b>1,916,819,292</b> | <b>1,916,819,292</b> | <b>100.00</b> |

**xvi. Shareholding pattern as on 31<sup>st</sup> March, 2018**

| Category                            | Shareholding          | Percentage    |
|-------------------------------------|-----------------------|---------------|
| Promoters                           | 99,66,78,818          | 52.00         |
| Alternate Investment Funds          | 22,00,000             | 0.11          |
| Foreign Portfolio Investors         | 2,35,81,976           | 1.23          |
| Financial Institutions/Banks        | 49,89,02,528          | 26.03         |
| Foreign Institutional Investors     | 5,01,000              | 0.03          |
| Foreign Body Corporate/Foreign Bank | 2,93,86,497           | 1.53          |
| NBFC Registered with RBI            | 4,86,109              | 0.03          |
| Private Corporate Bodies            | 6,28,70,105           | 3.28          |
| NRIs                                | 85,25,422             | 0.44          |
| Trusts                              | 2,30,54,504           | 1.20          |
| Individuals & HUFs                  | 26,86,74,328          | 14.02         |
| Clearing Member                     | 19,58,005             | 0.10          |
| <b>Total</b>                        | <b>1,91,68,19,292</b> | <b>100.00</b> |

**xvii. Dematerialization of shares and liquidity**

As on 31<sup>st</sup> March, 2018, 1,909,113,046 equity shares of the Company (99.60% of the total issued equity capital) were held in dematerialized form and 7,706,246 equity shares (0.40% of the total issued equity capital) were held in physical form. Registrar and Transfer Agent are appointed for transfer of shares in dematerialization mode and in physical mode.

**xviii. Outstanding GDRs/ADRs/Warrants - or any convertible instrument**

**xix. Address for Correspondence**

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

**Karvy Computershare Private Limited**

Unit: Shree Renuka Sugars Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032  
Tel. No. +91 40 6716 2222/6716 1700  
Fax No. +91 40 2300 1153/6716 1680  
E-mail: einward.ris@karvy.com



- b. All other queries on Annual Report should be directed to :

**Shree Renuka Sugars Limited**

BC 105, Havelock Road, Cantonment, Belagavi 590001  
Tel No. 0831 2404000 E-mail: rupesh.saraiya@renukasugars.com

**xx. Plant locations**

Information on Plant locations has been provided in the section of Corporate Information.

**xxi. Listed Debt Securities**

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

**Debenture Trustee for NCDs -  
IDBI Trusteeship Services Limited**

Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400001. Tel. No.: 022 - 40807062  
Email: rajeshchandra@idbitrustee.com  
Website: www.idbitrustee.com

## Auditors' Certificate on Corporate Governance

To,  
The Members,  
Shree Renuka Sugars Limited

We have examined the compliance of conditions of Corporate Governance by Shree Renuka Sugars Limited (hereinafter referred as 'Company') for the Financial year ended 31<sup>st</sup> March, 2018 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations').

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. 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 our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

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

**Vinita D Modak**

Practicing Company Secretary

Membership No. 23151

COP No. 8258

Date: 27/06/2018

## CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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 the cash flow statement of the Company for the year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during year ended 31<sup>st</sup> March, 2018 are fraudulent, illegal or violative to the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.
- (d) During the above said period:
  - (i) There have not been any significant changes in internal control over financial reporting;
  - (ii) There have not been any significant changes in accounting policies; and
  - (iii) There have been no instances of significant fraud of which we are aware and which involve management or any employees, having significant role in the Company's internal control system over financial reporting.

**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 affirmed compliance with the Company's Code of Conduct for the year ended at 31<sup>st</sup> March, 2018.

**For Shree Renuka Sugars Limited**

**Narendra Murkumbi**  
Vice Chairman & Managing Director

# Independent Auditor's Report

To the Members of  
**SHREE RENUKA SUGARS LIMITED**

## REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

1. We have audited the accompanying Standalone Ind AS financial statements of Shree Renuka Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute

of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. 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 Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

## OPINION

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

## EMPHASIS OF MATTER

6. We draw attention to Note 2.4 to the standalone financial statements which describes factors based on which the management of the Company has prepared the standalone financial statements of the company on going concern basis. Our opinion is not qualified in respect of this matter.

## OTHER MATTER

7. We have audited the adjustments to property, plant and equipment, deferred tax liability, depreciation and revaluation surplus as described in Note 45 to restate the financial information as at April 1, 2016 and as at and for the year ended March 31, 2017. In our opinion, such adjustments are appropriate and have been properly applied. We further state that we were not engaged to

audit, review or apply any procedures to the standalone financial statements of the Company either as at April 1, 2016 or as at and for the year ended March 31, 2017 other than with respect to the aforesaid adjustments and, accordingly, we do not express an opinion or review conclusion or any other form of assurance on the financial information as at April 1, 2016, as at March 31, 2017 and for the year ended March 31, 2017 as a whole.

8. The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion with emphasis of matter on those statements on May 29, 2017, drawing attention to recoverable amount of investments made by the company in its subsidiary - Shree Renuka Global Ventures Limited, which were stated at their carrying amount and the impairment of which, was dependent on approval of reorganisation plans of its subsidiary, Shree Renuka do Brasil Participações Ltda. Brazil ("SRBDPL"), by courts in Brazil.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 37 to the Standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Place: Mumbai

Date: May 3, 2018

Membership No.: 049237

# Annexure 1 to the Auditor's Report

## Annexure referred to in paragraph 9 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

### RE: SHREE RENUKA SUGARS LIMITED

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are pledged with the banks and not available with the Company. The same has not been independently confirmed by the bank and hence we are unable to comment on the same.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan are not prejudicial to the company's interest.
- (b) The Company has granted loan that is re-payable on demand, to one company covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of this loan during the year, and thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the

register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing sugar activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the statute                            | Nature of the dues | Amount*<br>(₹ Million) | Period to which the amount relates | Forum where the dispute is pending          |
|--|--------------------|------------------------|------------------------------------|---|
| Income Tax Act 1961                            | Income tax         | 275.65                 | 2008-09 & 2009-10                  | Income Tax Appellate Tribunal, Panaji       |
| Central Excise Act, 1944                       | Excise duty        | 42.80                  | 2008-09, 2011-12, 2015-16          | Commissioner of Central Excise Appeal       |
|  |                    | 775.34                 | 2004 to 2014                       | CESTAT                                      |
|  |                    | 3.65                   | 2003-04                            | Supreme Court of India                      |
|  |                    | 2.59                   | 2004-05 to 2008-2009               | Commissioner of Central Excise Appeal       |
| Finance Act, 1994                              | Service tax        | 33.45                  | 2008-09 to 2010-11                 | CESTAT                                      |
| Customs Act, 1962                              | Customs duty       | 249.03                 | 2008-09, 2011-12 & 2015-16         | Supreme Court of India                      |
| Maharashtra Value Added Tax/ CST               | VAT Credit/ CST    | 5.59                   | 2009-10, 2010-11, 2012-13          | Maharashtra Value added tax appeal Kolhapur |
| *Amount paid under protest is ₹ 421.14 Million |                    |                        |                                    |   |

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. The Company did not have any outstanding loans or borrowing dues in respect of dues to government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of compulsorily convertible preference shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Place: Mumbai

Date: May 3, 2018

Membership No.: 049237

# Annexure 2 to the Auditor's Report

Annexure referred to in paragraph 10 (f) of our Independent Auditor's Report of even date on the standalone Ind AS financial statements of Shree Renuka Sugars Limited

## **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

1. We have audited the internal financial controls over financial reporting of Shree Renuka Sugars Limited ("the Company") as of March 31, 2018, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

## **AUDITOR'S RESPONSIBILITY**

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

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

## **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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



**OPINION**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Place: Mumbai

Date: May 3, 2018

Membership No.: 049237

# Balance Sheet

as at 31<sup>st</sup> March 2018

All amounts in Million Indian Rupees, unless otherwise stated

|  | Notes | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017* | As at<br>1 <sup>st</sup> April 2016* |
|--|-------|--------------------------------------|---------------------------------------|--------------------------------------|
| <b>ASSETS</b>                                  |       |                                      |                                       |                                      |
| <b>Non-current assets</b>                      |       |                                      |                                       |                                      |
| Property, plant and equipment                  | 3     | 38,612.23                            | 41,596.61                             | 43,908.47                            |
| Capital work-in-progress                       | 3     | 269.16                               | 326.82                                | 294.23                               |
| Other intangible assets                        | 4     | 0.43                                 | 0.35                                  | 0.80                                 |
| Financial assets                               |       |                                      |                                       |                                      |
| Investments                                    | 5     | 1,261.41                             | 19,608.10                             | 19,702.81                            |
| Loans  | 6     | -                                    | 1,733.76                              | 1,580.82                             |
| Other non-current financial assets             | 7     | 144.05                               | 146.26                                | 170.17                               |
| Other non-current assets                       | 8     | 1,647.93                             | 2,096.93                              | 2,149.24                             |
| Income tax receivable (net)                    |       | 312.05                               | 374.80                                | 343.89                               |
| Deferred tax assets (net)                      | 9     | 3,250.42                             | -                                     | -                                    |
| <b>Total non-current assets</b>                |       | <b>45,497.68</b>                     | <b>65,883.63</b>                      | <b>68,150.43</b>                     |
| <b>Current assets</b>                          |       |                                      |                                       |                                      |
| Inventories                                    | 10    | 9,296.47                             | 13,429.67                             | 19,352.44                            |
| Financial assets                               |       |                                      |                                       |                                      |
| Trade receivables                              | 11    | 6,990.09                             | 5,890.29                              | 3,844.36                             |
| Cash and cash equivalents                      | 12    | 339.23                               | 457.72                                | 179.23                               |
| Loans  | 13    | 315.96                               | 369.74                                | 274.12                               |
| Other current financial assets                 | 14    | 34.62                                | 42.40                                 | 76.71                                |
| Other current assets                           | 15    | 2,964.75                             | 2,433.97                              | 2,068.73                             |
| <b>Total current assets</b>                    |       | <b>19,941.12</b>                     | <b>22,623.79</b>                      | <b>25,795.59</b>                     |
| <b>Total assets</b>                            |       | <b>65,438.80</b>                     | <b>88,507.42</b>                      | <b>93,946.02</b>                     |
| <b>EQUITY AND LIABILITIES</b>                  |       |                                      |                                       |                                      |
| <b>Equity</b>                                  |       |                                      |                                       |                                      |
| Equity share capital                           | 16a   | 1,916.82                             | 945.25                                | 928.81                               |
| Other equity                                   | 16b   |                                      |                                       |                                      |
| Securities Premium                             |       | 30,396.51                            | 15,569.72                             | 15,314.26                            |
| Debenture redemption reserve                   |       | 625.00                               | 625.00                                | 500.00                               |
| Changes in equity instrument and others        |       | 54.82                                | 112.00                                | 114.59                               |
| Revaluation reserve                            |       | 11,069.14                            | 12,302.84                             | 13,027.34                            |
| Retained earnings                              |       | (35,146.91)                          | (5,998.28)                            | (4,237.41)                           |
| <b>Equity attributable to equity holders</b>   |       | <b>8,915.38</b>                      | <b>23,556.53</b>                      | <b>25,647.59</b>                     |
| <b>Non-current liabilities</b>                 |       |                                      |                                       |                                      |
| Financial liabilities                          |       |                                      |                                       |                                      |
| Borrowings                                     | 17    | 21,017.24                            | 30,154.40                             | 20,007.00                            |
| Other non-current financial liabilities        | 18    | 60.89                                | 82.11                                 | 106.85                               |
| Net employee benefit liabilities (non-current) | 19    | 118.33                               | 53.30                                 | 50.19                                |
| Government grants                              | 20    | 52.02                                | 167.46                                | 309.37                               |
| Deferred tax liabilities (net)                 | 9     | -                                    | 3,221.00                              | 3,980.28                             |
| <b>Total non-current liabilities</b>           |       | <b>21,248.48</b>                     | <b>33,678.27</b>                      | <b>24,453.69</b>                     |
| <b>Current liabilities</b>                     |       |                                      |                                       |                                      |
| Financial liabilities                          |       |                                      |                                       |                                      |
| Borrowings                                     | 21    | 1,662.10                             | 3,761.14                              | 12,060.27                            |
| Trade payables                                 | 22    | 26,636.92                            | 22,816.33                             | 26,786.76                            |
| Other current financial liabilities            | 23    | 1,448.93                             | 2,935.90                              | 3,021.87                             |
| Government grants                              | 20    | 95.54                                | 137.28                                | 187.87                               |
| Other current liabilities                      | 24    | 5,423.91                             | 1,615.23                              | 1,783.33                             |
| Net employee benefit liabilities (current)     | 25    | 7.54                                 | 6.74                                  | 4.64                                 |
| <b>Total current liabilities</b>               |       | <b>35,274.94</b>                     | <b>31,272.62</b>                      | <b>43,844.74</b>                     |
| <b>Total equity and liabilities</b>            |       | <b>65,438.80</b>                     | <b>88,507.42</b>                      | <b>93,946.02</b>                     |

\* Restated

Significant accounting policies

21

Accompanying notes 1 to 47 form integral part of these financial statements

To be read with our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

per Shyamsundar Pachisia

Partner

Membership No.49237

Vidya M. Murkumbi

Executive Chairperson

DIN: 00007588

K. K. Kumbhat

Chief Financial Officer

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

Narendra M. Murkumbi

Vice-Chairman & Managing Director

DIN: 00009164

Rupesh Saraiya

Company Secretary

ACS No.: A14699

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

# Statement of Profit and Loss

For the Year Ended 31<sup>st</sup> March 2018

All amounts in Million Indian Rupees, unless otherwise stated

|   | Notes | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017* |
|---|-------|---|--|
| <b>Income</b>   |       |   |  |
| Revenue from operations   | 26    | 58,628.48                                 | 78,644.59                                  |
| Other income  | 27    | 402.74                                    | 513.02                                     |
| <b>Total income</b>   |       | <b>59,031.22</b>                          | <b>79,157.61</b>                           |
| <b>Expenses</b>   |       |   |  |
| Cost of raw materials consumed  | 28    | 46,403.45                                 | 52,534.63                                  |
| Purchase of traded goods  | 29    | 8,480.34                                  | 12,128.66                                  |
| (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods                       | 30    | (952.42)                                  | 4,828.40                                   |
| Excise duty on sale of goods  |       | 151.79                                    | 929.30                                     |
| Employee benefit expenses   | 31    | 1,062.86                                  | 979.44                                     |
| Depreciation and amortisation expense   | 33    | 2,321.57                                  | 2,532.30                                   |
| Foreign exchange (gain)/loss (net)  |       | 95.15                                     | 187.78                                     |
| Finance costs   | 32    | 4,986.44                                  | 3,920.57                                   |
| Other expenses  | 34    | 5,221.06                                  | 4,235.40                                   |
| <b>Total expenses</b>   |       | <b>67,770.24</b>                          | <b>82,276.48</b>                           |
| <b>Profit/(loss) before exceptional items and tax</b>   |       | <b>(8,739.02)</b>                         | <b>(3,118.87)</b>                          |
| Exceptional items   | 35    | 27,359.01                                 | -  |
| <b>Profit/(loss) before tax</b>   |       | <b>(36,098.03)</b>                        | <b>(3,118.87)</b>                          |
| Current tax   |       | -   | -  |
| Deferred tax  | 9     | (6,276.67)                                | (760.61)                                   |
| <b>Income tax expense</b>   |       | <b>(6,276.67)</b>                         | <b>(760.61)</b>                            |
| <b>Profit/(loss) for the year</b>   |       | <b>(29,821.36)</b>                        | <b>(2,358.26)</b>                          |
| <b>Other comprehensive income</b>   |       |   |  |
| <b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>             |       |   |  |
| Reversal of revaluation reserve on disposal of asset/impairment of plant property and equipments (net of tax) |       | (560.97)                                  | (2.11)                                     |
| Net gain/(loss) on remeasurement of defined benefit plans (net of tax)  |       | 1.36                                      | (2.59)                                     |
| Unrealised gain/(loss) on FVTOCI equity securities  |       | (58.54)                                   | -  |
| <b>Total comprehensive income for the year (net of tax)</b>   |       | <b>(30,439.51)</b>                        | <b>(2,362.96)</b>                          |
| <b>Earnings per share</b>   |       |   |  |
| Basic   | 36    | (29.63)                                   | (2.54)                                     |
| [Face value of equity share ₹ 1/- each]   |       |   |  |
| Diluted   |       | (29.63)                                   | (2.54)                                     |
| [Face value of equity share ₹ 1/- each]   |       |   |  |

\* Restated

Significant accounting policies

2.1

Accompanying notes 1 to 47 form integral part of these financial statements

To be read with our report of even date  
**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 324982E/E300003

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

**per Shyamsundar Pachisia**  
Partner  
Membership No.49237

**Vidya M. Murkumbi**  
Executive Chairperson  
DIN: 00007588

**Narendra M. Murkumbi**  
Vice-Chairman & Managing Director  
DIN: 00009164

**K. K. Kumbhat**  
Chief Financial Officer

**Rupesh Saraiya**  
Company Secretary  
ACS No.: A14699

Date : 3<sup>rd</sup> May 2018  
Place: Mumbai

Date : 3<sup>rd</sup> May 2018  
Place: Mumbai

# Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2018

All amounts in Million Indian Rupees, unless otherwise stated

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017* |
|---|---|--|
| <b>Operating activities</b>   |   |  |
| Loss before tax   | (36,098.03)                               | (3,118.87)                                 |
| <i>Adjustments to reconcile loss before tax to net cash flows:</i>                |   |  |
| Depreciation and impairment of property, plant and equipment                      | 2,321.15                                  | 2,531.76                                   |
| Amortisation and impairment of intangible assets                                  | 0.42                                      | 0.54                                       |
| Finance costs (including unwinding of interest on borrowing at concessional rate) | 4,986.44                                  | 3,920.57                                   |
| Processing charges on restructuring   | 208.55                                    | -  |
| Finance income  | (253.56)                                  | (232.31)                                   |
| (Gain)/loss on disposal of property, plant and equipment                          | (4.01)                                    | 3.00                                       |
| Gain on restructuring   | (13,838.89)                               | -  |
| Dividend income   | (0.90)                                    | (6.33)                                     |
| (Gain)/loss from disposal of investments  | -   | (75.97)                                    |
| Net foreign exchange differences  | (73.08)                                   | 51.27                                      |
| Impairment of investments   | 18,258.01                                 | -  |
| Impairment of financial assets  | 17,102.63                                 | -  |
| Impairment of other assets  | 980.87                                    | -  |
| Impairment of property, plant and equipment                                       | 37.25                                     | -  |
| Impairment of capital work in progress  | 28.77                                     | -  |
| Impairment of trade receivables   | 4,006.73                                  | -  |
| Accrued liability towards litigation  | 220.00                                    | -  |
| <b>Working capital adjustments:</b>   |   |  |
| Movement in provisions, gratuity and government grants                            | (91.34)                                   | (187.29)                                   |
| Decrease/(increase) in trade receivables  | (5,030.17)                                | (2,203.78)                                 |
| Decrease/(increase) in other receivables and prepayments                          | (16,384.50)                               | (510.73)                                   |
| Decrease/(increase) in inventories  | 4,133.20                                  | 5,922.77                                   |
| Increase/(decrease) in trade and other payables                                   | 7,457.37                                  | (4,135.87)                                 |
|   | <b>(12,033.09)</b>                        | <b>1,958.76</b>                            |
| Income tax refunded/(paid)  | 62.75                                     | (30.91)                                    |
| <b>Net cash flows from/(used in) operating activities</b>                         | <b>(11,970.34)</b>                        | <b>1,927.85</b>                            |
| <b>Investing activities:</b>  |   |  |
| Purchase of property, plant and equipment   | (173.56)                                  | (260.69)                                   |
| Proceeds from sale of property, plant and equipment                               | 105.65                                    | 5.11                                       |
| Proceeds from sale of financial instruments                                       | -   | 170.68                                     |
| Interest received (finance income)  | 270.33                                    | 239.76                                     |
| Dividend received   | 0.90                                      | 6.33                                       |
| <b>Net cash flows from/(used in) investing activities</b>                         | <b>203.32</b>                             | <b>161.19</b>                              |
| <b>Financing activities:</b>  |   |  |
| Proceeds from issue of equity shares (net of transaction cost)                    | 7,825.57                                  | 271.90                                     |
| Proceeds from long-term borrowings  | -   | 12,156.27                                  |
| Repayment of long-term borrowings   | (1,688.63)                                | (2,457.81)                                 |
| Proceeds/(repayment) from/of working capital borrowing (net)                      | 10,833.26                                 | (8,254.71)                                 |
| Finance cost and processing charges paid  | (5,321.67)                                | (3,526.20)                                 |
| <b>Net cash flows from/(used in) financing activities</b>                         | <b>11,648.53</b>                          | <b>(1,810.55)</b>                          |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                       | <b>(118.49)</b>                           | <b>278.49</b>                              |
| Opening cash and cash equivalents (Refer Note 12)                                 | 457.72                                    | 179.23                                     |
| <b>Closing cash and cash equivalents (Refer Note 12)</b>                          | <b>339.23</b>                             | <b>457.72</b>                              |

\* Restated

Accompanying notes 1 to 47 form integral part of these financial statements

To be read with our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

per Shyamsundar Pachisia

Partner

Membership No.49237

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

Vidya M. Murkumbi

Executive Chairperson

DIN: 00007588

K. K. Kumbhat

Chief Financial Officer

Narendra M. Murkumbi

Vice-Chairman & Managing Director

DIN: 00009164

Rupesh Saraiya

Company Secretary

ACS No.: A14699

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2018

All amounts in Million Indian Rupees, unless otherwise stated

|   | Equity share capital | Securities premium | Reserves & Surplus      | Retained earnings  | Revaluation reserve | Items of OCI<br>Changes in equity instrument and others | Total equity attributable to equity holders of the Company |
|---|----------------------|--------------------|-------------------------|--------------------|---------------------|---|--|
|   |                      |                    | Debt redemption reserve |                    |                     |   |  |
| <b>As at 1<sup>st</sup> April 2016*</b>                                 | <b>928.81</b>        | <b>15,314.26</b>   | <b>500.00</b>           | <b>(4,237.41)</b>  | <b>13,027.34</b>    | <b>114.59</b>   | <b>25,647.59</b>   |
| Profit/(loss) for the period  | -                    | -                  | -                       | (2,358.26)         | -                   | -   | (2,358.26)   |
| Remeasurement of the net defined benefit liability / asset (net of tax) | -                    | -                  | -                       | -                  | -                   | (2.59)  | (2.59)   |
| Other comprehensive income  | -                    | -                  | -                       | -                  | (2.11)              | -   | (2.11)   |
| <b>Total comprehensive income</b>                                       | <b>-</b>             | <b>-</b>           | <b>-</b>                | <b>(6,595.67)</b>  | <b>13,025.23</b>    | <b>112.00</b>   | <b>6,541.56</b>  |
| Equity shares issued during the year                                    | 16.44                | 255.46             | -                       | -                  | -                   | -   | 271.90   |
| Transfer to/(from) retained earnings                                    | -                    | -                  | 125.00                  | (125.00)           | -                   | -   | -  |
| Depreciation of revalued assets   | -                    | -                  | -                       | 1,094.36           | (1,094.36)          | -   | -  |
| Tax effect on depreciation of revalued assets                           | -                    | -                  | -                       | (371.97)           | 371.97              | -   | -  |
| <b>As at 31<sup>st</sup> March 2017*</b>                                | <b>945.25</b>        | <b>15,569.72</b>   | <b>625.00</b>           | <b>(5,998.28)</b>  | <b>12,302.84</b>    | <b>112.00</b>   | <b>23,556.53</b>   |
| Profit/(loss) for the period  | -                    | -                  | -                       | (29,821.36)        | -                   | -   | (29,821.36)  |
| Other comprehensive income  | -                    | -                  | -                       | -                  | (560.97)            | (57.18)   | (618.15)   |
| <b>Total comprehensive income</b>                                       | <b>-</b>             | <b>-</b>           | <b>-</b>                | <b>(35,819.64)</b> | <b>11,741.87</b>    | <b>54.82</b>  | <b>(24,022.95)</b>   |
| Shares issued during the year   | 971.57               | 14,826.79          | -                       | -                  | -                   | -   | 15,798.36  |
| Transfer to/(from) retained earnings                                    | -                    | -                  | -                       | -                  | -                   | -   | -  |
| Depreciation of revalued assets   | -                    | -                  | -                       | 1,019.14           | (1,019.14)          | -   | -  |
| Tax effect on depreciation of revalued assets                           | -                    | -                  | -                       | (346.41)           | 346.41              | -   | -  |
| <b>As at 31<sup>st</sup> March 2018</b>                                 | <b>1,916.82</b>      | <b>30,396.51</b>   | <b>625.00</b>           | <b>(35,146.91)</b> | <b>11,069.14</b>    | <b>54.82</b>  | <b>8,915.38</b>  |

\* Previous year numbers have been restated. Refer Note 45 for the reconciliation between previous year numbers and current year numbers as presented above.

To be read with our report of even date  
**For S R B C & CO LLP**  
 Chartered Accountants  
 ICAI Firm Regn. No : 324982E/E300003

**per Shyamsundar Pachisia**  
 Partner  
 Membership No.49237

Date : 3<sup>rd</sup> May 2018  
 Place: Mumbai

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

**Vidya M. Murkumbi**  
 Executive Chairperson  
 DIN: 00007588

**K. K. Kumbhat**  
 Chief Financial Officer

Date : 3<sup>rd</sup> May 2018  
 Place: Mumbai

**Narendra M. Murkumbi**  
 Vice-Chairman & Managing Director  
 DIN: 00009164

**Rupesh Saraiya**  
 Company Secretary  
 ACS No.: A14699

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 1. CORPORATE INFORMATION

Shree Renuka Sugars Limited ("SRSL" or "the Company") is a public company incorporated and domiciled in India. The Company's shares are listed on the BSE Ltd and National Stock Exchange of India Ltd. The registered office of the company is located at BC 105 Havelock Road, Camp, Belagavi - 590001.

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

The financial statements for the year ended 31<sup>st</sup> March 2018 were authorised for issue by the Board of Directors of the Company on 3<sup>rd</sup> May 2018.

### 1.1 SIGNIFICANT ACCOUNTING POLICIES

#### I. Basis of Preparation:

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

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

- Land, buildings and plant and machinery classified as property, plant and equipment
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

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

#### II. Summary of significant accounting policies:

##### a. Current versus non-current classification

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

- o Expected to be realised or intended to be sold or consumed in normal operating cycle
- o Held primarily for the purpose of trading
- o Expected to be realised within twelve months after the reporting period, or
- o Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

*All amounts in million Indian Rupees, unless otherwise stated*

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### b. Foreign currencies

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

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

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

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

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## c. Fair value measurement

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

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

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

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

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

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

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

- o Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- o Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- o Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation

*All amounts in million Indian Rupees, unless otherwise stated*

(based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

## d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

The specific recognition criteria described below must also be met before revenue is recognised.

## Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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.

## Rendering of services

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

## Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

## Dividends

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

## e. Government grants

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

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value

*All amounts in million Indian Rupees, unless otherwise stated*

amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

The Company has chosen to present grants related to an expense item as other income in the statement of profit and loss.

## f. Taxes

### Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- o When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- o When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## g. Property, plant and equipment

Freehold land, buildings and plant and machinery (property), other than investment property, were carried in the balance sheet on the basis of fair valuations performed as at September 2015. The Company has also determined that fair value as at 31 March 2018 does not differ materially from the carrying value of assets. Accordingly, the Company has not revalued the property at 31 March 2018.

*All amounts in million Indian Rupees, unless otherwise stated*

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

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

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

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

| Category               | Useful life  |
|------------------------|--------------|
| Buildings              | 5 - 60 Years |
| Plant and Equipments   | 5-40 Years   |
| Furniture and Fixtures | 1-10 Years   |
| Vehicles               | 7-8 Years    |
| Office Equipments      | 1-10 Years   |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

The Company, based on technical assessment made by management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its

intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

## k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

- o Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- o Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- o Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- o By-products and scraps are valued at net realisable value.

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

## I. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are

prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## m. Provisions General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- o Service costs comprising current service costs, past-service costs; and
- o Net interest expense or income

## Long term employee benefits:

Compensated absences are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

## Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred.

## o. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (a) Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- o Debt instruments at amortised cost.
- o Debt instruments at fair value through other comprehensive income (FVTOCI).
- o Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- o Equity instruments measured at fair value through other comprehensive income (FVTOCI).

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 11.

## Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

The Company has not designated any debt instrument as at FVTOCI.

## Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However,

such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

## Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

## De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- o The rights to receive cash flows from the asset have expired, or
- o The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangements and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

## Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
- d. Loan commitments which are not measured as at FVTPL
- e. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- o Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- o Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- o Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## (b) Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

## Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 17.

## Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

## De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## (c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

**p. Derivative financial instruments and hedge accounting**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

**q. Convertible preference shares**

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**r. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits

with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**s. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## 2.2 SIGNIFICANT ACCOUNTING JUDGMENTS ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## Financial instruments

During the year the Company has entered into framework agreement with its lenders for restructuring its borrowings. As part of the restructuring process the Company has issued 0.01% Non-convertible debentures, redeemable preference shares and optionally convertible preference shares to the lenders. The Company has recognised the new instruments issued at fair value and the difference between the fair value of the instrument and the non-sustainable part of borrowings has been recognised as income on de-recognition of financial liability by the Company.

## Revaluation of property, plant and equipment

The Company measures land, buildings, plant and machinery classified as property, plant and equipment at revalued amounts with changes in fair value being recognised in OCI. The Company has engaged an independent valuation specialist to assess fair value at 31<sup>st</sup> March 2016 for revaluation of land, buildings, plant and machinery. Fair value of land and building was determined by using the market comparable method and plant & equipment was determined by using resale value method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 3.

## Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the cashflow estimates for the remaining life of the asset (in case of BOOT) and budget for 5 years in case of other assets and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows. The key assumptions used to determine the recoverable

*All amounts in million Indian Rupees, unless otherwise stated*

amount for the different CGUs, are disclosed and further explained in Note 3.

## Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Group has unabsorbed depreciation of ₹ 12,314.74 Million (31<sup>st</sup> March 2017: ₹ 11,105.62 Million, 1<sup>st</sup> April 2016: ₹ 9,530.36 Million), unabsorbed tax losses of ₹ 22,518.09 million (31<sup>st</sup> March 2017: ₹ 10,361.81 Million, 1<sup>st</sup> April 2016: ₹ 9,663.67 Million) and MAT credit entitlement of ₹ 528.90 million (31<sup>st</sup> March 2017: ₹ 528.90 Million, 1<sup>st</sup> April 2016: ₹ 528.90 Million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. Based on the future budgeted operational cash-inflows, post the restructuring process, the Company expects to generate taxable income for utilisation of the unabsorbed depreciation, unabsorbed tax losses and MAT credit entitlement.

## Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

Further details about gratuity obligations are given in Note38.

## 2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28<sup>th</sup> March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1<sup>st</sup> April 2018. The Company will adopt the new standard on the required effective date using the modified retrospective method. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

## 2.4 GOING CONCERN

The Company has incurred continuing losses for the year ended 31<sup>st</sup> March 2018, at standalone level. During the year, the Company has executed debt restructuring scheme and restructured its overall borrowings and settled corporate guarantees issued to its subsidiaries. This has resulted into substantial reduction in the

*All amounts in million Indian Rupees, unless otherwise stated*

interest outflow for future period and extended the repayment plan in relation to restructured borrowings. Further, the Company expects to generate operational cash-inflows in next twelve months, which will support the Company to meet its near future cash obligations and has also obtained corporate guarantee from Wilmar International Limited to support the outstanding balance of restructured borrowings. Taking these factors into consideration, the Company believes financial information is fairly presented on going concern basis.

## 2.5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

### New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1<sup>st</sup> April 2017. The nature and the impact of each amendment is described below:

### Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for the current period in Note 17.

### Amendments to Ind AS 102 Classification and Measurement of Share-based Payment Transactions

The amendments to Ind AS 102 Share-based Payment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Company has applied these amendments without restating prior periods. However, their application has no effect on the Company's financial position and performance as the Company had no such transaction.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 3. PROPERTY, PLANT AND EQUIPMENT

|  | leasehold<br>land | Freehold<br>land | Buildings       | Plant,<br>machinery<br>and<br>equipment | Furniture<br>&<br>fixtures | Vehicles     | Total for<br>plant,<br>property<br>and<br>equipment | Capital<br>work-in-<br>progress | Total            |
|--|-------------------|------------------|-----------------|---|----------------------------|--------------|---|---------------------------------|------------------|
| <b>As at 1<sup>st</sup> April 2016</b> | <b>180.39</b>     | <b>2,026.05</b>  | <b>7,178.23</b> | <b>35,815.87</b>                        | <b>81.91</b>               | <b>32.90</b> | <b>45,315.35</b>                                    | <b>294.23</b>                   | <b>45,609.58</b> |
| Additions                              | -                 | -                | 45.32           | 157.94                                  | 18.07                      | 6.68         | 228.01  | 32.59                           | 260.60           |
| Disposals                              | -                 | -                | -               | (8.21)                                  | (7.51)                     | (6.61)       | (22.33)   | -                               | (22.33)          |
| <b>At 31<sup>st</sup> March 2017</b>   | <b>180.39</b>     | <b>2,026.05</b>  | <b>7,223.55</b> | <b>35,965.60</b>                        | <b>92.47</b>               | <b>32.97</b> | <b>45,521.03</b>                                    | <b>326.82</b>                   | <b>45,847.85</b> |
| Additions                              | -                 | 1.13             | 29.77           | 153.12                                  | 10.43                      | 7.50         | 201.95  | (28.90)                         | 173.05           |
| Disposals                              | -                 | (1.31)           | (9.28)          | (789.08)                                | (15.30)                    | (9.73)       | (824.70)  | -                               | (824.70)         |
| <b>At 31<sup>st</sup> March 2018</b>   | <b>180.39</b>     | <b>2,025.87</b>  | <b>7,244.04</b> | <b>35,329.64</b>                        | <b>87.60</b>               | <b>30.74</b> | <b>44,898.28</b>                                    | <b>297.92</b>                   | <b>45,196.20</b> |
| <b>Depreciation and impairment</b>     |                   |                  |                 |   |                            |              |   |                                 |                  |
| <b>As at 1<sup>st</sup> April 2016</b> | <b>2.19</b>       | <b>-</b>         | <b>226.70</b>   | <b>1,151.27</b>                         | <b>26.01</b>               | <b>0.71</b>  | <b>1,406.88</b>                                     | <b>-</b>                        | <b>1,406.88</b>  |
| Depreciation charge for the year       | 2.19              | -                | 343.22          | 2,151.73                                | 24.62                      | 10.00        | 2,531.76  | -                               | 2,531.76         |
| Disposals                              | -                 | -                | -               | (2.20)                                  | (7.44)                     | (4.58)       | (14.22)   | -                               | (14.22)          |
| <b>At 31<sup>st</sup> March 2017</b>   | <b>4.38</b>       | <b>-</b>         | <b>569.92</b>   | <b>3,300.80</b>                         | <b>43.19</b>               | <b>6.13</b>  | <b>3,924.42</b>                                     | <b>-</b>                        | <b>3,924.42</b>  |
| Depreciation charge for the year       | 2.19              | -                | 273.24          | 2,016.66                                | 20.32                      | 8.74         | 2,321.15  | -                               | 2,321.15         |
| Disposals                              | -                 | -                | (5.77)          | (455.20)                                | (13.91)                    | (8.26)       | (483.14)  | -                               | (483.14)         |
| Impairment(c)                          | -                 | -                | -               | 523.62                                  | -                          | -            | 523.62  | 28.76                           | 552.38           |
| <b>At 31<sup>st</sup> March 2018</b>   | <b>6.57</b>       | <b>-</b>         | <b>837.39</b>   | <b>5,385.88</b>                         | <b>49.60</b>               | <b>6.61</b>  | <b>6,286.05</b>                                     | <b>28.76</b>                    | <b>6,314.81</b>  |
| <b>Net book value</b>                  |                   |                  |                 |   |                            |              |   |                                 |                  |
| At 31 <sup>st</sup> March 2018         | 173.82            | 2,025.87         | 6,406.65        | 29,943.76                               | 38.00                      | 24.13        | 38,612.23   | 269.16                          | 38,881.39        |
| At 31 <sup>st</sup> March 2017         | 176.01            | 2,026.05         | 6,653.63        | 32,664.80                               | 49.28                      | 26.84        | 41,596.61   | 326.82                          | 41,923.45        |
| At 1 <sup>st</sup> April 2016          | 178.20            | 2,026.05         | 6,951.53        | 34,664.60                               | 55.90                      | 32.19        | 43,908.47   | 294.23                          | 44,202.70        |

### A. Asset under construction

Capital work in progress as at 31<sup>st</sup> March, 2018 comprises expenditure for the plant and building in the course of construction.

### B. Revaluation of land, buildings and plant, machinery and equipment

The management adopted revaluation model for its land, building and plant & equipment and determined that these constitute separate class of assets under Ind AS 113, based on the nature, characteristics and risks of the asset.

Fair value of the land and building was determined by using the market approach and plant, machinery and equipment was determined by using replacement value method. As at the date of revaluation, the land, building, plant, machinery and equipment fair values are based on valuations performed by an accredited independent valuer who has relevant valuation experience for similar assets in India.

The Company had performed valuation as on 31<sup>st</sup> March 2016, however management is of the opinion that there is no significant change in fair value of said assets, hence no fair valuation done during the current year.

#### Significant unobservable valuation input:

The value of land was determined based on condition, location, demand supply in and around and other infrastructure facility available at and around the said plot of land. Land which was based on government promoted industrial estates, was measured on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.

Building/structural sheds were measured considering the fair market value of the constructed area depending on condition, location and other infrastructural facilities available at and around the said plot in the estate. The fair market value was applied to the building structure after considering the type of construction, quality of workmanship, its maintenance, etc.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

The valuation of machinery and other movable assets was based on its present fair market value after allowing for the depreciation of the particular machinery/assets, as well as the present condition of the machinery/assets. The replacement value of the said machinery/assets as well as its maintenance up-keep is considered while working out its present fair market value.

Significant increases/ (decreases) in estimated price per square meter in isolation would result in a significantly higher/ (lower) fair value.

The valuation is classified as level 3 fair value hierarchy due to inclusion of unobservable inputs.

## Information of revaluation model (gross of deferred tax):

|   |                  |
|---|------------------|
| <b>Opening balance as at 1<sup>st</sup> April 2016</b>  | <b>19,735.40</b> |
| Measurement recognised in reserves                      | -                |
| Purchases   | -                |
| Depreciation  | (1,094.36)       |
| Disposed off  | (2.11)           |
| <b>Balance as at 31<sup>st</sup> March 2017</b>         | <b>18,638.93</b> |
| Purchases   | -                |
| Depreciation  | (1,019.14)       |
| Disposed off  | (726.29)         |
| <b>Closing balance as at 31<sup>st</sup> March 2018</b> | <b>16,893.50</b> |

If land, building and plant, machinery and equipment were measured using the cost model. The carrying amounts would be as follows:

|                                 | <b>As at<br/>31<sup>st</sup> March 2018</b> | <b>As at<br/>31<sup>st</sup> March 2017</b> | <b>As at<br/>1<sup>st</sup> April 2016</b> |
|---------------------------------|---|---|--|
| <b>Cost</b>                     |   |   |  |
| Freehold Land                   | 423.65                                      | 423.82                                      | 424.00                                     |
| Buildings                       | 5,581.04                                    | 5,560.56                                    | 5,515.00                                   |
| Plant, machinery and equipment  | 27,764.33                                   | 27,676.12                                   | 27,524.00                                  |
|                                 | <b>33,769.02</b>                            | <b>33,660.50</b>                            | <b>33,463.00</b>                           |
| <b>Accumulated depreciation</b> |   |   |  |
| Freehold Land                   | -   | -   | -  |
| Buildings                       | 1,789.34                                    | 1,505.98                                    | 1,289.00                                   |
| Plant, machinery and equipment  | 10,496.70                                   | 9,448.78                                    | 8,268.00                                   |
|                                 | <b>12,286.04</b>                            | <b>10,954.76</b>                            | <b>9,557.00</b>                            |
| <b>Net carrying amount</b>      | <b>21,482.98</b>                            | <b>22,705.74</b>                            | <b>23,906.00</b>                           |

## C. Impairment

In power segment, due to stiff competition in power industry, the Company do not expect any increase in power rates in coming years, which indicates decrease in recoverable amount from power plant assets. The Company performed its annual impairment test for tangible assets for year ended 31<sup>st</sup> March, 2018. The Company calculated present value of future cash flows of CGU with the carrying value of asset of CGU. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

During the year ended 31<sup>st</sup> March 2018, the impairment loss of ₹ 486.37 Million is recognised for two plants as discussed below:

The recoverable amount of Power Plant, as at 31<sup>st</sup> March 2018, has been determined based on a value in use calculated using cash flow projections from financial budgets approved by senior management for the period available for use. The Group has used pre-tax discount rate for cash flow projections for impairment testing during the current year. As a result of this analysis, management has recognised an impairment charge of ₹ 486.37 Million in the current year.

The distillery plant at Pathri amounting to ₹ 37.25 mn and capital work in progress amounting to ₹ 28.76 Million has also been impaired considering not in use."

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

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## Key assumptions used for value in use calculations for power plant

- EBITDA
- Discount rates - Gsec for 10 years plus spread considering market risk and nature of industry.
- Growth rates used to extrapolate cash flows beyond the forecast period - NIL As the management doesn't expect the power rate to increase, growth rate in power price is considered as NIL.

**EBITDA**- EBITDA is based on expected cane available for crushing and bagasse generated out of it to generate power and the average realisation per unit of power sold. The revenue generated from the sale of power is reduced by the operating expenses (excluding depreciation) to arrive at EBITDA.

## NOTE 4 : OTHER INTANGIBLE ASSETS

|   | Computer software |
|---|-------------------|
| <b>As at 1<sup>st</sup> April, 2016</b> | <b>19.71</b>      |
| Additions                               | 0.09              |
| <b>At 31<sup>st</sup> March, 2017</b>   | <b>19.80</b>      |
| Additions                               | 0.50              |
| Disposals                               | (0.18)            |
| <b>At 31<sup>st</sup> March, 2018</b>   | <b>20.12</b>      |
| <b>Depreciation and impairment</b>      |                   |
| <b>As at 1<sup>st</sup> April, 2016</b> | <b>18.91</b>      |
| Depreciation charge for the year        | 0.54              |
| <b>At 31<sup>st</sup> March, 2017</b>   | <b>19.45</b>      |
| Depreciation charge for the year        | 0.42              |
| Disposals                               | (0.18)            |
| <b>At 31<sup>st</sup> March, 2018</b>   | <b>19.69</b>      |
| <b>Net book value</b>                   |                   |
| <b>At 31<sup>st</sup> March, 2018</b>   | <b>0.43</b>       |
| <b>At 31<sup>st</sup> March, 2017</b>   | <b>0.35</b>       |
| <b>At 31<sup>st</sup> March, 2016</b>   | <b>0.80</b>       |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

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## NOTE 5: INVESTMENTS

|   | Currency | Face value | As at 31 <sup>st</sup> March 2018 |           | As at 31 <sup>st</sup> March 2017 |           | As at 1 <sup>st</sup> April 2016 |           |
|---|----------|------------|-----------------------------------|-----------|-----------------------------------|-----------|----------------------------------|-----------|
|   |          |            | Number of units                   | ₹ Million | Number of units                   | ₹ Million | Number of units                  | ₹ Million |
| Unquoted equity shares: At Cost   |          |            |                                   |           |                                   |           |                                  |           |
| In Subsidiary Companies   |          |            |                                   |           |                                   |           |                                  |           |
| Renuka Commodities DMCC, Dubai  | AED      | 10,000     | 40                                | 4.97      | 40                                | 4.97      | 40                               | 4.97      |
| Shree Renuka Agri Ventures Ltd.   | INR      | 10         | 250,000                           | 2.50      | 250,000                           | 2.50      | 250,000                          | 2.50      |
| KBK Chem-Engineering Pvt Ltd.   | INR      | 100        | 169,143                           | 547.92    | 169,143                           | 547.92    | 169,143                          | 547.92    |
| Gokak Sugars Ltd.   | INR      | 10         | 32,937,140                        | 187.26    | 32,937,140                        | 187.26    | 32,937,140                       | 187.26    |
| Monica Trading Pvt. Ltd   | INR      | 10         | 10,000                            | 171.52    | 10,000                            | 171.52    | 10,000                           | 171.52    |
| Shree Renuka Global Ventures Ltd.**   | USD      | 1          | 395,674,975                       | 18,245.25 | 395,674,975                       | 18,245.25 | 395,674,975                      | 18,245.25 |
| Shree Renuka East Africa Agri ventures PLC  | Birr     | 180        | 9,999                             | 5.19      | 9,999                             | 5.19      | 9,999                            | 5.19      |
| Shree Renuka Tunaport Pvt. Ltd.   | INR      | 10         | 10,000                            | 0.10      | 10,000                            | 0.10      | 10,000                           | 0.10      |
|   |          |            |                                   |           |                                   |           |                                  |           |
| In Other Companies  |          |            |                                   |           |                                   |           |                                  |           |
| Unquoted equity shares: At fair value through other comprehensive income (fully paid) |          |            |                                   |           |                                   |           |                                  |           |
| National Commodity & Derivatives Exchange Ltd.(NCDEX) #                               | INR      | 10         | 2,533,700                         | 354.71    | 2,533,700                         | 443.39    | 2,533,700                        | 443.39    |
|   |          |            |                                   |           |                                   |           |                                  |           |
| Less:- Impairment allowance   |          |            | (18,258.01)                       |           | -                                 |           | -                                |           |
| Quoted equity shares:   |          |            |                                   |           |                                   |           |                                  |           |
| Ugar Sugar works Ltd.   | INR      | 1          | -                                 | -         | -                                 | -         | 5,001,000                        | 94.71     |
| Aggregate Value of total Investment   |          |            | 1,261.41                          |           | 19,608.10                         |           | 19,702.81                        |           |
|   |          |            |                                   |           |                                   |           |                                  |           |
| Aggregate value of quoted investment  |          |            | -                                 |           | -                                 |           | 94.71                            |           |
| Aggregate value of unquoted investment  |          |            | 19,519.42                         |           | 19,608.10                         |           | 19,608.10                        |           |
| Aggregate amount of impairment in value of investments                                |          |            | (18,258.01)                       |           | -                                 |           | -                                |           |

\*\*Impairment of unquoted investment in Shree Renuka Global Ventures Ltd

The Company has made 100% provision towards its investment in Shree Renuka Global Ventures Ltd which is holding company of Brazil operations.

On 28<sup>th</sup> September 2015, Shree Renuka do Brasil Participações Ltda. Brazil (SRBDP) filed an appeal for Court-Ordered Reorganization ("RJ"), encompassing its subsidiaries (SRBDP Group).

On 26<sup>th</sup> July 2016, the designated court approved the re-organization Plan of Renuka Vale do Ivaí SA (Renuka VDI). A new General Meeting of Creditors is now scheduled for 7<sup>th</sup> May, 2018 to revise the plan."

The Creditors Meeting of Renuka do Brasil S.A. (Renuka RDB) held on 26<sup>th</sup> September 2017, approved the submitted recovery plan. As at 17<sup>th</sup> March 2018, Renuka do Brasil S.A. (Renuka RDB), has filed at the Court a new Amended Plan requesting approval from the Court. To date, this new Amended Plan has not yet been analysed and/or approved by the General Meeting of Creditors, nor has been approved by the Court. Accordingly, pending the outcome of reorganisation plans with the courts

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

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in Brazil, the auditors of the company have disclaimed opinion on the consolidated financial information of the Company, in relation to Brazilian operations. Considering these factors, the Company has performed its annual impairment test of certain investment in its subsidiaries for the year ended 31<sup>st</sup> March 2018. Management is of the view that the invested amount is not recoverable, hence the investment is considered impaired and written down in full amounting to ₹ 18,245.25 Million (31<sup>st</sup> March 2017: ₹ Nil, 1<sup>st</sup> April 2016: ₹ Nil).

The Company has obtained independent legal opinion in Brazil, that in principle, each legal entity is responsible with its own assets before creditors for their own debts, which are separate from those of partners, shareholders and management members.

# 697,700 equity shares pledged with IDBI bank towards working capital loan availed by the Company.

## NOTE 6 : LOANS

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Loans to Subsidiary companies (refer Note 41) | 2,060.69                             | 1,733.76                             | 1,580.82                            |
|   | <b>2,060.69</b>                      | <b>1,733.76</b>                      | <b>1,580.82</b>                     |
| <b>Break-up for security details</b>          |                                      |                                      |                                     |
| Unsecured considered good                     | -                                    | 1,733.76                             | 1,580.82                            |
| Doubtful                                      | 2,060.69                             | -                                    | -                                   |
| (A)   | <b>2,060.69</b>                      | <b>1,733.76</b>                      | <b>1,580.82</b>                     |
| <b>Impairment allowance**</b>                 |                                      |                                      |                                     |
| Unsecured considered good                     | -                                    | -                                    | -                                   |
| Doubtful                                      | (2,060.69)                           | -                                    | -                                   |
| (B)   | <b>(2,060.69)</b>                    | <b>-</b>                             | <b>-</b>                            |
| <b>Total Loans</b>                            | <b>(A-B)</b>                         | <b>1,733.76</b>                      | <b>1,580.82</b>                     |

\*\*The Company has recognised impairment allowance on life time expected credit loss basis towards loan given to its subsidiaries.

## NOTE 7 : OTHER NON-CURRENT FINANCIAL ASSETS

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Unsecured &amp; considered good:</b> |                                      |                                      |                                     |
| Deposits                                | 144.05                               | 146.26                               | 170.17                              |
|   | <b>144.05</b>                        | <b>146.26</b>                        | <b>170.17</b>                       |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

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## NOTE 8 : OTHER NON-CURRENT ASSETS

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Incentives receivable                               | 197.43                               | 197.43                               | 197.43                              |
| Prepayments   | 1,211.53                             | 1,374.63                             | 1,472.95                            |
| Capital advances                                    | 15.26                                | 10.84                                | 11.43                               |
| Amount paid under protest to government authorities | 421.14                               | 514.03                               | 452.27                              |
| Other advances                                      | -                                    | -                                    | 15.16                               |
|   | <b>1,845.36</b>                      | <b>2,096.93</b>                      | <b>2,149.24</b>                     |
| <b>Break-up for security details</b>                |                                      |                                      |                                     |
| Unsecured considered good                           | 1,647.93                             | 2,096.93                             | 2,149.24                            |
| Doubtful  | 197.43                               | -                                    | -                                   |
| (A)   | <b>1,845.36</b>                      | <b>2,096.93</b>                      | <b>2,149.24</b>                     |
| <b>Impairment allowance</b>                         |                                      |                                      |                                     |
| Unsecured considered good                           | -                                    | -                                    | -                                   |
| Doubtful  | (197.43)                             | -                                    | -                                   |
| (B)   | <b>(197.43)</b>                      | <b>-</b>                             | <b>-</b>                            |
| (A-B)   | <b>1,647.93</b>                      | <b>2,096.93</b>                      | <b>2,149.24</b>                     |

## NOTE 9 : INCOME TAX

The major components of income tax expenses for the years ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017:

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| <b>Profit and loss section</b>   |   |   |
| <b>Current income tax:</b>   |   |   |
| Current income tax charge  | -   | -   |
| <b>Deferred tax:</b>   |   |   |
| Relating to origination and reversal of temporary differences  | (6,276.67)                                | (760.61)                                  |
| <b>Income tax expense reported in the statement of profit and loss</b>   | <b>(6,276.67)</b>                         | <b>(760.61)</b>                           |
| <b>OCI Section</b>   |   |   |
| <b>Deferred tax related to items recognised in OCI during the year</b>   |   |   |
| Net loss/(gain) on remeasurements of defined benefit plans   | (0.70)                                    | (1.33)                                    |
| Unrealised (gain)/loss on FVTOCI equity securities   | 30.14                                     | -   |
| Reversal of revaluation reserve on disposal of asset/impairment of plant property and equipments   | 165.32                                    | -   |
| <b>Income tax income/(expenses) charged to OCI</b>   | <b>194.76</b>                             | <b>(1.33)</b>                             |
| <b>Reconciliation of tax expenses and the accounting profit multiplied by the India's domestic tax rate for year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017</b> |   |   |
| Accounting loss before tax   | (36,098.03)                               | (3,118.87)                                |
| At India's statutory income tax rate of 33.99% (31 <sup>st</sup> March 2017: 33.99%)   | (12,269.72)                               | (1,060.10)                                |
| Adjustments due to change in tax estimates of previous years   | (1,001.57)                                | -   |
| Impairment of investments not allowed for tax purpose  | 6,205.90                                  | -   |
| Impairment allowance of financial assets   | 5,490.74                                  | -   |
| Gain due to restructuring plan   | (4,703.84)                                | -   |
| Other non deductible expenses/(Income)   | 1.82                                      | 299.49                                    |
| <b>At the effective rate of 17.39% (31<sup>st</sup> March 2017: 24.39%)</b>  | <b>(6,276.67)</b>                         | <b>(760.61)</b>                           |
| Deferred tax income reported in statement of profit and loss   | (6,276.67)                                | (760.61)                                  |



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Deferred tax</b>   |                                      |                                      |                                     |
| Accelerated depreciation for tax purposes                     | (9,452.24)                           | (11,036.80)                          | (10,964.01)                         |
| Expenses claimed on payment basis                             | (17.25)                              | (38.90)                              | (69.22)                             |
| Revaluation of FVTOCI investment to fair value                | 28.89                                | 59.03                                | -                                   |
| Impairment allowance against advances                         | 322.44                               | -                                    | -                                   |
| Losses available for offsetting against future taxable income | 11,839.68                            | 7,266.77                             | 6,524.05                            |
| MAT credit entitlement  | 528.90                               | 528.90                               | 528.90                              |
| <b>Net deferred tax assets/(liabilities)</b>                  | <b>3,250.42</b>                      | <b>(3,221.00)</b>                    | <b>(3,980.28)</b>                   |
| <b>Reflected in the balance sheet as follows:</b>             |                                      |                                      |                                     |
| Deferred tax assets   | 3,250.42                             | -                                    | -                                   |
| Deferred tax liabilities                                      | -                                    | (3,221.00)                           | (3,980.28)                          |
| <b>Deferred tax assets/(liabilities)</b>                      | <b>3,250.42</b>                      | <b>(3,221.00)</b>                    | <b>(3,980.28)</b>                   |

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
|--|--------------------------------------|--------------------------------------|
| <b>Reconciliation of deferred assets/(liabilities):</b>              |                                      |                                      |
| Opening balance as at 1 <sup>st</sup> April                          | (3,221.00)                           | (3,980.28)                           |
| Tax income/(expense) during the period recognised in profit and loss | 6,276.67                             | 760.61                               |
| Tax income/(expense) during the period recognised in OCI             | 194.75                               | (1.33)                               |
| <b>Closing balance as at 31<sup>st</sup> March</b>                   | <b>3,250.42</b>                      | <b>(3,221.00)</b>                    |

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has unabsorbed depreciation of ₹ 12,314.74 Million (31<sup>st</sup> March 2017: ₹ 11,105.62 Million, 1 April 2016: ₹ 9,530.36 Million), unabsorbed tax losses of ₹ 22,518.09 Million (31<sup>st</sup> March 2017: ₹ 10,361.81 Million, 1 April 2016: ₹ 9,663.67 Million) and MAT credit entitlement of ₹ 528.90 Million (31<sup>st</sup> March 2017: ₹ 528.90 Million, 1 April 2016: ₹ 528.90 Million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. Based on the future budgeted operational cash-inflows, post the restructuring process, the Company expects to generate taxable income for utilisation of the unabsorbed depreciation, unabsorbed tax losses and MAT credit entitlement.

## NOTE 10 : INVENTORIES

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Raw materials, components and material in transit (at cost)** | 1,905.84                             | 6,724.96                             | 7,877.24                            |
| Stores and spares (at cost)                                   | 768.43                               | 809.04                               | 734.23                              |
| Intermediate products (at net realisable value)               | 338.36                               | 148.77                               | 298.80                              |
| Finished goods: (at lower of cost and net realisable value)   |                                      |                                      |                                     |
| Manufactured  | 6,283.84                             | 5,521.01                             | 10,199.38                           |
| Traded  | -                                    | 225.89                               | 242.79                              |
|   | <b>9,296.47</b>                      | <b>13,429.67</b>                     | <b>19,352.44</b>                    |

\*\* Raw material and components includes transit stock of 31<sup>st</sup> March 2018: ₹ Nil (31<sup>st</sup> March 2017: ₹ 6,181.50 Million, 1<sup>st</sup> April 2016: ₹ 5,980.76 Million)

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 11 : TRADE RECEIVABLES

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Unsecured, considered good:</b>                                 |                                      |                                      |                                     |
| Receivables from third parties                                     | 6,989.49                             | 4,044.15                             | 3,076.65                            |
| Receivables from affiliates (refer Note 41)                        | 0.60                                 | 0.19                                 | 767.71                              |
| Receivables from subsidiaries (refer Note 41)                      | -                                    | 1,845.95                             | -                                   |
| <b>Trade receivables (net)</b>                                     | <b>6,990.09</b>                      | <b>5,890.29</b>                      | <b>3,844.36</b>                     |
| <b>Break-up for security details:</b>                              |                                      |                                      |                                     |
| <b>Secured, considered good</b>                                    | -                                    | -                                    | -                                   |
| <b>Unsecured, considered good</b>                                  |                                      |                                      |                                     |
| Receivables from third parties                                     | 6,989.49                             | 4,044.15                             | 3,076.65                            |
| Receivables from affiliates (refer Note 41)                        | 0.60                                 | 0.19                                 | 767.71                              |
| Receivables from subsidiaries (refer Note 41)                      | -                                    | 1,845.95                             | -                                   |
| <b>Doubtful</b>  |                                      |                                      |                                     |
| Receivables from third parties                                     | 660.68                               | -                                    | -                                   |
| Receivables from subsidiaries (refer Note 41)                      | 3,346.05                             | -                                    | -                                   |
|  | 10,996.82                            | 5,890.29                             | 3,844.36                            |
| <b>Impairment allowance (allowance for bad and doubtful debts)</b> |                                      |                                      |                                     |
| Unsecured, considered good   | -                                    | -                                    | -                                   |
| Doubtful   | (4,006.73)                           | -                                    | -                                   |
|  | <b>(4,006.73)</b>                    | <b>-</b>                             | <b>-</b>                            |
| <b>Trade receivables (Net)</b>                                     | <b>6,990.09</b>                      | <b>5,890.29</b>                      | <b>3,844.36</b>                     |

The Company has recognised impairment allowance on life time expected credit loss basis amounting to ₹ 3,506.73 Million and ₹ 500 Million based on 12 months expected credit loss.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party, refer Note 41.

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

## NOTE 12 : CASH AND CASH EQUIVALENTS

|                            | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|----------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Cash and cash equivalents: |                                      |                                      |                                     |
| Cash on hand               | 1.05                                 | 0.78                                 | 0.91                                |
| Balances with banks:       |                                      |                                      |                                     |
| On current accounts        | 338.18                               | 456.94                               | 178.32                              |
|                            | <b>339.23</b>                        | <b>457.72</b>                        | <b>179.23</b>                       |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 13 : LOANS

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Loans to related parties</b>         |                                      |                                      |                                     |
| To subsidiary companies (Refer Note 41) | 15,308.54                            | 326.16                               | 235.44                              |
| To affiliate companies (Refer Note 41)  | 49.37                                | 43.58                                | 38.68                               |
|   | <b>15,357.91</b>                     | <b>369.74</b>                        | <b>274.12</b>                       |
| <b>Break-up for security details</b>    |                                      |                                      |                                     |
| Unsecured, considered good              | 315.96                               | 369.74                               | 274.12                              |
| Doubtful                                | 15,041.95                            | -                                    | -                                   |
| (A)                                     | <b>15,357.91</b>                     | <b>369.74</b>                        | <b>274.12</b>                       |
| <b>Impairment allowance**</b>           |                                      |                                      |                                     |
| Unsecured, considered good              | -                                    | -                                    | -                                   |
| Doubtful                                | (15,041.95)                          | -                                    | -                                   |
| (B)                                     | <b>(15,041.95)</b>                   | <b>-</b>                             | <b>-</b>                            |
| (A-B)                                   | <b>315.96</b>                        | <b>369.74</b>                        | <b>274.12</b>                       |

\*\* The Company has recognised impairment allowance on life time expected credit loss basis amounting to ₹ 15,041.95 Million towards loans given to its subsidiaries.

## NOTE 14 : OTHER CURRENT FINANCIAL ASSETS

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Other Bank Balances:  |                                      |                                      |                                     |
| Earmarked balances  |                                      |                                      |                                     |
| Unpaid dividend accounts  | 6.45                                 | 9.97                                 | 11.74                               |
| Fixed deposit pledged with bank/deposited with government authorities** | <b>14.74</b>                         | <b>2.16</b>                          | <b>21.91</b>                        |
|   | 21.19                                | 12.13                                | 33.65                               |
| Export incentives receivable  | 3.09                                 | 3.16                                 | 8.50                                |
| Interest accrued  | 0.27                                 | 1.34                                 | 1.07                                |
| Interest receivable   | 10.07                                | 25.77                                | 33.49                               |
|   | <b>34.62</b>                         | <b>42.40</b>                         | <b>76.71</b>                        |

\*\*Fixed deposit with banks include amounts that have been provided as margin money or those that have been pledged with government authorities towards guarantees, etc.

## NOTE 15 : OTHER CURRENT ASSETS

|                                      | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Prepayments                          | 287.13                               | 199.10                               | 183.24                              |
| Balances with government authorities | 1,399.53                             | 309.13                               | 440.28                              |
| Related parties                      | 686.70                               | 653.12                               | 286.34                              |
| Others                               | 1,374.83                             | 1,272.62                             | 1,158.87                            |
|                                      | <b>3,748.19</b>                      | <b>2,433.97</b>                      | <b>2,068.73</b>                     |
| <b>Break-up for security details</b> |                                      |                                      |                                     |
| Unsecured considered good            | 2,964.75                             | 2,433.97                             | 2,068.73                            |
| Doubtful                             | 783.44                               | -                                    | -                                   |
| (A)                                  | <b>3,748.19</b>                      | <b>2,433.97</b>                      | <b>2,068.73</b>                     |
| <b>Impairment allowance</b>          |                                      |                                      |                                     |
| Unsecured considered good            | -                                    | -                                    | -                                   |
| Doubtful                             | (783.44)                             | -                                    | -                                   |
| (B)                                  | <b>(783.44)</b>                      | <b>-</b>                             | <b>-</b>                            |
| (A-B)                                | <b>2,964.75</b>                      | <b>2,433.97</b>                      | <b>2,068.73</b>                     |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 16A : SHARE CAPITAL

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>a) Authorised share capital</b>  |                                      |                                      |                                     |
| 2,900,000,000 Equity shares of ₹ 1 each   | 2,900.00                             | 1,600.00                             | 1,600.00                            |
| (31 <sup>st</sup> March 2017: 1,600,000,000 Equity shares of ₹ 1 each)          |                                      |                                      |                                     |
| 510,141,365, 0.01% Compulsorily convertible preference shares of ₹ 16.27 each   | 8,300.00                             | -                                    | -                                   |
| 94,000,000, 0.01% Redeemable preference shares of ₹ 100 each                    | 9,400.00                             | -                                    | -                                   |
| 45,500,000, 0.01% Optionally convertible preference shares of ₹ 100 each        | 4,550.00                             | -                                    | -                                   |
|   | <b>25,150.00</b>                     | <b>1,600.00</b>                      | <b>1,600.00</b>                     |
| <b>b) Issued, subscribed and paid up</b>  |                                      |                                      |                                     |
| 1,916,819,292 Equity Shares of ₹ 1 each fully paid                              | 1,916.82                             | 945.25                               | 928.81                              |
| (31 <sup>st</sup> March 2017: 945,246,580 Equity Shares of ₹ 1 each fully paid) |                                      |                                      |                                     |
|   | <b>1,916.82</b>                      | <b>945.25</b>                        | <b>928.81</b>                       |

### Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Issued equity capital

|   | Number of<br>equity shares |
|---|----------------------------|
| <b>As at 1<sup>st</sup> April 2016</b>  | <b>928,811,242</b>         |
| Shares issued during the year           | 16,435,338                 |
| <b>As at 31<sup>st</sup> March 2017</b> | <b>945,246,580</b>         |
| Shares issued during the year           | 971,572,712                |
| <b>As at 31<sup>st</sup> March 2018</b> | <b>1,916,819,292</b>       |

### Details of shareholders holding more than 5% shares in the equity share capital of the company

| Name of the Shareholder               | As at 31 <sup>st</sup> March 2018 |           | As at 31 <sup>st</sup> March 2017 |           |
|---------------------------------------|-----------------------------------|-----------|-----------------------------------|-----------|
|                                       | No. of Shares                     | % holding | No. of Shares                     | % holding |
| Wilmar Sugar Holdings Pte. Limited    | 739,336,351                       | 38.57%    | 257,492,467                       | 27.24%    |
| ICICI Bank Limited                    | 192,396,579                       | 10.04%    | -                                 | -         |
| IDBI Bank Limited                     | 181,969,219                       | 9.49%     | -                                 | -         |
| Murkumbi Investments Private Limited  | 121,414,000                       | 6.33%     | 121,414,000                       | 12.84%    |
| Khandepar Investments Private Limited | 75,400,000                        | 3.93%     | 75,400,000                        | 7.98%     |

## NOTE 16B : OTHER EQUITY

### Securities Premium

|  | ₹ Million        |
|--|------------------|
| <b>As at 1<sup>st</sup> April 2016</b>   | <b>15,314.26</b> |
| Increase on 8 <sup>th</sup> March 2017 because of issuance of share capital                              | 255.73           |
| Decrease due to transaction costs for issued share capital   | (0.27)           |
| <b>As at 31<sup>st</sup> March 2017</b>  | <b>15,569.72</b> |
| Increase on 9 <sup>th</sup> March 2018 because of issuance of equity share capital                       | 14,845.63        |
| Increase on 9 <sup>th</sup> March 2018 because of issuance of compulsorily convertible preference shares | 4.82             |
| Decrease due to transaction costs for issued share capital   | (23.66)          |
| <b>As at 31<sup>st</sup> March 2018</b>  | <b>30,396.51</b> |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Debenture Redemption Reserve

|   | ₹ Million     |
|---|---------------|
| <b>As at 1<sup>st</sup> April 2016</b>  | <b>500.00</b> |
| Transfer to/(from) retained earnings    | 125.00        |
| <b>As at 31<sup>st</sup> March 2017</b> | <b>625.00</b> |
| Transfer to/(from) retained earnings    | -             |
| <b>As at 31<sup>st</sup> March 2018</b> | <b>625.00</b> |

## Other reserves

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Changes in equity instrument and others | 54.82                                | 112.00                               | 114.59                              |
| Revaluation reserve                     | 11,069.14                            | 12,302.84                            | 13,027.34                           |
| <b>Total other reserves</b>             | <b>11,123.96</b>                     | <b>12,414.84</b>                     | <b>13,141.93</b>                    |

The disaggregation of changes in OCI by each type of reserves in equity is disclosed in statement of change in equity.

## Debenture Redemption Reserve (DRR)

The company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued out of the profits of the company.

## NOTE 17 : BORROWINGS (NON-CURRENT)

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Secured</b>  |                                      |                                      |                                     |
| <b>a) Non-convertible debentures**</b>  |                                      |                                      |                                     |
| 1500 Redeemable non-convertible debentures (11.70%) of ₹ 1,000,000 each   | 1,500.00                             | 1,500.00                             | 1,500.00                            |
| 1000 Redeemable non-convertible debentures (11.30%) of ₹ 1,000,000 each   | 1,000.00                             | 1,000.00                             | 1,000.00                            |
| 5,521 Redeemable non-convertible debentures (0.01%) of ₹ 1,000,000 each (refer note on debt restructuring scheme below) | 2,112.16                             | -                                    | -                                   |
| <b>b) Term Loans **</b>   |                                      |                                      |                                     |
| From Banks and financial institutions   | 12,331.30                            | 29,202.51                            | 19,004.33                           |
| From others **  |                                      |                                      |                                     |
| From IFCI Limited (Sugar Development Fund)  | 435.45                               | 725.93                               | 980.43                              |
| <b>Unsecured</b>  |                                      |                                      |                                     |
| <b>Financial instruments (refer note on debt restructuring scheme below)</b>  |                                      |                                      |                                     |
| 74,388,207 Redeemable preference shares (0.01%) of ₹ 100 each   | 1,058.95                             | -                                    | -                                   |
| 42,808,858 Optionally convertible preference shares (0.01%) of ₹ 100 each   | 3,538.54                             | -                                    | -                                   |
|   | <b>21,976.40</b>                     | <b>32,428.44</b>                     | <b>22,484.76</b>                    |
| Less: Current maturity of long-term borrowings transferred to Other current financial liabilities (refer Note 23)       | 959.16                               | 2,274.04                             | 2,477.76                            |
|   | <b>21,017.24</b>                     | <b>30,154.40</b>                     | <b>20,007.00</b>                    |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

## Terms of repayment for the loan outstanding as on 31<sup>st</sup> March 2018

| Particulars   | Maturity   | Effective rate of interest     | As at 31 <sup>st</sup> March 2018 |
|---|--|--------------------------------|-----------------------------------|
| <b>Non-convertible debentures</b>                     |  |                                |                                   |
| Non convertible debentures -LIC                       | 31 <sup>st</sup> March 2024  | 11.70%                         | 1,500.00                          |
| Non convertible debentures -LIC                       | 31 <sup>st</sup> March 2024  | 11.30%                         | 1,000.00                          |
| Non-convertible debentures issued to lenders          | 31 <sup>st</sup> March 2027  | 12.90%                         | 2,112.16                          |
| <b>From Banks and financial institutions</b>          |  |                                |                                   |
| <b>Term loans</b>                                     |  |                                |                                   |
| Indian Renewable Energy Development Authority (IREDA) | 31 <sup>st</sup> December 2020                                     | 11.20%                         | 221.38                            |
| Indian Renewable Energy Development Authority (IREDA) | 31 <sup>st</sup> March 2022  | 13.15%                         | 262.51                            |
| Exim Bank   | 31 <sup>st</sup> March 2029  | IDBI Bank rate plus 125 bps    | 503.71                            |
| ICICI Bank Limited                                    | 31 <sup>st</sup> March 2029  | 1 year ICICI MCLR plus 180 bps | 4,406.29                          |
| State Bank of India Limited                           | 31 <sup>st</sup> March 2029  | 1 year MCLR plus 515 bps       | 454.97                            |
| IDBI Bank Limited                                     | 31 <sup>st</sup> March 2029  | MCLR plus 160 bps              | 4,425.30                          |
| Axis Bank Limited                                     | 31 <sup>st</sup> March 2029  | IDBI Bank rate plus 125 bps    | 128.11                            |
| Kotak Mahindra Bank Limited                           | 31 <sup>st</sup> March 2029  | KMBL MCLR plus 210 bps         | 692.90                            |
| Ratnakar Bank Limited                                 | 31 <sup>st</sup> March 2029  | 11.00%                         | 54.15                             |
| Yes Bank Limited                                      | 31 <sup>st</sup> March 2029  | IDBI 1 year MCLR rate          | 439.26                            |
| SEFASU loan from banks                                | 31 <sup>st</sup> March 2029  | 12.00%                         | 742.72                            |
| IFCI Limited (SDF)                                    | 22 <sup>nd</sup> February 2021 and 30 <sup>th</sup> September 2021 | 12.00%                         | 435.45                            |
| Redeemable preference shares                          | 31 <sup>st</sup> March 2037  | 12.90%                         | 1,058.95                          |
| Optionally convertible preference shares              | 9 <sup>th</sup> September 2019                                     | 12.90%                         | 3,538.54                          |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Terms of repayment for the loan outstanding as on 31<sup>st</sup> March 2017

| Particulars  | Current  | Non-current | Date of maturity                |
|--|----------|-------------|---------------------------------|
| <b>Non-Convertible Debentures*:</b>                                |          |             |                                 |
| i) Non-Convertible Debentures- LIC                                 | -        | 1,500.00    | 31 <sup>st</sup> March 2024     |
| ii) Non-Convertible Debentures - LIC                               | -        | 1,000.00    | 31 <sup>st</sup> March 2024     |
| *(Quarterly repayment to commence from 30 <sup>th</sup> June 2019) |          |             |                                 |
| <b>Term-Loans from Banks/Financial Institutions:</b>               |          |             |                                 |
| <b>A) Rupee Term-Loans:</b>  |          |             |                                 |
| i) IDBI Bank Ltd.  |          |             |                                 |
| Loan I   | 34.57    | 6,878.93    | 28 <sup>th</sup> March 2027     |
| ii) EXIM Bank  |          |             |                                 |
| Loan I   | 261.25   | 260.46      | 31 <sup>st</sup> December 2018  |
| Loan II  | 3.60     | 543.85      | 31 <sup>st</sup> March 2027     |
| iii) IREDA   |          |             |                                 |
| Loan I   | 100.63   | 221.38      | 31 <sup>st</sup> December 2020  |
| Loan II  | 82.04    | 262.51      | 31 <sup>st</sup> March 2022     |
| iv) State Bank of India  | 750.00   | 150.00      | 30 <sup>th</sup> June 2018      |
| v) ICICI Bank Ltd  |          |             |                                 |
| Loan I   | 165.00   | 1,212.75    | 13 <sup>th</sup> June 2018      |
| Loan II  | 35.80    | 740.20      | 29 <sup>th</sup> September 2022 |
| Loan III   | 48.50    | 921.50      | 22 <sup>nd</sup> March 2024     |
| Loan IV  | 2.08     | 6,607.93    | 31 <sup>st</sup> October 2027   |
| vi) Standard Chartered Bank  | 25.65    | 4,285.68    | 31 <sup>st</sup> March 2027     |
| vii) Kotak Mahindra  | 6.91     | 1,374.25    | 31 <sup>st</sup> March 2027     |
| viii) Axis Corporate Loan  | 7.90     | 1,458.50    | 31 <sup>st</sup> March 2027     |
| ix) Ratnakar Bank  | 1.00     | 399.00      | 31 <sup>st</sup> December 2020  |
| x) Yes Bank Corporate Loan   | 5.25     | 870.25      | 31 <sup>st</sup> March 2027     |
| <b>B) SEFASU Loan:</b>   |          |             |                                 |
| IDBI Bank Ltd  | 166.67   | 166.67      | 1 <sup>st</sup> January 2019    |
| Axis Bank Ltd  | 153.33   | 153.47      | 20 <sup>th</sup> February 2019  |
| State Bank of India  | 208.33   | 166.69      | 7 <sup>th</sup> March 2019      |
| <b>C) Soft Loan</b>  |          |             |                                 |
| IDBI Bank Ltd.   | 2.13     | 424.37      | 31 <sup>st</sup> March 2027     |
| ICICI Bank Ltd   | 12.70    | 241.30      | 29 <sup>th</sup> September 2023 |
| <b>Term-Loan from Others-Sugar Development Fund :</b>              |          |             |                                 |
| i) Havalga Co-Generation   | 63.30    | -           | 21 <sup>st</sup> March 2018     |
| ii) Athani Sugar   | 43.35    | 130.05      | 22 <sup>nd</sup> February 2021  |
| iii) Athani Co-Generation  | 93.85    | 218.97      | 30 <sup>th</sup> September 2021 |
| iv) Havalga Sugar  | 53.42    | 160.25      | 22 <sup>nd</sup> February 2021  |
| v) Munoli Sugar  | 57.17    | -           | 31 <sup>st</sup> March 2017     |
| <b>Interest Accrued but not due on loans</b>                       |          |             |                                 |
|  | 11.31    | 100.99      |                                 |
| Government Assistance on SDF and SEFASU Loan                       | (109.12) | (195.96)    |                                 |
| Deferment of Processing Fees on loan availed                       | (12.57)  | (99.59)     |                                 |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## **\*\*Nature of Security/guarantees**

### **Term loans and Non-convertible debentures**

1. First pari-passu charge by way of mortgage / hypothecation on all immovable / movable properties of the Company both present & future except assets at Panchanga and Ajinkyatara which are exclusively charged to IREDA.
2. Second pari-passu charge on all the current assets of the company both present and future by the lenders except non-Convertible debentures issued to LIC.

### **Working capital loan (Refer note 21)**

1. First Pari-passu charge on all the current assets of the company both present and future.
2. Second pari passu charge on entire PPE both present and future except plant at Panchanga and Ajinkyatara which are exclusively charged to IREDA.
3. Company has pledged 697,700 equity shares of NCDEX with IDBI bank Limited towards working capital loan.

### **Corporate guarantee**

Corporate Guarantee of Wilmar International Ltd. towards term loan and working capital limits extended by IDBI Bank Limited, ICICI Bank Limited, Axis Bank Limited, RBL Bank Limited, Yes Bank Limited, Exim Bank, Kotak Mahindra Bank Limited and State Bank of India Limited aggregating to ₹ 27,130 Million.

### **IREDA Loan**

Exclusive charge on plant, property and equipment at Panchanga and Ajinkyatara (co-generation plants).

### **Debt restructuring scheme**

In March 2018, the Company entered into framework agreement to restructure borrowings from lenders. As part of restructuring process, Wilmar Sugar Holdings Pte. Limited (WSH) has infused funds of ₹ 7,839 Million (USD 120 Million) and the company has availed revised term loan facilities and working capital facilities which are also secured by the Corporate Guarantee given by Wilmar International Ltd (towards term loan and working capital limits aggregating to ₹ 27,130 Million).

As part of this process, the Company issued 481,843,884 Compulsorily Convertible Preference Shares (CCPS) to WSH having face value of ₹ 16.27 at premium of ₹ 0.01. WSH exercised option for conversion CCPS into equity shares and the Company issued 481,843,884 equity shares of ₹ 1 each at premium of ₹ 15.28 per share. Further, the Company also made repayment of ₹ 1,668.63 Million towards term loans facilities and issued following securities to lenders as part of the restructuring process to its lenders towards settlement of its borrowings:

| Financial Instruments                          | Numbers     | Face Value   | Issue Price  | Amount ₹ Million | Included under borrowings | Included in share capital | Gain on fair valuation included under exceptional items |
|--|-------------|--------------|--------------|------------------|---------------------------|---------------------------|---|
| Equity shares                                  | 489,728,828 | 1.00         | 16.28        | 7,972.79         |                           | 7,972.79                  | -   |
| 0.01% Non-convertible debentures               | 5,521       | 1,000,000.00 | 1,000,000.00 | 5,521.00         | 2,112.16                  | -                         | 3,408.84  |
| 0.01% Redeemable preference shares             | 74,388,207  | 100.00       | 100.00       | 7,438.82         | 1,058.95                  | -                         | 6,379.87  |
| 0.01% Optionally convertible preference shares | 42,808,858  | 100.00       | 100.00       | 4,280.89         | 3,538.54                  | -                         | 742.35  |
| <b>Total</b>                                   |             |              |              | <b>25,213.50</b> | <b>6,709.65</b>           | <b>7,972.79</b>           | <b>10,531.06</b>  |

The Company and its subsidiaries also entered into settlement agreement for settlement of the guarantees given by the Company to lenders of subsidiaries for the borrowings availed by them, amounting to ₹ 18,768.32 Million, by issue of shares of the Company amounting to ₹ 478.41 Million (included in the equity shares stated above) and by repayment of borrowings of ₹ 14,052.29 Million. The Company also incurred cost of ₹ 703.65 Million for releasing guarantees given to subsidiaries in Brazil



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

Post issue of financial instruments and repayment of borrowings the Company recognised net gain as part of the restructuring of ₹ 13,838.89 Million (including ₹ 10,531.06 Million specified in table above) which has been included as part of exceptional items

## Repayment schedule of financial instruments is as follows:

- (a) Term loans are repayable in 47 structured quarterly instalments commencing from 30<sup>th</sup> September 2017.
- (b) 0.01% Non-Convertible Debenture (NCDs) of ₹ 5,521 Million, repayable in 12 equal quarterly instalments commencing from 30<sup>th</sup> June, 2024.
- (c) 0.01% Optionally Convertible Preference Shares (OCPS) of ₹ 4,280.89 Million, issued to lenders with convertibility right at the end of 18 months in line with existing SEBI regulations. However, the company will extend the convertibility of the OCPS in its Annual General Meeting/ Extraordinary General Meeting at least 60 days prior to the expiry of the convertibility right of the lenders, subject to applicable regulations. Simultaneously, the company will seek exemption from SEBI for relaxation of conversion period of OCPS beyond 18 months, so as to be converted on or before 31<sup>st</sup> March 2029 at a price to be determined as per prevailing SEBI Guidelines.
- (d) 0.01% Redeemable Preference Shares (RPS) of ₹ 7,438.82 Million, redeemable in 40 structured quarterly instalments commencing from 30<sup>th</sup> June 2027.

## NOTE 18 : OTHER NON-CURRENT FINANCIAL LIABILITIES

|                              | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Other payables               | 11.24                                | 5.97                                 | -                                   |
| Interest accrued but not due | 49.65                                | 76.14                                | 106.85                              |
|                              | <b>60.89</b>                         | <b>82.11</b>                         | <b>106.85</b>                       |

## NOTE 19 : NET EMPLOYEE BENEFIT LIABILITIES (NON-CURRENT)

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| Provision for employee benefits (refer Note 38):                       |                                      |                                      |                                     |
| Provision for gratuity(Refer Note 32 (xv))                             | 44.47                                | -                                    | -                                   |
| Less: Short-term (transferred to short-term provisions, refer Note 25) | 0.35                                 | -                                    | -                                   |
|  | <b>44.12</b>                         | <b>-</b>                             | <b>-</b>                            |
| Provision for leave encashment (Refer Note 32 (xv))                    | 81.40                                | 60.04                                | 54.83                               |
| Less: Short-term (transferred to short-term provisions, refer Note 25) | 7.19                                 | 6.74                                 | 4.64                                |
|  | <b>74.21</b>                         | <b>53.30</b>                         | <b>50.19</b>                        |
|  | <b>118.33</b>                        | <b>53.30</b>                         | <b>50.19</b>                        |

## NOTE 20 : GOVERNMENT GRANTS

|              | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Current      | 95.54                                | 137.28                               | 187.87                              |
| Non- current | 52.02                                | 167.46                               | 309.37                              |
|              | <b>147.56</b>                        | <b>304.74</b>                        | <b>497.24</b>                       |

Government grant relates to financial assistance for investment towards sugar and power division. There are no unfulfilled conditions or contingencies attached to these grants. These grants are recognised on straight line basis over the life of the loan.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 21 : BORROWINGS (CURRENT)

|                             | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|-----------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Secured</b>              |                                      |                                      |                                     |
| Working Capital from banks: |                                      |                                      |                                     |
| Rupee borrowings            | 1,649.46                             | 2,739.46                             | 7,745.62                            |
| Foreign Currency borrowings | 12.64                                | 1,021.68                             | 4,314.65                            |
|                             | <b>1,662.10</b>                      | <b>3,761.14</b>                      | <b>12,060.27</b>                    |

Refer Note 17 for details of security.

## NOTE 22 : TRADE PAYABLES

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Trade payables**                                  | 14,837.04                            | 16,743.56                            | 22,980.16                           |
| Trade payables to related parties (refer Note 41) | 11,799.88                            | 6,072.77                             | 3,806.60                            |
|   | <b>26,636.92</b>                     | <b>22,816.33</b>                     | <b>26,786.76</b>                    |

\*\* 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).

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled with in the credit period agreed with the supplier.

Other payables are non-interest bearing

For terms and conditions with related parties, refer to Note 41

For explanations on the company credit risk management processes, refer to Note 43.

Trade Payable includes liabilities in relation to Crop and H&T purchases for which SRSL has provided corporate guarantee to ICICI Bank, IDBI Bank, State Bank of India, RBL Bank, Canara Bank and Bank of India.

## NOTE 23 : OTHER CURRENT FINANCIAL LIABILITIES

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| Current maturity of long-term borrowings (refer Note 17) | 959.16                               | 2,274.04                             | 2,477.76                            |
| Interest accrued but not due on borrowings               | 258.98                               | 474.98                               | 290.95                              |
| Unclaimed dividend                                       | 6.45                                 | 9.97                                 | 11.74                               |
| Salary payable   | 76.30                                | 39.02                                | 86.28                               |
| Other payables   | 148.04                               | 137.89                               | 155.14                              |
|  | <b>1,448.93</b>                      | <b>2,935.90</b>                      | <b>3,021.87</b>                     |

## NOTE 24 : OTHER CURRENT LIABILITIES

|                          | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Advance from customers** | 4,826.52                             | 1,220.74                             | 1,374.08                            |
| Statutory dues payable   | 597.39                               | 394.49                               | 409.25                              |
|                          | <b>5,423.91</b>                      | <b>1,615.23</b>                      | <b>1,783.33</b>                     |

\*\* Includes advance from affiliates ₹ 4,387.76 Million (31<sup>st</sup> March 2017: ₹ Nil) (refer Note 41).

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 25 : NET EMPLOYEE BENEFIT LIABILITIES (CURRENT)

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| Provision for gratuity (refer Note 19)         | 0.35                                 | -                                    | -                                   |
| Provision for leave encashment (refer Note 19) | 7.19                                 | 6.74                                 | 4.64                                |
|  | <b>7.54</b>                          | <b>6.74</b>                          | <b>4.64</b>                         |

## NOTE 26 : REVENUE FROM OPERATIONS

|                                     | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|-------------------------------------|---|---|
| <b>Sale of products (gross)</b>     |   |   |
| Sale of manufactured sugar          | 46,345.28                                 | 60,498.02                                 |
| Sale of traded sugar and ethanol    | 8,484.24                                  | 12,190.53                                 |
| Sale of power                       | 1,122.94                                  | 1,131.17                                  |
| Sale of ethanol and allied products | 2,453.88                                  | 4,685.78                                  |
| Sale of by-products and others      | 222.14                                    | 139.09                                    |
|                                     | <b>58,628.48</b>                          | <b>78,644.59</b>                          |

Sale of good includes excise duty collected from customers of ₹ 151.79 Million (31<sup>st</sup> March 2017: ₹ 929.30 Million). Sale of goods net of excise duty is ₹ 58,476.69 Million (31<sup>st</sup> March 2017: ₹ 77,715.29 Million). Revenue from operations for periods up to 30<sup>th</sup> June 2017 includes excise duty. From 1<sup>st</sup> July 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended 31<sup>st</sup> March 2018 is not comparable against 31<sup>st</sup> March 2017.

## NOTE 27 : OTHER INCOME

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| <b>Other non-operating income</b>                               |   |   |
| Dividend on investments   | 0.90                                      | 6.33                                      |
| Profit on sale of investments                                   | -   | 75.97                                     |
| Profit on sale of assets  | 4.01                                      | -   |
| Income from professional services                               | 2.86                                      | 11.79                                     |
| Government assistance   | 137.28                                    | 183.99                                    |
| Others  | 4.13                                      | 2.63                                      |
| <b>Finance income</b>   |   |   |
| Interest received on financial assets carried at amortized cost | 253.56                                    | 232.31                                    |
|   | <b>402.74</b>                             | <b>513.02</b>                             |

## NOTE 28 : COST OF RAW MATERIALS CONSUMED

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| Sugar-cane                             | 11,139.08                                 | 7,064.98                                  |
| Raw-sugar                              | 32,141.90                                 | 42,176.02                                 |
| Bagasse                                | 156.67                                    | 215.09                                    |
| Coal                                   | 1,932.34                                  | 1,802.41                                  |
| Molasses                               | 794.00                                    | 837.18                                    |
| Denatured alcohol and Rectified spirit | 181.16                                    | 397.48                                    |
| MG alcohol                             | 54.41                                     | 35.10                                     |
| Others                                 | 3.89                                      | 6.37                                      |
|  | <b>46,403.45</b>                          | <b>52,534.63</b>                          |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 29 : PURCHASE OF TRADED GOODS

|             | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|-------------|---|---|
| Raw-sugar   | 6,117.43                                  | 11,934.08                                 |
| White sugar | 2,353.50                                  | 194.58                                    |
| Coal        | 9.41                                      | -   |
|             | <b>8,480.34</b>                           | <b>12,128.66</b>                          |

## NOTE 30 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| Opening stock                           | 5,669.78                                  | 10,498.18                                 |
| Less: Closing stock                     | 6,622.20                                  | 5,669.78                                  |
| <b>Net (Increase)/decrease in stock</b> | <b>(952.42)</b>                           | <b>4,828.40</b>                           |

## NOTE 31 : EMPLOYEE BENEFIT EXPENSES

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| Salaries, wages and bonus                 | 884.18                                    | 871.51                                    |
| Contribution to provident and other funds | 84.44                                     | 63.77                                     |
| Gratuity expenses                         | 58.79                                     | 9.73                                      |
| Staff welfare expenses                    | 35.45                                     | 34.43                                     |
|   | <b>1,062.86</b>                           | <b>979.44</b>                             |

## NOTE 32 : FINANCE COSTS

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| Liabilities measured at amortised cost:                 |   |   |
| On term loans   | 2,162.80                                  | 2,339.99                                  |
| On working capital                                      | 2,190.87                                  | 1,000.64                                  |
| On debentures   | 288.50                                    | 288.50                                    |
| Others:   |   |   |
| Bank and other borrowing costs                          | 228.46                                    | 81.11                                     |
|   | <b>4,870.63</b>                           | <b>3,710.24</b>                           |
| Unwinding of interest on borrowing at concessional rate | 115.81                                    | 210.33                                    |
| <b>Total interest</b>                                   | <b>4,986.44</b>                           | <b>3,920.57</b>                           |

## NOTE 33 : DEPRECIATION AND AMORTISATION EXPENSES

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| Depreciation and amortisation of tangible assets (Refer Note 3)   | 2,321.15                                  | 2,531.76                                  |
| Depreciation and amortisation of intangible assets (Refer Note 4) | 0.42                                      | 0.54                                      |
|   | <b>2,321.57</b>                           | <b>2,532.30</b>                           |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 34 : OTHER EXPENSES

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| Consumption of stores and spares                          | 399.97                                    | 380.04                                    |
| Consumption of chemicals, consumables, oil and lubricants | 443.55                                    | 454.74                                    |
| Outsourced service cost                                   | 155.18                                    | 159.71                                    |
| Sugar house loading, un-loading and handling charges      | 205.54                                    | 197.37                                    |
| Packing materials   | 729.13                                    | 743.90                                    |
| Power and fuel  | 357.16                                    | 337.19                                    |
| Rent  | 229.08                                    | 125.50                                    |
| Repairs and maintenance:                                  |   |   |
| Plant and machinery                                       | 130.57                                    | 113.80                                    |
| Buildings   | 4.74                                      | 3.54                                      |
| Others  | 44.30                                     | 46.72                                     |
| Rates and taxes   | 46.97                                     | 88.13                                     |
| Insurance   | 50.43                                     | 55.22                                     |
| Travelling and conveyance                                 | 21.38                                     | 28.71                                     |
| Printing and stationery                                   | 5.94                                      | 6.63                                      |
| Communication expenses                                    | 20.56                                     | 19.81                                     |
| Legal and professional fees                               | 236.89                                    | 103.90                                    |
| Directors' Sitting Fees                                   | 3.28                                      | 2.49                                      |
| Payment to auditors (refer details below)                 | 9.54                                      | 7.51                                      |
| Impairment for financial assets                           | 697.40                                    | -   |
| Safety and security expenses                              | 52.95                                     | 52.01                                     |
| Donations and contributions                               | 1.82                                      | 1.50                                      |
| Loss on sale of fixed assets(net)                         | -   | 3.00                                      |
| Freight and forwarding charges                            | 943.05                                    | 1,008.02                                  |
| Advertisement and sales promotion                         | 187.11                                    | 67.74                                     |
| Brokerage and discounts                                   | 91.45                                     | 42.13                                     |
| Commission and market development expenses                | 41.44                                     | 68.14                                     |
| Miscellaneous expenses                                    | 111.63                                    | 117.95                                    |
|   | <b>5,221.06</b>                           | <b>4,235.40</b>                           |

## PAYMENT TO AUDITORS

|                                     | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|-------------------------------------|---|---|
| <b>As auditor</b>                   |   |   |
| Audit fee                           | 6.59                                      | 2.16                                      |
| Tax audit fee                       | -   | 0.88                                      |
| Limited review                      | 0.80                                      | 3.24                                      |
| <b>In other capacity:</b>           |   |   |
| Other services (certification fees) | 0.60                                      | 0.89                                      |
| Reimbursement of expenses           | 0.05                                      | 0.30                                      |
| Others                              | 1.50                                      | 0.04                                      |
|                                     | <b>9.54</b>                               | <b>7.51</b>                               |

**CSR expenditure:** Since Company has incurred continuous losses in past 3 years, CSR is not applicable to the Company.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 35 : EXCEPTIONAL ITEMS

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| Impairment for investment in subsidiaries                                  | 18,258.01                                 | -   |
| Impairment for loans given to subsidiaries                                 | 17,102.63                                 | -   |
| Impairment for advances to vendors and others                              | 783.44                                    | -   |
| Impairment for trade receivables   | 3,506.43                                  | -   |
| Impairment of non-financial assets   | 66.02                                     | -   |
| Cane price arrears paid  | 983.71                                    | -   |
| Accrued liability for tax litigations                                      | 220.00                                    | -   |
| Liability towards sugar levy   | 100.00                                    | -   |
| Processing charges on restructuring  | 208.55                                    | -   |
| Gain on restructuring (refer note on debt restructuring scheme in Note 17) | (13,838.89)                               | -   |
| Reversal of government grant   | (30.89)                                   | -   |
|  | <b>27,359.01</b>                          | <b>-</b>                                  |

## NOTE 36 : EARNINGS PER SHARE [EPS]

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| Profit/(loss) attributable to equity holders for basic earnings   | (29,821.36)                               | (2,358.26)                                |
| Weighted average number of equity shares for basic EPS**  | 1,006,468,970                             | 929,891,922                               |
| <b>Earnings per share</b>   |   |   |
| Basic, computed on the basis of profit/(loss) from operations attributable to equity holders of the company   | (29.63)                                   | (2.54)                                    |
| Diluted, computed on the basis of profit/(loss) from operations attributable to equity holders of the company | (29.63)                                   | (2.54)                                    |

\*\* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year.

Optionally convertible preference shares issued during the year are not considered for diluted EPS computation as these are anti dilutive.

## NOTE 37 : COMMITMENT AND CONTINGENCIES

### a) Operating lease commitments (as lessee)

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

| S. No | Lease Payable                                      | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
|-------|--|--------------------------------------|--------------------------------------|
| A     | Within a period of one year                        | 139.98                               | 124.96                               |
| B     | One year to five years                             | 499.82                               | 499.82                               |
| C     | five years and above                               | 1,190.21                             | 1,315.17                             |
| D     | Lease rent charged to statement of profit and loss | 229.08                               | 125.50                               |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## b) Other commitments

As at 31<sup>st</sup> March, 2018, the Company had the following outstanding commitments:

| Outstanding Commitments                            | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
|--|--------------------------------------|--------------------------------------|
| Estimated amount of contract pending for execution | 100.93                               | 74.65                                |
| Commitment on behalf of subsidiaries               | 1,403.01                             | 1,250.63                             |

## c) Guarantees

As at 31<sup>st</sup> March, 2018, the Company had the following guarantees:

| S. No | Guarantees            | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
|-------|-----------------------|--------------------------------------|--------------------------------------|
| A     | Bank Guarantee        | 357.31                               | 5,310.10                             |
| B     | Corporate Guarantee** | 162.61                               | 16,090.08                            |

\*\*During the year ended 31<sup>st</sup> March 2018, part of the corporate guarantee was devolved as part of the restructuring process.

## d) Contingent Liabilities

| Liabilities classified and considered contingent due to contested claims and legal disputes | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
|---|--------------------------------------|--------------------------------------|
| Income Tax Demands  | 58.25                                | 297.47                               |
| Excise and Service Tax Demands  | 984.27                               | 1,004.65                             |
| Sales Tax/VAT Demands   | 13.58                                | 21.67                                |
| Customs Demand  | 1,107.13                             | 465.12                               |
| Civil Cases   | 2.75                                 | -                                    |
| <b>Total:</b>   | <b>2,165.98</b>                      | <b>1,788.91</b>                      |

## NOTE 38 : DEFINED BENEFIT PLANS

The Company has a defined benefit gratuity plan. The companies defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 19.

| S. No.   | Particulars   | Gratuity Benefits            |                              |
|----------|---|------------------------------|------------------------------|
|          |   | 31 <sup>st</sup> March, 2018 | 31 <sup>st</sup> March, 2017 |
| <b>1</b> | <b>Change in Defined Benefit obligation</b>                   |                              |                              |
|          | Opening Defined Benefit Obligation                            | 92.29                        | 75.32                        |
|          | Current service cost  | 11.90                        | 10.55                        |
|          | Interest cost   | 6.38                         | 5.64                         |
|          | Actuarial loss/(gain) due to change in financial assumptions  | (4.88)                       | 5.53                         |
|          | Actuarial loss/(gain) due to change in demographic assumption | -                            | -                            |
|          | Actuarial loss/ (gain) due to experience adjustments          | (1.52)                       | 3.11                         |
|          | Past Service Cost   | 47.47                        | -                            |
|          | Benefits paid   | (6.26)                       | (7.86)                       |
|          | <b>Closing Defined Benefit Obligation</b>                     | <b>145.38</b>                | <b>92.29</b>                 |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

| S. No.   | Particulars   | Gratuity Benefits                               |   |
|----------|---|---|---|
|          |   | 31 <sup>st</sup> March, 2018                    | 31 <sup>st</sup> March, 2017                    |
| <b>2</b> | <b>Change in Plan Assets</b>  |   |   |
|          | Opening value of plan assets  | 94.31   | 80.52   |
|          | Interest Income   | 6.96  | 6.46  |
|          | Return on plan assets excluding amounts included interest income    | (6.81)  | (0.12)  |
|          | Contributions by employer   | 12.71   | 15.31   |
|          | Benefits paid   | (6.26)  | (7.86)  |
|          | <b>Closing value of plan assets</b>                                 | <b>100.91</b>                                   | <b>94.31</b>                                    |
| <b>3</b> | <b>Fund Status of Plan Assets</b>                                   |   |   |
|          | Present value unfunded obligations                                  | -   | -   |
|          | Present value funded obligations                                    | 145.38  | 92.29   |
|          | Fair Value of plan assets   | 100.91  | 94.31   |
|          | <b>Net Liability (Assets)</b>                                       | <b>44.47</b>                                    | <b>(2.02)</b>                                   |
| <b>4</b> | <b>Other Comprehensive Income for the current period</b>            |   |   |
|          | Due to Change in financial assumptions                              | (4.88)  | 5.53  |
|          | Due to change in demographic assumption                             | -   | -   |
|          | Due to experience adjustments                                       | (1.52)  | 3.11  |
|          | Return on plan assets excluding amounts included in interest income | 6.81  | 0.12  |
|          | <b>Amounts recognized in Other Comprehensive Income</b>             | <b>0.41</b>                                     | <b>8.76</b>                                     |
| <b>5</b> | <b>Expenses for the current period</b>                              |   |   |
|          | Current service cost  | 11.90   | 10.55   |
|          | Interest cost   | 6.38  | 5.64  |
|          | Past Service cost   | 47.47   | -   |
|          | Interest Income   | (6.96)  | (6.46)  |
|          | <b>Amount recognized in expenses</b>                                | <b>58.79</b>                                    | <b>9.73</b>                                     |
| <b>6</b> | <b>Defined benefit liability</b>                                    |   |   |
|          | Net opening provision in books of accounts                          | (2.02)  | (5.20)  |
|          | Employee Benefit Expense  | 58.79   | 9.73  |
|          | Amounts recognized in Other Comprehensive Income                    | 0.41  | 8.76  |
|          | Contributions to plan assets  | (12.71)   | (15.31)   |
|          | Benefits paid by the Company  | -   | -   |
|          | <b>Closing provision in books of accounts</b>                       | <b>44.47</b>                                    | <b>(2.02)</b>                                   |
| <b>7</b> | <b>Composition of the plan assets</b>                               |   |   |
|          | Policy of insurance   | 100%  | 100%  |
|          | <b>Total</b>  | <b>100%</b>                                     | <b>100%</b>                                     |
| <b>8</b> | <b>Principal Actuarial Assumption</b>                               |   |   |
|          | Discount rate   | 7.65%   | 7.20%   |
|          | Salary Growth rate  | 5.00%   | 5.00%   |
|          | Withdrawal Rates  | 5% at Younger ages reducing to 1% at older ages | 5% at Younger ages reducing to 1% at older ages |
|          | Leave Availment Rate  | -   | -   |
|          | Leave Encashment Rate   | -   | -   |
| <b>9</b> | <b>Sensitivity to key assumptions</b>                               |   |   |
|          | <b>Discount rate Sensitivity</b>                                    |   |   |
|          | Increase by 0.5%  | 100.36  | 87.65   |
|          | (% change)  | (4.79%)   | (5.04%)   |
|          | Decrease by 0.5%  | 110.86  | 97.34   |
|          | (% change)  | 5.17%   | 5.46%   |



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for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

| S. No.    | Particulars   | Gratuity Benefits            |                              |
|-----------|---|------------------------------|------------------------------|
|           |   | 31 <sup>st</sup> March, 2018 | 31 <sup>st</sup> March, 2017 |
|           | <b>Salary growth rate Sensitivity</b>                                   |                              |                              |
|           | Increase by 0.5%  | 110.31                       | 96.96                        |
|           | (% change)  | 4.66%                        | 5.05%                        |
|           | Decrease by 0.5%  | 100.85                       | 88.09                        |
|           | (% change)  | (4.32%)                      | (4.56%)                      |
|           | <b>Withdrawal rate (W.R.) Sensitivity</b>                               |                              |                              |
|           | W.R. x 110%   | 106.16                       | 93.00                        |
|           | (% change)  | 0.72%                        | 0.76%                        |
|           | W.R. x 90   | 104.63                       | 91.71                        |
|           | (% change)  | (0.74%)                      | (0.64%)                      |
| <b>10</b> | <b>Expected contributions to the defined benefit plan in next years</b> | <b>4.13</b>                  | <b>-</b>                     |

## A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

## NOTE 39 : DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT:

### Loan given to subsidiary companies

| Name of the company                        | Amount Outstanding as on     |                              | Maximum amount outstanding any time during the year ended |                              |
|--|------------------------------|------------------------------|---|------------------------------|
|  | 31 <sup>st</sup> March, 2018 | 31 <sup>st</sup> March, 2017 | 31 <sup>st</sup> March, 2018                              | 31 <sup>st</sup> March, 2017 |
| Renuka Commodities DMCC, Dubai             | 18,197.60                    | 2,135.97                     | 18,197.60   | 2,769.56                     |
| Shree Renuka Agri Ventures Ltd             | 222.58                       | 203.01                       | 222.58  | 203.01                       |
| KBK Chem Engineering Pvt. Ltd              | 1,347.86                     | 1,229.12                     | 1348.05   | 1,233.37                     |
| Shree Renuka East Africa Agriventures PLC  | 0.04                         | 0.04                         | 0.04  | 0.04                         |
| Monica Trading Pvt Limited                 | 266.58                       | 288.70                       | 296.48  | 288.70                       |
| Shree Renuka Tunaport Private Limited      | 7.76                         | 7.44                         | 7.76  | 7.03                         |
| Lanka Sugar Refinery Company (Private) Ltd | 1.19                         | 1.19                         | 1.19  | 1.19                         |
| Renuka Vale Do ivai s/a                    | 91.24                        | 90.79                        | 91.24   | 90.79                        |

## NOTE 40 : DETAILS OF LOAN GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013

- Loans given to Subsidiaries for business purpose and disclosed in Note 41.
- Investments made are disclosed in Note 5
- Corporate Guarantees given by the company (Refer Note 41)

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

## NOTE 41 : RELATED PARTY TRANSACTIONS

### A) RELATED PARTIES

#### (a) Subsidiary companies:

- 1 Gokak Sugars Limited
- 2 KBK Chem-Engineering Private Limited
- 3 Monica Trading Private Limited
- 4 Shree Renuka Tunaport Pvt. Ltd.
- 5 Shree Renuka Agri Ventures Limited
- 6 Renuka Commodities DMCC, Dubai
- 7 Shree Renuka East Africa Agriventures PLC, Ethiopia
- 8 Shree Renuka Global Ventures Limited, Mauritius
- 9 Lanka Sugar Refinery Company (Private) Limited, Sri Lanka\*\*
- 10 Shree Renuka do Brasil Participacoes, Brazil
- 11 Renuka Vale do Ivaí S/A, Brazil
- 12 Biovale Comercio de Leveduras Ltda, Brazil
- 13 Ivaicana Agropecuaria Ltda, Brazil
- 14 Shree Renuka Sao Paulo Participacoes Ltda, Brazil
- 15 Renuka do Brasil S/A, Brazil
- 16 Renuka Cogeração Ltda, Brazil
- 17 Renuka Geradora de Energia Elétrica Ltda, Brazil
- 18 Revati Agropecuária Ltda, Brazil
- 19 Revati Geradora de Energia Elétrica Ltda, Brazil
- 20 Revati S.A-Açúcar e Alcool, Brazil

\*\* Liquidated as on 30<sup>th</sup> September 2017

#### (b) Affiliate companies:

- 1 Renuka Energy Resource Holdings (FZE), Sharjah
- 2 Ravindra Energy Limited.
- 3 Adani Wilmar Limited
- 4 Wilmar Sugar Pte Ltd.
- 5 Wilmar International Ltd

#### (c) Key managerial personnel (KMP)

- 1 Mrs. Vidya Murkumbi- Executive Chair Person
- 2 Mr. Narendra Murkumbi- Vice Chairman and Managing Director
- 3 Mr. Vijendra Singh- President and Whole Time Director
- 4 Mr. K. K. Kumbhat- Chief Financial Officer
- 5 Mr. Naveen Manghani - Company Secretary (Till 31<sup>st</sup> October 2017)
- 6 Mr. Rupesh Saraiya - Company Secretary (From 13<sup>th</sup> November 2017)

#### (d) Relative of key managerial personnel (RKMP)

- 1 Mrs. Sangeeta Singh - DGM (Quality and Training)

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## B) TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATE COMPANIES

| Sr No                           | Particulars   | Year ended                  | Sales    | Purchases   | Rental income | Interest income on advances | Loans and advance paid/ (refunded) |
|---------------------------------|---|-----------------------------|----------|-------------|---------------|-----------------------------|------------------------------------|
| <b>(a) Subsidiary companies</b> |   |                             |          |             |               |                             |                                    |
| i                               | Renuka Commodities DMCC, Dubai                            | 31 <sup>st</sup> March 2018 | 1,437.90 | -           | -             | (5.45)                      | 14,629.18                          |
|                                 |   | 31 <sup>st</sup> March 2017 | 2,534.20 | -           | -             | 30.3                        | 36.24                              |
| ii                              | Shree Renuka Agri Ventures Limited                        | 31 <sup>st</sup> March 2018 | -        | -           | -             | 17.07                       | 2.51                               |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | -           | -             | 20.43                       | 2.24                               |
| iii                             | KBK Chem-Engineering Private Limited                      | 31 <sup>st</sup> March 2018 | -        | (15.54)     | -             | 102.28                      | 12.98                              |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | (30.57)     | -             | -                           | 41.91                              |
| iv                              | Gokak Sugars Limited                                      | 31 <sup>st</sup> March 2018 | 79.35    | (215.51)    | -             | -                           | 44.08                              |
|                                 |   | 31 <sup>st</sup> March 2017 | 108.37   | (188.23)    | -             | 1.98                        | 102.07                             |
| v                               | Monica Trading Private Limited                            | 31 <sup>st</sup> March 2018 | -        | -           | -             | 22.26                       | (48.58)                            |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | -           | -             | 29.94                       | (32.64)                            |
| vi                              | Shree Renuka East Africa Agriventures PLC, Ethiopia       | 31 <sup>st</sup> March 2018 | -        | -           | -             | -                           | -                                  |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | -           | -             | -                           | -                                  |
| vii                             | Lanka Sugar Refinery Company (Private) Limited, Sri Lanka | 31 <sup>st</sup> March 2018 | -        | -           | -             | -                           | -                                  |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | -           | -             | -                           | -                                  |
| viii                            | Shree Renuka Tunaport Private Limited                     | 31 <sup>st</sup> March 2018 | -        | -           | -             | 0.28                        | 0.04                               |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | -           | -             | 0.39                        | 0.04                               |
| ix                              | Renuka Vale Do Ivai S/A                                   | 31 <sup>st</sup> March 2018 | -        | -           | -             | -                           | 445.40                             |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | -           | -             | -                           | (1.96)                             |
| x                               | Renuka do Brasil S/A                                      | 31 <sup>st</sup> March 2018 | -        | -           | -             | -                           | 258.70                             |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | -           | -             | -                           | -                                  |
| <b>(b) Affiliate companies</b>  |   |                             |          |             |               |                             |                                    |
| i                               | Renuka energy resource holding (FZE), Sharjah             | 31 <sup>st</sup> March 2018 | -        | -           | -             | -                           | -                                  |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | -           | -             | -                           | (0.18)                             |
| ii                              | Ravindra Energy Limited                                   | 31 <sup>st</sup> March 2018 | 0.50     | (155.38)    | -             | 5.54                        | 163.65                             |
|                                 |   | 31 <sup>st</sup> March 2017 | 0.13     | (255.71)    | -             | 4.90                        | 619.35                             |
| iii                             | Adani Wilmar Limited                                      | 31 <sup>st</sup> March 2018 | -        | (21,032.89) | 0.14          | -                           | -                                  |
|                                 |   | 31 <sup>st</sup> March 2017 | -        | (22,452.84) | -             | -                           | -                                  |
| iv                              | Wilmar Sugar Pte Limited                                  | 31 <sup>st</sup> March 2018 | 14.48    | (1,496.24)  | -             | -                           | -                                  |
|                                 |   | 31 <sup>st</sup> March 2017 | 3,441.69 | 2.97        | -             | -                           | -                                  |

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

### Corporate guarantees

The Company has received corporate guarantees of Wilmar International Ltd ₹ 27,130 Million (31<sup>st</sup> March 2017 ₹ Nil) towards term loan and working capital limits extended by banks.

The Company has also provided guarantees on behalf of subsidiaries amounting to ₹ 162.61 Million (31<sup>st</sup> March 2017 ₹ 16,090.08 Million) for performance of certain contracts entered and loan taken by the subsidiaries. Details of which are as follows:

| Name of Subsidiary company     | Amount of guarantee given         |                                   |
|--------------------------------|-----------------------------------|-----------------------------------|
|                                | As at 31 <sup>st</sup> March 2018 | As at 31 <sup>st</sup> March 2017 |
| Gokak Sugars Limited           | 15.57                             | 255.00                            |
| KBK Chem-Engineering Pvt. Ltd. | 147.04                            | 145.09                            |
| Renuka Commodities DMCC, Dubai | -                                 | 13,828.78                         |
| Renuka Vale Do Ivai S/A        | -                                 | 1,001.80                          |
| Renuka do Brasil S/A           | -                                 | 859.41                            |

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for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## C) DETAILS OF AMOUNT RECEIVABLE FROM RELATED PARTIES AS AT 31<sup>ST</sup> MARCH 2018 AND 31<sup>ST</sup> MARCH 2017 ARE AS FOLLOWS:

| Particulars   | Amount receivable from related party (gross of impairment allowance, if any) |                                   | Impairment allowance              |                                   | Net carrying amount               |                                   |
|---|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   | As at 31 <sup>st</sup> March 2018  | As at 31 <sup>st</sup> March 2017 | As at 31 <sup>st</sup> March 2018 | As at 31 <sup>st</sup> March 2017 | As at 31 <sup>st</sup> March 2018 | As at 31 <sup>st</sup> March 2017 |
| <b>Non-current loans (refer note 6)</b>                   |  |                                   |                                   |                                   |                                   |                                   |
| <b>subsidiary companies:</b>                              |  |                                   |                                   |                                   |                                   |                                   |
| Shree Renuka Agri Ventures Ltd                            | -  | 203.01                            | -                                 | -                                 | -                                 | 203.01                            |
| Monica Trading Private Limited                            | -  | 288.69                            | -                                 | -                                 | -                                 | 288.69                            |
| KBK Chem Engineering Pvt. Ltd                             | 1348.05  | 1,233.37                          | 1,347.70                          | -                                 | 0.35                              | 1,233.37                          |
| Gokak Sugars Ltd.   | -  | -                                 | -                                 | -                                 | -                                 | -                                 |
| Shree Renuka Tunaport Private Limited                     | 7.76   | 7.46                              | 7.76                              | -                                 | -                                 | 7.46                              |
| Shree Renuka East Africa Agriventures PLC                 | 0.04   | 0.04                              | 0.04                              | -                                 | -                                 | 0.04                              |
| Lanka Sugar Refinery Company (Private) Limited, Sri Lanka | 1.19   | 1.19                              | 1.19                              | -                                 | -                                 | 1.19                              |
| Renuka Vale Do Ivaí S/A                                   | 444.95   | -                                 | 444.95                            | -                                 | -                                 | -                                 |
| Renuka do Brasil S/A                                      | 258.70   | -                                 | 258.70                            | -                                 | -                                 | -                                 |
|   | <b>2,060.69</b>  | <b>1,733.76</b>                   | <b>2,060.34</b>                   | -                                 | <b>0.35</b>                       | <b>1,733.75</b>                   |
| <b>Current loans (refer note 13)</b>                      |  |                                   |                                   |                                   | -                                 | -                                 |
| <b>Subsidiary companies:</b>                              |  |                                   |                                   |                                   | -                                 | -                                 |
| Renuka Commodities DMCC, Dubai                            | 14,819.38  | 290.02                            | 14,819.38                         | -                                 | -                                 | 290.02                            |
| Shree Renuka Agri Ventures Ltd                            | 222.58   | -                                 | 222.58                            | -                                 | -                                 | -                                 |
| Monica Trading Private Limited                            | 266.58   | -                                 | -                                 | -                                 | 266.58                            | -                                 |
| Gokak Sugars Ltd.   | -  | 36.14                             | -                                 | -                                 | -                                 | 36.14                             |
|   | <b>15,308.54</b>   | <b>326.16</b>                     | <b>15,041.96</b>                  | -                                 | <b>266.58</b>                     | <b>326.16</b>                     |
| <b>Affiliate companies:</b>                               |  |                                   |                                   |                                   | -                                 | -                                 |
| Ravindra Energy Limited                                   | 49.37  | 43.58                             | -                                 | -                                 | 49.37                             | 43.58                             |
|   | 49.37  | 43.58                             | -                                 | -                                 | 49.37                             | 43.58                             |
| <b>Trade receivables (refer note 11)</b>                  |  |                                   |                                   |                                   | -                                 | -                                 |
| <b>Subsidiary companies:</b>                              |  |                                   |                                   |                                   | -                                 | -                                 |
| Renuka Commodities DMCC, Dubai                            | 3,346.05   | 1,845.95                          | 3,346.05                          | -                                 | -                                 | 1,845.95                          |
|   | <b>3,346.05</b>  | <b>1,845.95</b>                   | <b>3,346.05</b>                   | -                                 | -                                 | <b>1,845.95</b>                   |
| <b>Affiliate companies:</b>                               |  |                                   |                                   |                                   | -                                 | -                                 |
| Ravindra Energy Limited                                   | 0.21   | -                                 | -                                 | -                                 | 0.21                              | -                                 |
| Adani Wilmar Limited                                      | 0.39   | -                                 | -                                 | -                                 | 0.39                              | -                                 |
| Wilmar Sugar Pte. Ltd.                                    | -  | 0.19                              | -                                 | -                                 | -                                 | 0.19                              |
|   | <b>0.60</b>  | <b>0.19</b>                       | -                                 | -                                 | <b>0.60</b>                       | <b>0.19</b>                       |
| <b>Other current assets (refer note 15)</b>               |  |                                   |                                   |                                   | -                                 | -                                 |
| <b>Subsidiary companies:</b>                              |  |                                   |                                   |                                   | -                                 | -                                 |
| Renuka Commodities DMCC, Dubai                            | 32.17  | -                                 | 32.17                             | -                                 | -                                 | -                                 |
| Renuka Vale do Ivaí s/a                                   | 91.24  | 90.79                             | 91.24                             | -                                 | -                                 | 90.79                             |
| Monica Trading Private Limited                            | -  | 4.21                              | -                                 | -                                 | -                                 | 4.21                              |
|   | <b>123.41</b>  | <b>95.00</b>                      | <b>123.41</b>                     | -                                 | -                                 | <b>95.00</b>                      |
| <b>Affiliate companies:</b>                               |  |                                   |                                   |                                   | -                                 | -                                 |
| Ravindra Energy Limited                                   | 563.29   | 554.98                            | -                                 | -                                 | 563.29                            | 554.98                            |
| Wilmar Sugar Pte. Ltd.                                    | -  | 3.14                              | -                                 | -                                 | -                                 | 3.14                              |
|   | <b>563.29</b>  | <b>558.12</b>                     | -                                 | -                                 | <b>563.29</b>                     | <b>558.12</b>                     |

### Impairment of amounts owed by related parties

For the year ended 31<sup>st</sup> March 2018, the company has recorded impairment of amounts owed by related parties ₹ 20,571.75 Million (31<sup>st</sup> March 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## D) DETAILS OF AMOUNTS PAYABLE TO RELATED PARTIES AS AT 31<sup>ST</sup> MARCH 2018 AND 31<sup>ST</sup> MARCH 2017 ARE AS FOLLOWS:

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
|--|--------------------------------------|--------------------------------------|
| <b>Trade payables (refer note 22)</b>            |                                      |                                      |
| KBK Chem Engineering Pvt. Ltd                    | (0.35)                               | (4.25)                               |
| Gokak Sugars Ltd.                                | (55.94)                              | -                                    |
| Adani Wilmar Limited                             | (10,470.13)                          | (6,068.52)                           |
| Wilmar Sugar Pte. Ltd.                           | (1,273.46)                           | -                                    |
|  | <b>(11,799.88)</b>                   | <b>(6,072.77)</b>                    |
| <b>Other current liabilities (refer note 24)</b> |                                      |                                      |
| Affiliate companies:                             |                                      |                                      |
| Wilmar Sugar Pte. Ltd.                           | (4,387.76)                           | -                                    |
|  | <b>(4,387.76)</b>                    | <b>-</b>                             |

## E) TRANSACTIONS WITH KEY MANAGERIAL PERSONNEL

### Employee loans

The company operates loan scheme providing loan to all employees. Under the scheme, the employee can avail loan up to two times of gross monthly salary repayable in easy monthly instalments. Such loans are unsecured and the interest free. During the year loan granted to key management personnel ₹ Nil (31<sup>st</sup> March 2017: ₹ 4.50 Million), out of which ₹ Nil (31<sup>st</sup> March 2017: ₹ 4.50 Million) was repaid.

### Other directors' interests

The company acquired office space on rent from one of key managerial personnel of the company. During both the years company has paid a rent of ₹ 7.54 Million (31 March 2017 ₹ 6.95 Million) including all the taxes, out of which amount payable is ₹ 0.58 Million (31 March 2017: ₹ Nil)

### Compensation of key managerial personnel

|                                | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--------------------------------|---|---|
| Short-term employee benefits   | 77.41                                     | 65.61                                     |
| Contribution to provident fund | 4.06                                      | 3.61                                      |
| <b>Total</b>                   | <b>81.47</b>                              | <b>69.22</b>                              |

### Compensation of relative of key managerial personnel

|                              | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|------------------------------|---|---|
| Short-term employee benefits | 3.00                                      | 3.00                                      |

### Outstanding remuneration payable

|                                      | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--------------------------------------|---|---|
| Key managerial personnel             | 6.11                                      | -   |
| Relative of key managerial personnel | 0.25                                      | -   |
| <b>Total</b>                         | <b>6.36</b>                               | <b>-</b>                                  |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 42 : FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in financial statements.

|   | Carrying Value                          |   |  | Fair Value                              |   |  |
|---|---|---|--|---|---|--|
|   | As at<br>31 <sup>st</sup> March<br>2018 | As at<br>31 <sup>st</sup> March<br>2017 | As at<br>1 <sup>st</sup> April<br>2016 | As at<br>31 <sup>st</sup> March<br>2018 | As at<br>31 <sup>st</sup> March<br>2017 | As at<br>1 <sup>st</sup> April<br>2016 |
| <b>Financial assets</b>                         |   |   |  |   |   |  |
| <b>FVTOCI</b>                                   |   |   |  |   |   |  |
| Investment in equity shares                     | 354.71                                  | 443.39                                  | 443.39                                 | 354.71                                  | 443.39                                  | 443.39                                 |
| <b>Other financial assets at amortised cost</b> |   |   |  |   |   |  |
| Loans   | 315.96                                  | 2,103.50                                | 1,854.94                               | 315.96                                  | 2,103.50                                | 1,854.94                               |
| Trade receivables                               | 6,990.09                                | 5,890.29                                | 3,844.36                               | 6,990.09                                | 5,890.29                                | 3,844.36                               |
| Cash and cash equivalents                       | 339.23                                  | 457.72                                  | 179.23                                 | 339.23                                  | 457.72                                  | 179.23                                 |
| Other current financial assets                  | 178.67                                  | 188.66                                  | 246.88                                 | 178.67                                  | 188.66                                  | 246.88                                 |
| <b>Total financial assets</b>                   | <b>8,178.66</b>                         | <b>9,083.56</b>                         | <b>6,568.80</b>                        | <b>8,178.66</b>                         | <b>9,083.56</b>                         | <b>6,568.80</b>                        |
| <b>Financial liabilities</b>                    |   |   |  |   |   |  |
| <b>At amortised cost</b>                        |   |   |  |   |   |  |
| <b>Borrowings</b>                               |   |   |  |   |   |  |
| Redeemable preference shares                    | 1,058.95                                | -                                       | -                                      | 1,058.95                                | -                                       | -                                      |
| Optionally convertible preference shares        | 3,538.54                                | -                                       | -                                      | 3,538.54                                | -                                       | -                                      |
| Redeemable non-convertible debentures           | 2,112.16                                | -                                       | -                                      | 2,112.16                                | -                                       | -                                      |
| IFCI (Sugar Development Fund)                   | 435.45                                  | 725.93                                  | 980.43                                 | 435.45                                  | 725.93                                  | 980.43                                 |
| SEFASU Loan                                     | 742.72                                  | -                                       | -                                      | 742.72                                  | -                                       | -                                      |
| Other borrowings at floating rate of interest   | 15,750.68                               | 35,463.65                               | 33,564.60                              | 15,750.68                               | 35,463.65                               | 33,564.60                              |
| Trade payables                                  | 26,636.92                               | 22,816.33                               | 26,786.76                              | 26,636.92                               | 22,816.33                               | 26,786.76                              |
| Other financial liabilities                     | 550.66                                  | 743.97                                  | 650.96                                 | 550.66                                  | 743.97                                  | 650.96                                 |
| <b>Total financial liabilities</b>              | <b>50,826.08</b>                        | <b>59,749.88</b>                        | <b>61,982.75</b>                       | <b>50,826.08</b>                        | <b>59,749.88</b>                        | <b>61,982.75</b>                       |

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### The following methods and assumptions were used to estimate the fair values

As at 31<sup>st</sup> March 2018, fair value of the unquoted equity shares recognised at FVTOCI have been estimated using a non-binding agreement with an investor. As at 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016, fair value of the unquoted equity shares recognised at FVTOCI has been estimated at actual sale price of shares recognised in earlier years.

The fair value of non-current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair values hierarchy due to the use of unobservable inputs including own credit risk.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2017 are as shown below:

### Description of significant unobservable inputs to valuation

|                        | Valuation technique  | Sensitivity of the input to fair value   |
|------------------------|--|--|
| Unquoted equity shares | Market realisable value based on non binding agreement with an investor. | 5% (31 <sup>st</sup> March 2017: 5%) increase/ (decrease) in the market price per share would result in increase/ (decrease) in fair value by ₹ 17.74 Million (31 March 2017: ₹ 22.17 Million) |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI

|   | Amount         |
|---|----------------|
| <b>As at 1<sup>st</sup> April 2016</b>  | <b>443.39</b>  |
| Re-measurement recognised in OCI        | -              |
| Purchases                               | -              |
| Sales                                   | -              |
| <b>As at 31<sup>st</sup> March 2017</b> | <b>443.39</b>  |
| Measurement recognised in OCI           | <b>(88.68)</b> |
| Purchases                               | -              |
| Sales                                   | -              |
| <b>As at 31<sup>st</sup> March 2018</b> | <b>354.71</b>  |

## Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

## Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31<sup>st</sup> March 2018:

|  | Fair value measurement using |  |  |  |
|--|------------------------------|--|--|--|
|  | Total                        | Quoted prices in active markets<br>(Level 1) | Significant observable inputs<br>(Level 2) | Significant unobservable inputs<br>(Level 3) |
| <b>Assets measured at fair value - recurring fair value measurement:</b>                     |                              |  |  |  |
| Investment in equity shares  | 354.71                       | -  | -  | 354.71                                       |
| <b>Liabilities which are measured at amortised cost for which fair values are disclosed:</b> |                              |  |  |  |
| <b>Borrowings</b>  |                              |  |  |  |
| Redeemable preference shares   | 1,058.95                     | -  | -  | 1,058.95                                     |
| Optionally convertible preference shares   | 3,538.54                     | -  | -  | 3,538.54                                     |
| Redeemable non-convertible debentures  | 2,112.16                     | -  | -  | 2,112.16                                     |

## Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31<sup>st</sup> March 2017:

|  | Fair value measurement using |  |  |  |
|--|------------------------------|--|--|--|
|  | Total                        | Quoted prices in active markets<br>(Level 1) | Significant observable inputs<br>(Level 2) | Significant unobservable inputs<br>(Level 3) |
| <b>Assets measured at fair value - recurring fair value measurement:</b> |                              |  |  |  |
| Investment in equity shares  | 443.39                       | -  | -  | 443.39                                       |

## Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 1<sup>st</sup> April 2016:

|  | Fair value measurement using |  |  |  |
|--|------------------------------|--|--|--|
|  | Total                        | Quoted prices in active markets<br>(Level 1) | Significant observable inputs<br>(Level 2) | Significant unobservable inputs<br>(Level 3) |
| <b>Assets measured at fair value - recurring fair value measurement:</b> |                              |  |  |  |
| Investment in equity shares  | 443.39                       | -  | -  | 443.39                                       |

There have been no transfers between Level 1 and Level 2 during the period.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

## Financial risk management objectives and policies

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

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The board of directors reviews and agrees for managing each of these risks.

## Market risk

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

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. The Company manages its interest risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

## Interest rate sensitivity

| Particulars                       | As at<br>31 <sup>st</sup> March 2018 | Composition | As at<br>31 <sup>st</sup> March 2017 | Composition |
|-----------------------------------|--------------------------------------|-------------|--------------------------------------|-------------|
| Borrowing- Fixed interest rate    | 7,887.82                             | 33.37%      | 725.93                               | 2.01%       |
| Borrowing- Floating interest rate | 15,750.68                            | 66.63%      | 35,463.65                            | 97.99%      |
|                                   | <b>23,638.50</b>                     |             | <b>36,189.58</b>                     |             |

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings with variable interest rates. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

|                                   | Increase/<br>decrease in basis<br>points | Effect on profit<br>before tax |
|-----------------------------------|--|--------------------------------|
| <b>31<sup>st</sup> March 2018</b> |  |                                |
| ₹                                 | 50                                       | 78.75                          |
| <b>31<sup>st</sup> March 2017</b> |  |                                |
| ₹                                 | 50                                       | 177.32                         |

## Commodity price risk

Commodity price in sugar industry is impacted by multiple factors such as international sugar price, government regulations, quantity of sugar production in the relevant period, etc. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The following table shows effect of changes in various commodities on the profit of the Company.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Commodity price sensitivity

|                                | Sugar      | Cane     | Raw Sugar  |
|--------------------------------|------------|----------|------------|
| <b>Increase in price by 5%</b> |            |          |            |
| 31 <sup>st</sup> March 2018    | 2,317.26   | (556.95) | (1,607.09) |
| 31 <sup>st</sup> March 2017    | 3,024.90   | (353.25) | (2,108.80) |
| <b>Decrease in price by 5%</b> |            |          |            |
| 31 <sup>st</sup> March 2018    | (2,317.26) | 556.95   | 1,607.09   |
| 31 <sup>st</sup> March 2017    | (3,024.90) | 353.25   | 2,108.80   |

## Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and loans given to affiliates. The Company only deals with parties which has good credit worthiness based on company's internal assessment. The Company has developed credit worthiness assessment mechanism as well. As per the management procedure, each party is internally rated on the basis of their external ratings (wherever available), respective industry information / trends available, financial position of party and past transactions with the party.

A counterparty whose payment is due more than 90 days after the due date is considered as a defaulted party. This is based on considering the market and economic forces in which the entities in the Company is operating. The Company write-off the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 180 days from the due date.

## Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 180 days.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of the receivables has been considered from the date the invoice falls due

|                    | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
|--------------------|--------------------------------------|--------------------------------------|
| Up to 6 months     | 6,010.06                             | 4,008.56                             |
| More than 6 months | 980.03                               | 1,881.73                             |
|                    | <b>6,990.09</b>                      | <b>5,890.29</b>                      |

## Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares etc. The Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. Post the recent debt restructuring process, the Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

**The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.**

| Particulars                              | Less than 1 year | 1 to 5 years     | >5 years         | Total            |
|--|------------------|------------------|------------------|------------------|
| <b>As at 31<sup>st</sup> March, 2018</b> |                  |                  |                  |                  |
| Borrowings                               | 2,621.26         | 10,059.70        | 10,957.54        | 23,638.50        |
| Trade and other payables                 | 26,636.92        | -                | -                | 26,636.92        |
| Other financial liabilities              | 489.77           | 60.89            | (0.00)           | 550.66           |
| <b>Total</b>                             | <b>29,747.95</b> | <b>10,120.59</b> | <b>10,957.54</b> | <b>50,826.08</b> |
| <b>As at 31<sup>st</sup> March, 2017</b> |                  |                  |                  |                  |
| Borrowings                               | 6,035.18         | 12,178.85        | 17,975.56        | 36,189.59        |
| Trade and other payables                 | 22,816.33        | -                | -                | 22,816.33        |
| Other financial liabilities              | 661.86           | 82.11            | 0.00             | 743.97           |
| <b>Total</b>                             | <b>29,513.37</b> | <b>12,260.96</b> | <b>17,975.56</b> | <b>59,749.89</b> |

## NOTE 44 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of Company's management is to maximise shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

The calculation of capital for the purpose of capital management is as follows:

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Equity share capital                        | 1,916.82                             | 945.25                               | 928.81                              |
| Other equity (including securities premium) | 6,998.56                             | 22,611.28                            | 24,718.78                           |
|   | <b>8,915.38</b>                      | <b>23,556.53</b>                     | <b>25,647.59</b>                    |

## NOTE 45 : NOTE ON ADJUSTMENTS MADE TO COMPARATIVE FINANCIAL INFORMATION

The Company has elected to apply the revaluation model as its accounting policy for subsequent measurement of property, plant and equipment under Ind AS 16 Property, plant and Equipment (PPE). As on 31<sup>st</sup> March, 2016, the Company had measured the fair value of its assets and recognised a revaluation surplus of ₹ 19,735.40 Million under the head revaluation reserve in Other Equity. However –

- Depreciation in relation to revalued Property, plant and equipment was reduced from the revaluation reserve for the year ended 31<sup>st</sup> March 2017 instead of debiting the same to statement of profit and loss.
- The Company had not recognised deferred taxes liability on the temporary difference arising from revaluation of PPE, in accordance with Ind AS 12, 'Income Taxes.'
- The company had elected to measure its investment in equity shares of NCDEX at fair value through OCI but impact of the fair value movement was not adjusted to the other comprehensive income.
- The Company has aligned the measurement of benefit of a government below market rate of interest with the requirements of Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance.'
- The Company had not released revaluation reserve to the extent of disposal of PPE to OCI.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

**These errors have been corrected by restating respective accounts in the financial statement for the respective prior periods, as follows:**

|   | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|-------------------------------------|
| Impact on equity [increase/(decrease) in equity]                                    | (6,704.86)                           | (6,679.08)                          |
| Impact on equity due to restatement as on 1 <sup>st</sup> April 2016                | (6,679.08)                           |                                     |
| Deferred tax liability on revaluation reserve (b)                                   |                                      | (6,708.06)                          |
| Non current investment- fair valuation of equity shares of NCDEX (c)                |                                      | 173.60                              |
| Deferred tax asset on NCDEX (c)   |                                      | (59.01)                             |
| Government grant (d)  | 4.62                                 | (118.10)                            |
| Borrowings (d)  | (30.97)                              | 32.49                               |
| Deferred tax on remeasurement of defined benefit plans                              | 1.33                                 |                                     |
| Reversal of revaluation reserve on disposal of PPE (e)                              | (2.11)                               |                                     |
| Change in deferred tax in the statement of profit and loss (d)                      | 1.33                                 |                                     |
| Impact on statement of profit or loss [increase/(decrease) in profit]               | (1,120.71)                           |                                     |
| Other income- Government grant income (d)   | 4.62                                 |                                     |
| Finance cost- Unwinding of interest expenses (d)                                    | (30.97)                              |                                     |
| Depreciation (a)  | (1,094.36)                           |                                     |
| Deferred tax impact- Change in deferred tax in the statement of profit and loss (d) |                                      |                                     |
| Impact on basic and diluted earnings per share (EPS) [increase/(decrease) in EPS]   |                                      |                                     |
| Earnings per share  |                                      |                                     |
| Basic   | (1.21)                               |                                     |
| Diluted   | (1.21)                               |                                     |

Impact on other comprehensive income [increase/(decrease) on OCI]

|  | As at<br>31 <sup>st</sup> March 2017 |
|--|--------------------------------------|
| Reversal of revaluation reserve on disposal of PPE (e) | (2.11)                               |
| Deferred tax on remeasurement of defined benefit plans | 1.33                                 |
| <b>Total</b>   | <b>(0.78)</b>                        |

## Reconciliation of restated other equity compared to audited other equity as at 1<sup>st</sup> April 2016

|   | Securities<br>premium | Debenture<br>redemption<br>reserve | Retained<br>earnings | Revaluation<br>reserve | Equity<br>instrument<br>and others | Total            |
|---|-----------------------|------------------------------------|----------------------|------------------------|------------------------------------|------------------|
| As per audited financial statements   | 15,314.26             | 500.00                             | (4,151.80)           | 19,735.40              | -                                  | 31,397.86        |
| <b>Restatement due to:</b>  | -                     | -                                  |                      |                        | -                                  | -                |
| Deferred tax asset/(liability)  | -                     | -                                  |                      | (6,708.06)             | -                                  | (6,708.06)       |
| Government grant  | -                     | -                                  | (85.61)              |                        | -                                  | (85.61)          |
| Fair valuation of investment in equity shares of NCDEX (net of tax)           | -                     | -                                  |                      |                        | 114.59                             | 114.59           |
| <b>Derived balance of other equity (refer statement of changes in equity)</b> | <b>15,314.26</b>      | <b>500.00</b>                      | <b>(4,237.41)</b>    | <b>13,027.34</b>       | <b>114.59</b>                      | <b>24,718.78</b> |

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Reconciliation of restated other equity compared to audited other equity as at 31<sup>st</sup> March 2017

|  | Securities premium | Debenture redemption reserve | Retained earnings** | Revaluation reserve | Equity instrument and others | Total            |
|--|--------------------|------------------------------|---------------------|---------------------|------------------------------|------------------|
| As per audited financial statements  | 15,569.72          | 625.00                       | (5,519.62)          | 18,641.04           | -                            | 29,316.14        |
| <b>Restatement due to:</b>   |                    |                              |                     |                     |                              | -                |
| <b>Restatement as at 1<sup>st</sup> April 2016 (refer Statement of changes in equity)</b>        | -                  | -                            | (85.61)             | (6,708.06)          | 114.59                       | (6,679.08)       |
| Remeasurement of defined benefit plans   | -                  | -                            | 3.92                | -                   | (3.92)                       | -                |
| Deferred tax impact on remeasurement of defined benefit plans                                    | -                  | -                            | -                   | -                   | 1.33                         | 1.33             |
| Increase in deferred tax income  | -                  | -                            | 1.33                | -                   | -                            | 1.33             |
| Government grant   | -                  | -                            | (26.33)             | -                   | -                            | (26.33)          |
| Reversal of revaluation reserve on disposal of asset/impairment of plant property and equipments | -                  | -                            |                     | (2.11)              | -                            | (2.11)           |
| Tax effect of depreciation on revalued assets  | -                  | -                            | (371.97)            | 371.97              | -                            | -                |
| <b>Derived balance of other equity (refer statement of changes in equity)</b>                    | <b>15,569.72</b>   | <b>625.00</b>                | <b>(5,998.28)</b>   | <b>12,302.84</b>    | <b>112.00</b>                | <b>22,611.28</b> |

\*\* Capital reserve of ₹ Nil (31<sup>st</sup> March 2017: ₹ 19.01 Million, 1<sup>st</sup> April 2016: ₹ 19.01 Million) has been transferred to retained earnings.

## NOTE 46 : SEGMENT REPORTING

The Company is engaged in the business of manufacturing sugar, ethyl alcohol and ethanol and generation and sale of power. In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of consolidated financial statements which form part of this report.

## NOTE 47 :

Previous year's figures have been regrouped /rearranged wherever necessary to confirm to the current year presentation.

To be read with our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

For and on behalf of the **Board of directors of**

**Shree Renuka Sugars Limited**

**per Shyamsundar Pachisia**

Partner

Membership No.49237

**Vidya M. Murkumbi**

Executive Chairperson

DIN: 00007588

**Narendra M. Murkumbi**

Vice-Chairman & Managing Director

DIN: 00009164

**K. K. Kumbhat**

Chief Financial Officer

**Rupesh Saraiya**

Company Secretary

ACS No.: A14699

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

# Independent Auditor's Report

To the Members of  
**SHREE RENUKA SUGARS LIMITED**

## REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated Ind AS financial statements of Shree Renuka Sugars Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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 judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## BASIS FOR QUALIFIED OPINION

5. As discussed in Note 43 the Group's consolidated financial statements includes Consolidated financial statements of Shree Renuka do Brasil Participações Ltda. Brazil (SRBDPL Group) and its subsidiaries in Brazil having total assets of ₹ 37,156 Million as at March 31, 2018, and total revenues of ₹ 16,671 Million for the year ended on that date. SRBDPL Group have filed reorganisation plans with the courts in Brazil in prior years and related legal proceedings are in progress. The Auditors of SRBDPL Group, in their report issued on April 23, 2018, have stated that they have not been able to obtain sufficient appropriate audit evidence to

provide a basis for an audit opinion on the consolidated financial statements of SRBDPL Group and have disclaimed their opinion. Consequently, we were unable to determine the impact of adjustments that may be necessary to the carrying value of assets, liabilities, and equity amounts of SRBDPL Group; revenues, expenses and loss for the year of SRBDPL Group, included in the Group's consolidated financial statements for the year ended March 31, 2018.

The audit opinion on the consolidated financial statements of SRBDPL Group for the year ended March 31, 2017, was also disclaimed by the auditors vide their reports dated May 19, 2017. The predecessor auditor expressed an unmodified opinion with emphasis of matter in their audit report dated May 29, 2017, on Group Consolidated financial statements on the said matter for year ended March 31, 2017.

## QUALIFIED OPINION

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the effects of the matter(s) described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2018, their consolidated loss including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## EMPHASIS OF MATTER

7. We draw attention to Note 2.4 to the consolidated financial statements which describes factors based on which the management of the holding Company has prepared the consolidated financial statements of the Group on going concern basis. Our opinion is not qualified in respect of this matter.

## OTHER MATTER

8. We have audited the adjustments to property, plant and equipment deferred tax liability, depreciation and revaluation surplus as described in Note 45 to restate the financial information as at April 1, 2016 and as at and for the year ended March 31, 2017. In our opinion, such adjustments are appropriate and have been properly applied. We further state that we were not engaged to audit, review or apply any procedures to the consolidated financial information of the Company either as at April 1, 2016 or as at and for the year ended

March 31, 2017 other than with respect to the aforesaid adjustments and, accordingly, we do not express an opinion or review conclusion or any other form of assurance on the financial information as at April 1, 2016, as at and for the year ended March 31, 2017 as a whole.

9. We did not audit the financial statements and other financial information, in respect of nineteen subsidiaries, whose Ind AS financial statements include total assets of ₹ 47,230.89 Million and net assets of ₹ (68,523.32) Million as at March 31, 2018, and total revenues of ₹ 21,273.93 Million and net cash outflows/(inflows) of ₹ (81.88) Million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with International Financial Reporting Standards ('IFRS') and which have been audited by other auditors under International Standards of Auditing. The Company's management has converted the financial statements of such subsidiaries located outside India from IFRS to Ind AS. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

10. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion with emphasis of matter, referring to matter discussed in paragraph 5 above, on those statements on May 29, 2017.
11. The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial statements and other financial information reflect total assets of ₹ 3.71 Million and net assets of ₹ 3.67 Million as at March 31, 2018, and total revenues of ₹ Nil and net cash outflows

of ₹ 0.01 Million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statement and other financial information are not material to the Group.

12. Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate report in "Annexure 1" to this report;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group- Refer Note 39 to the consolidated Ind AS financial statements;
- ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2018.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Place: Mumbai

Date: May 3, 2018

Membership No.: 049237



# Annexure to the Independent Auditor's Report

of even date on the Consolidated Financial Statements of Shree Renuka Sugars Limited

## REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

1. In conjunction with our audit of the consolidated financial statements of Shree Renuka Sugars Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Shree Renuka Sugars Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

## AUDITOR'S RESPONSIBILITY

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

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may



become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## OTHER MATTERS

9. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to these five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Membership No.: 049237

Place: Mumbai

Date: May 3, 2018

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2018

All amounts in Million Indian Rupees, unless otherwise stated

|  | Notes | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017* | As at<br>31 <sup>st</sup> March 2016* |
|--|-------|--------------------------------------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>                                |       |                                      |                                       |                                       |
| <b>Non-current assets</b>                    |       |                                      |                                       |                                       |
| Property, plant and equipment                | 3(a)  | 61,605.06                            | 68,451.35                             | 70,114.07                             |
| Capital work-in-progress                     | 3(a)  | 291.78                               | 351.06                                | 373.70                                |
| Other intangible assets                      | 3(b)  | 315.78                               | 7,414.30                              | 6,676.58                              |
| Financial assets                             |       |                                      |                                       |                                       |
| Investments                                  | 4     | 1,075.49                             | 1,210.68                              | 1,074.85                              |
| Other non-current financial assets           | 5     | 643.92                               | 837.31                                | 773.53                                |
| Other non-current assets                     | 6     | 6,394.03                             | 10,774.19                             | 10,725.03                             |
| Income tax receivables (net)                 |       | 317.69                               | 393.94                                | 361.23                                |
| Deferred tax assets (net)                    | 7     | 3,561.60                             | 2,325.19                              | 2,663.09                              |
| <b>Total non-current assets</b>              |       | <b>74,205.35</b>                     | <b>91,758.02</b>                      | <b>92,762.08</b>                      |
| <b>Current assets</b>                        |       |                                      |                                       |                                       |
| Inventories                                  | 8     | 10,307.76                            | 14,282.17                             | 20,937.17                             |
| Biological assets                            | 9     | 433.68                               | 1,567.00                              | 1,951.85                              |
| Financial assets                             |       |                                      |                                       |                                       |
| Trade receivables                            | 10    | 7,618.26                             | 10,119.50                             | 7,223.36                              |
| Cash and cash equivalents                    | 11    | 542.20                               | 582.48                                | 507.70                                |
| Loans  | 12    | 58.20                                | 50.38                                 | 44.37                                 |
| Other current financial assets               | 13    | 40.38                                | 39.27                                 | 68.24                                 |
| Other current assets                         | 14    | 6,813.54                             | 9,842.73                              | 9,798.88                              |
| <b>Total current assets</b>                  |       | <b>25,814.02</b>                     | <b>36,483.53</b>                      | <b>40,531.57</b>                      |
| <b>Total assets</b>                          |       | <b>100,019.37</b>                    | <b>128,241.55</b>                     | <b>133,293.65</b>                     |
| <b>EQUITY AND LIABILITIES</b>                |       |                                      |                                       |                                       |
| <b>Equity</b>                                |       |                                      |                                       |                                       |
| Equity share capital                         | 15(a) | 1,916.82                             | 945.25                                | 928.81                                |
| Other equity                                 | 15(b) | (38,628.73)                          | (34,370.50)                           | (25,463.69)                           |
| <b>Equity attributable to equity holders</b> |       | <b>(36,711.91)</b>                   | <b>(33,425.25)</b>                    | <b>(24,534.88)</b>                    |
| <b>Non-controlling interest</b>              | 44    | <b>(4.04)</b>                        | <b>17.65</b>                          | <b>18.91</b>                          |
| <b>Non-current liabilities</b>               |       |                                      |                                       |                                       |
| Financial liabilities                        |       |                                      |                                       |                                       |
| Borrowings                                   | 16    | 29,057.45                            | 50,461.35                             | 34,807.04                             |
| Other non-current financial liabilities      | 17    | 4,566.65                             | 1,149.09                              | 926.52                                |
| Trade payables                               | 18    | 1,362.31                             | 1,389.93                              | 82.51                                 |
| Long-term provisions                         | 19    | 1,004.44                             | 768.99                                | 577.02                                |
| Government grants                            | 20    | 52.02                                | 167.46                                | 309.37                                |
| Other non-current liabilities                | 21    | 1,329.30                             | 1,274.40                              | 1,057.43                              |
| Deferred tax liabilities (net)               | 7     | 40.59                                | 3,221.01                              | 3,980.29                              |
| <b>Total non-current liabilities</b>         |       | <b>37,412.76</b>                     | <b>58,432.23</b>                      | <b>41,740.18</b>                      |
| <b>Current liabilities</b>                   |       |                                      |                                       |                                       |
| Financial liabilities                        |       |                                      |                                       |                                       |
| Borrowings                                   | 22    | 2,245.79                             | 9,659.38                              | 17,629.14                             |
| Trade payables                               | 23    | 39,021.76                            | 39,214.70                             | 43,898.59                             |
| Other current financial liabilities          | 24    | 52,815.06                            | 46,600.91                             | 46,543.57                             |
| Government grants                            | 20    | 95.54                                | 137.28                                | 187.87                                |
| Other current liabilities                    | 25    | 5,133.19                             | 7,589.66                              | 7,798.11                              |
| Short-term provisions                        | 26    | 11.22                                | 14.99                                 | 12.16                                 |
| <b>Total current liabilities</b>             |       | <b>99,322.56</b>                     | <b>103,216.92</b>                     | <b>116,069.44</b>                     |
| <b>Total equity and liabilities</b>          |       | <b>100,019.37</b>                    | <b>128,241.55</b>                     | <b>133,293.65</b>                     |

\* Restated

Significant accounting policies

2.1

Accompanying notes 1 to 52 form integral part of these consolidated financial statements

To be read with our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Membership No.49237

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

**Vidya M. Murkumbi**

Executive Chairperson

DIN: 00007588

**K. K. Kumbhat**

Chief Financial Officer

**Narendra M. Murkumbi**

Vice-Chairman & Managing Director

DIN: 00009164

**Rupesh Saraiya**

Company Secretary

ACS No.: A14699

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2018

All amounts in Million Indian Rupees, unless otherwise stated

|   | Notes | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017* |
|---|-------|--------------------------------------|---------------------------------------|
| <b>Income</b>   |       |                                      |                                       |
| Revenue from operations   | 27    | 77,440.57                            | 119,445.08                            |
| Other income  | 28    | 969.28                               | 3,771.87                              |
| <b>Total income</b>   |       | <b>78,409.85</b>                     | <b>123,216.95</b>                     |
| <b>Expenses</b>   |       |                                      |                                       |
| Cost of raw material consumed   | 29    | 47,838.20                            | 71,290.55                             |
| Purchase of traded goods  | 30    | 34,222.87                            | 26,672.74                             |
| (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods           | 31    | (1,441.68)                           | 4,908.27                              |
| Excise duty on sale of goods  |       | 160.34                               | 1,000.42                              |
| Employee benefit expenses   | 32    | 1,940.78                             | 1,945.70                              |
| Depreciation and amortisation expenses  | 33    | 8,605.54                             | 9,549.62                              |
| Foreign exchange (gain)/loss  |       | 2,837.69                             | 3,364.61                              |
| Finance costs   | 34    | 9,633.34                             | 9,581.11                              |
| Other expenses  | 35    | 6,782.18                             | 6,562.86                              |
| <b>Total expenses</b>   |       | <b>110,579.26</b>                    | <b>134,875.88</b>                     |
| <b>Profit/(loss) before exceptional items and tax</b>   |       | <b>(32,169.41)</b>                   | <b>(11,658.93)</b>                    |
| Exceptional items   | 36    | (4,993.73)                           | -                                     |
| <b>Profit/(loss) before tax</b>   |       | <b>(27,175.68)</b>                   | <b>(11,658.93)</b>                    |
| Tax expense:  |       |                                      |                                       |
| Current tax   |       | 11.09                                | -                                     |
| Deferred tax  | 7     | (5,149.24)                           | (138.77)                              |
| <b>Income tax expense</b>   |       | <b>(5,138.15)</b>                    | <b>(138.77)</b>                       |
| <b>Profit/(loss) for the year</b>   |       | <b>(22,037.53)</b>                   | <b>(11,520.16)</b>                    |
| <b>Other comprehensive income</b>   |       |                                      |                                       |
| <b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b> |       |                                      |                                       |
| Reversal of revaluation reserve on disposal of asset (net of tax)                                 |       | (240.92)                             | -                                     |
| Net gain/(loss) on remeasurements of defined benefit plans (net of tax)                           |       | 1.67                                 | (5.81)                                |
| Unrealised (gain)/loss on FVTOCI equity securities (net of tax)                                   |       | (88.68)                              | -                                     |
| <b>Other comprehensive income for the year</b>  |       | <b>(327.93)</b>                      | <b>(5.81)</b>                         |
| <b>Total comprehensive income for the year (net of tax)</b>                                       |       | <b>(22,365.46)</b>                   | <b>(11,525.97)</b>                    |
| <b>Profit/(loss) for the year attributable to:</b>  |       |                                      |                                       |
| Owners of the company   |       | (22,015.86)                          | (11,518.90)                           |
| Non-controlling interests   |       | (21.67)                              | (1.26)                                |
| <b>Other comprehensive income attributable to:</b>  |       |                                      |                                       |
| Owners of the company   |       | (327.91)                             | (5.81)                                |
| Non-controlling interests   |       | (0.02)                               | -                                     |
| <b>Total comprehensive income for the year attributable to:</b>                                   |       |                                      |                                       |
| Owners of the company   |       | (22,343.77)                          | (11,524.71)                           |
| Non-controlling interests   |       | (21.69)                              | (1.26)                                |
| <b>Earnings per share</b>   |       |                                      |                                       |
| Basic   | 37    | (21.87)                              | (12.40)                               |
| [Face value of equity share ₹ 1/- each]   |       |                                      |                                       |
| Diluted   |       | (21.87)                              | (12.40)                               |
| [Face value of equity share ₹ 1/- each]   |       |                                      |                                       |
| * Restated  |       |                                      |                                       |
| Significant accounting policies   | 2.1   |                                      |                                       |

## Accompanying notes 1 to 52 form integral part of these consolidated financial statements

To be read with our report of even date  
**For S R B C & CO LLP**  
 Chartered Accountants  
 ICAI Firm Regn. No : 324982E/E300003

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

**per Shyamsundar Pachisia**  
 Partner  
 Membership No.49237

**Vidya M. Murkumbi**  
 Executive Chairperson  
 DIN: 00007588

**Narendra M. Murkumbi**  
 Vice-Chairman & Managing Director  
 DIN: 00009164

**K. K. Kumbhat**  
 Chief Financial Officer

**Rupesh Saraiya**  
 Company Secretary  
 ACS No.: A14699

Date : 3<sup>rd</sup> May 2018  
 Place: Mumbai

Date : 3<sup>rd</sup> May 2018  
 Place: Mumbai

# Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2018

All amounts in Million Indian Rupees, unless otherwise stated

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 * |
|---|---|---|
| <b>Operating activities</b>   |   |   |
| Loss before tax   | (27,175.68)                               | (11,658.93)                                 |
| <b>Adjustments to reconcile loss before tax to net cash flows:</b>                |   |   |
| Depreciation and impairment of property, plant and equipment                      | 8,578.09                                  | 9,520.65                                    |
| Amortisation and impairment of intangible assets                                  | 27.45                                     | 28.97                                       |
| Impairment of goodwill  | 6,746.86                                  | -   |
| Finance costs (including unwinding of interest on borrowing at concessional rate) | 9,633.34                                  | 9,581.11                                    |
| Processing charges on restructuring   | 208.55                                    | -   |
| Finance income  | (130.50)                                  | (6.79)                                      |
| (Gain)/loss on disposal of property, plant and equipment                          | (19.96)                                   | 2.99  |
| Gain on restructuring   | (15,340.13)                               | -   |
| Net foreign exchange differences  | (73.08)                                   | -   |
| Impairment of trade receivables   | 1,410.39                                  | -   |
| Provision towards litigation  | 220.00                                    | -   |
| Impairment of assets  | 1,339.19                                  | -   |
| Impairment of property, plant and equipment                                       | 37.25                                     | -   |
| Impairment of capital work in progress  | 28.77                                     | -   |
| Dividend income   | (0.90)                                    | (6.49)                                      |
| (Gain)/loss from sale of investments  | -   | (77.49)                                     |
| Unrealised exchange loss/(gain) on consolidation (net)                            | 4,477.51                                  | 2,079.84                                    |
| <b>Working capital adjustments:</b>   |   |   |
| Movement in provisions, gratuity and government grants                            | 74.49                                     | 2.30  |
| Decrease/(increase) in trade receivables  | 1,167.21                                  | (2,896.14)                                  |
| Decrease/(increase) in other receivables and prepayments                          | 6,242.93                                  | (141.28)                                    |
| Decrease/(increase) in inventories and biological assets                          | 5,107.73                                  | 7,039.85                                    |
| Increase/(decrease) in trade and other payables                                   | 1,562.60                                  | (2,258.36)                                  |
|   | <b>4,122.11</b>                           | <b>11,210.23</b>                            |
| Income tax refund/(paid)  | 65.16                                     | (32.71)                                     |
| <b>Net cash flows from operating activities</b>                                   | <b>4,187.27</b>                           | <b>11,177.52</b>                            |
| <b>Investing activities:</b>  |   |   |
| Purchase of property, plant and equipment   | (4,639.70)                                | (6,163.59)                                  |
| Proceeds from sale of property, plant and equipment                               | 1,107.05                                  | 1,160.08                                    |
| Unrealised exchange loss/(gain) on consolidation (net)                            | 1,457.50                                  | (3,601.46)                                  |
| Proceeds/(purchase) of investments (net)  | -   | (58.34)                                     |
| Interest received (finance income)  | 142.19                                    | 14.24                                       |
| Dividend received   | 0.90                                      | 6.49  |
| <b>Net cash flows from investing activities</b>                                   | <b>(1,932.06)</b>                         | <b>(8,642.58)</b>                           |
| <b>Financing activities:</b>  |   |   |
| Proceeds from issue of equity shares (net of transaction cost)                    | 7,825.57                                  | 271.90                                      |
| Unrealised exchange loss/(gain) on consolidation (net)                            | (2,552.96)                                | (3,370.31)                                  |
| Proceeds from long-term borrowings  | -   | 18,836.99                                   |
| Repayment of long-term borrowings   | (1,799.60)                                | -   |
| Proceeds/(repayment) from/of working capital borrowing (net)                      | 7,314.16                                  | (7,969.76)                                  |
| Finance cost paid   | (13,082.66)                               | (10,228.98)                                 |
| <b>Net cash flows from financing activities</b>                                   | <b>(2,295.49)</b>                         | <b>(2,460.16)</b>                           |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                       | <b>(40.28)</b>                            | <b>74.78</b>                                |
| Opening cash and cash equivalents   | 582.48                                    | 507.70                                      |
| <b>Closing cash and cash equivalents</b>  | <b>542.20</b>                             | <b>582.48</b>                               |

\*Restated

Accompanying notes 1 to 52 form integral part of these consolidated financial statements

To be read with our report of even date  
**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 324982E/E300003

**per Shyamsundar Pachisia**  
Partner  
Membership No.49237

Date : 3<sup>rd</sup> May 2018  
Place: Mumbai

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

**Vidya M. Murkumbi**  
Executive Chairperson  
DIN: 00007588

**K. K. Kumbhat**  
Chief Financial Officer

Date : 3<sup>rd</sup> May 2018  
Place: Mumbai

**Narendra M. Murkumbi**  
Vice-Chairman & Managing Director  
DIN: 00009164

**Rupesh Saraiya**  
Company Secretary  
ACS No.: A14699

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2018

All amounts in Million Indian Rupees, unless otherwise stated

|  | Items of OCI         |                    |                         |                                      |   |                    |                     | Total equity attributable to the equity holders of the Company | Non controlling interests (refer note 44) | Total                     |
|--|----------------------|--------------------|-------------------------|--------------------------------------|---|--------------------|---------------------|--|---|---------------------------|
|  | Equity share capital | Securities premium | Debt redemption reserve | Foreign currency translation reserve | Foreign currency monetary item translation difference | Retained earnings  | Revaluation reserve | Changes in equity instrument and others                        |   |                           |
| <b>As at 1<sup>st</sup> April 2016*</b>  | <b>928.81</b>        | <b>15,314.27</b>   | <b>500.00</b>           | <b>1,134.55</b>                      | <b>(9,788.20)</b>                                     | <b>(46,341.86)</b> | <b>13,602.96</b>    | <b>114.59</b>  | <b>(24,534.88)</b>                        | <b>18.91 (24,515.97)</b>  |
| Profit for the period  | -                    | -                  | -                       | -                                    | -   | (11,518.90)        | -                   | -  | (11,518.90)                               | (1.26) (11,520.16)        |
| Other comprehensive income   | -                    | -                  | -                       | -                                    | -   | -                  | -                   | (5.81)   | (5.81)                                    | - (5.81)                  |
| <b>Total comprehensive income</b>  | <b>-</b>             | <b>-</b>           | <b>-</b>                | <b>1,134.55</b>                      | <b>(9,788.20)</b>                                     | <b>(57,860.76)</b> | <b>13,602.96</b>    | <b>108.78</b>  | <b>(52,802.67)</b>                        | <b>17.65 (52,785.02)</b>  |
| Equity shares issued during the year   | 16.44                | 255.46             | -                       | -                                    | -   | -                  | -                   | -  | 271.90                                    | - 271.90                  |
| Transfer to/(from) foreign currency translation reserve                          | -                    | -                  | -                       | (3,862.46)                           | -   | -                  | -                   | -  | (3,862.46)                                | - (3,862.46)              |
| Transfer to/(from) foreign currency monetary item translation difference account | -                    | -                  | -                       | -                                    | 6,224.90  | -                  | -                   | -  | 6,224.90                                  | - 6,224.90                |
| Transfer to/(from) retained earnings   | -                    | -                  | 125.00                  | -                                    | -   | (125.00)           | -                   | -  | -   | - -                       |
| Depreciation of revalued assets  | -                    | -                  | -                       | -                                    | -   | 1,119.01           | (1,119.01)          | -  | -   | - -                       |
| Tax effect on depreciation of revalued assets                                    | -                    | -                  | -                       | -                                    | -   | (380.35)           | 380.35              | -  | -   | - -                       |
| <b>As at 31<sup>st</sup> March 2017*</b>   | <b>945.25</b>        | <b>15,569.73</b>   | <b>625.00</b>           | <b>(2,727.91)</b>                    | <b>(3,563.30)</b>                                     | <b>(57,247.10)</b> | <b>12,864.30</b>    | <b>108.78</b>  | <b>(33,425.25)</b>                        | <b>17.65 (33,407.60)</b>  |
| Profit for the period  | -                    | -                  | -                       | -                                    | -   | (22,015.86)        | -                   | -  | (22,015.86)                               | (21.67) (22,037.53)       |
| Other Comprehensive Income   | -                    | -                  | -                       | -                                    | -   | -                  | -                   | (87.01)  | (327.91)                                  | (0.02) (327.93)           |
| <b>Total Comprehensive Income</b>  | <b>-</b>             | <b>-</b>           | <b>-</b>                | <b>(2,727.91)</b>                    | <b>(3,563.30)</b>                                     | <b>(79,262.96)</b> | <b>12,623.40</b>    | <b>21.77</b>   | <b>(72,909.00)</b>                        | <b>(4.04) (55,773.06)</b> |
| Equity shares issued during the year   | 971.57               | 14,826.79          | -                       | -                                    | -   | -                  | -                   | -  | 15,798.36                                 | - 15,798.36               |
| Transfer to/(from) foreign currency translation reserve                          | -                    | -                  | -                       | 2,420.21                             | -   | -                  | -                   | -  | 2,420.21                                  | - 2,420.21                |
| Transfer to/(from) foreign currency monetary item translation difference account | -                    | -                  | -                       | -                                    | 838.54  | -                  | -                   | -  | 838.54                                    | - 838.54                  |
| Depreciation of revalued assets  | -                    | -                  | -                       | -                                    | -   | 1,041.53           | (1,041.53)          | -  | -   | - -                       |
| Tax effect on depreciation of revalued assets                                    | -                    | -                  | -                       | -                                    | -   | (354.02)           | 354.02              | -  | -   | - -                       |
| <b>As at 31<sup>st</sup> March 2018</b>  | <b>1,916.82</b>      | <b>30,396.52</b>   | <b>625.00</b>           | <b>(307.70)</b>                      | <b>(2,724.76)</b>                                     | <b>(78,575.45)</b> | <b>11,935.89</b>    | <b>21.77</b>   | <b>(36,711.91)</b>                        | <b>(4.04) (36,715.95)</b> |

\* Previous year numbers have been restated. Refer Note 45 for the reconciliation between previous year numbers and current year numbers as presented above.

To be read with our report of even date  
**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Regn. No : 324982E/E300003

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

**per Shyamsundar Pachisia**  
Partner  
Membership No.49237

**Vidya M. Murkumbi**  
Executive Chairperson  
DIN: 00007588

**Narendra M. Murkumbi**  
Vice-Chairman & Managing Director  
DIN: 00009164

**K. K. Kumbhat**  
Chief Financial Officer  
Date : 3<sup>rd</sup> May 2018  
Place: Mumbai

**Rupesh Saraiya**  
Company Secretary  
ACS No.: A14699

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

## 1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Shree Renuka Sugars Limited (the 'company') and its subsidiaries (collectively, the 'Group') for the year ended 31<sup>st</sup> March 2018. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at BC 105 Havelock Road, Camp, Belagavi, 590 001.

The Group is principally engaged in the manufacturing of sugar, ethyl alcohol and ethanol and generation and sale of power. Information on the Group's structure is provided in Note 46. Information on other related party relationships of the Group is provided in Note 42.

## 1.1 SIGNIFICANT ACCOUNTING POLICIES

### I. Basis of preparation:

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

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

- Land, buildings and plant and machinery classified as property, plant and equipment,
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

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

### II. Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended and as at 31<sup>st</sup> March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using uniform accounting policies. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31<sup>st</sup> March.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the

# Notes to Consolidated Financial Statements

For the year ended 31<sup>st</sup> March 2018

non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

## III. Summary of significant accounting policies; a. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1<sup>st</sup> April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests

*All amounts in million Indian Rupees, unless otherwise stated*

in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount,



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

## b. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

### A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

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

## c. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

are reclassified from equity to profit or loss on disposal of the net investment.

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

Group had opted to defer/ capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS 11, then Ind AS 101 gives an option whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

## Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

## d. Fair value measurement

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

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

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

*All amounts in million Indian Rupees, unless otherwise stated*

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

# Notes to Consolidated Financial Statements

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- Disclosures for valuation methods, significant estimates and assumptions (note 2.2 and 47)
- Quantitative disclosures of fair value measurement hierarchy (note 47)
- Investment in unquoted equity shares (note 4)
- Property, plant and equipment under revaluation model (note 3)
- Financial instruments (including those carried at amortised cost) (note 47)

## e. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

### Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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 Group with the purchasing parties.

## Rendering of services

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

## Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

## Dividends

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

## f. Government grants

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

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

# Notes to Consolidated Financial Statements

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value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

The Group has chosen to present grants related to an expense item as other income in the statement of profit and loss.

## g. Taxes

### Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in

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the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included
- The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## h. Property, plant and equipment

Freehold land, buildings and plant and machinery, other than investment property, were carried in the balance sheet on the basis of fair valuations performed. The Group has also determined that fair value as at 31 March 2018 does not differ materially from the carrying value of assets. Accordingly, the group has not revalued the property at 31<sup>st</sup> March 2018.

Capital work in progress and other assets is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a

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major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

| Category               | Useful life  |
|------------------------|--------------|
| Buildings              | 5 - 60 Years |
| Plant and Equipments   | 5-40 Years   |
| Furniture and Fixtures | 1-10 Years   |
| Vehicles               | 7-8 Years    |
| Office Equipments      | 1-10 Years   |

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated

useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## j. Biological assets

Biological assets of the Group are represented by sugarcane used as raw material in the production of sugar and ethanol. Sugar cane is classified as a permanent crop, whose economically viable production cycle is five years after its first cut is on average.

The fair value of the sugar cane at harvest is determined by the quantities harvested, and valued by the value of CONSECANA (Council of Sugar Cane Producers,

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sugar and São Paulo State Alcohol) accumulated in the respective month. The fair value of the harvested sugar cane will be the cost of the raw material used in the production of sugar and ethanol process.

- (a) Cash inflows obtained by multiplying (i) estimated production, measured in kilos of ATR (total recoverable sugar), and (ii) future market price of sugar cane, which is estimated based on public data and estimates of future prices of sugar and ethanol; and
- (b) Cash outflows represented by estimates of (i) costs necessary for the occurrence of biological transformation of sugarcane (cultivation) to harvest; (ii) costs of harvesting/cutting, loading and transportation - CCT; (iii) cost of capital (land and machinery and equipment); (iv) Lease costs and agricultural partnership; and (v) taxes on the positive cash flow.

## k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## l. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on

the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

## m. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

## n. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or change in circumstances indicate that they might be impaired.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or

CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## **o. Provisions General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## **p. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



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The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs; and
- Net interest expense or income

## Long term employee benefits

Compensated absences are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

## Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred.

## q. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (a) Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or

sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

## Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

## Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 10.

## Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

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- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

The Group has not designated any debt instrument as at FVTOCI.

## Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

## Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

## Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:



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- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
- d. Loan commitments which are not measured as at FVTPL
- e. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an

integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

## (b) Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

### Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition,

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and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

## Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

## Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

## Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the

recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## (c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## r. Derivative financial instruments and hedge accounting Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

## Commodity futures and options

The Group enters into commodity futures and options. These derivative financial instruments are initially recognised at fair value through profit and loss on the date on which contract is entered into and are subsequent measured at fair value. Derivatives are carried as assets when the fair value is positive and liabilities when the fair value is negative. The fair value of commodity futures and options is determined by reference to quoted market prices.

## s. Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined

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for the year ended 31<sup>st</sup> March 2018

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using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

## t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## 2.2 SIGNIFICANT ACCOUNTING JUDGMENTS ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### Financial instruments

During the year the Group has entered into framework agreement with its lenders for restructuring its borrowings. As part of the restructuring process the Group has issued 0.01% Non-convertible debentures, 0.01% redeemable preference shares and 0.01% optionally convertible preference shares to the lenders. The Group has recognised the new instruments issued at fair value and the difference between the fair value of the instrument and the non-sustainable part of borrowings has been recognised as income on de-recognition of financial liability by the Group.

### Revaluation of property, plant and equipment

The Company measures land, buildings, plant and machinery classified as property, plant and equipment at revalued amounts with changes in fair value being recognised in OCI. The Company engaged an independent valuation specialist to assess fair value for revalued land, buildings, plant and machinery. Fair value of land and building was determined by using the market comparable method and plant & equipment was determined by using resale value method. The key

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assumptions used to determine fair value of the plant, property and equipment are provided in Note 3.

## Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the cashflow estimates for the remaining life of the asset (in case of BOOT) and budget for 5 years in case of other assets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 3(a).

## Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Group has recognised unabsorbed depreciation of ₹ 12,996.27 Million (31<sup>st</sup> March 2017: ₹ 11,731.03 Million, 1<sup>st</sup> April 2016: ₹ 10,101.13 Million), unabsorbed tax losses of ₹ 22,995.58 Million (31<sup>st</sup> March 2017: ₹ 10,416.44 Million, 1<sup>st</sup> April 2016: ₹ 9,963.67 Million) and MAT credit entitlement of ₹ 545.12 Million (31<sup>st</sup> March 2017: ₹ 545.12 Million, 1<sup>st</sup> April 2016: ₹ 545.07 Million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. Based on the future budgeted operational cash-inflows, post the restructuring process, the Company expects to generate taxable income for utilisation of the unabsorbed depreciation, unabsorbed tax losses and MAT credit entitlement.

The Group has not recognised unabsorbed depreciation of ₹ 681.54 Million (31<sup>st</sup> March 2017: 625.42 Million, 1<sup>st</sup> April 2016: 570.79 Million) and unabsorbed tax losses of ₹ 19,935.73 Million (31<sup>st</sup> March 2017: 19,648.06, 1<sup>st</sup> April 2016: 13,683.36 Million). These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. On this basis, the Group has determined that it cannot

recognise deferred tax assets on the tax losses carried forward.

## Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 40.

## 2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28<sup>th</sup> March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

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The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1<sup>st</sup> April 2018. The Group will adopt the new standard on the required effective date using the modified retrospective method. The Group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

## 2.4 GOING CONCERN

The Group has incurred continuing losses for the year ended 31<sup>st</sup> March, 2018, at consolidated level. During the year, the Group has executed debt restructuring scheme and restructured its overall borrowings and settled borrowing due to lenders of some of its subsidiaries. This has resulted into substantial reduction in the interest outflow for future period and extended the repayment plan in relation to restructured borrowings. Further, the Group expects to generate operational cash-inflows in next twelve months, which will support the Group to meet its near future cash obligations and has also obtained corporate guarantee from Wilmar International Limited to support the outstanding balance of restructured borrowings. Taking these factors into consideration, the Group believes financial information is fairly presented on going concern basis.

## 2.5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

### New and amended standards and interpretations

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1<sup>st</sup> April 2017. The nature and the impact of each amendment is described below:

### Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for the current period in Note 16.

### Amendments to Ind AS 102 Classification and Measurement of Share-based Payment Transactions

The amendments to Ind AS 102 Share-based Payment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Group has applied these amendments without restating prior periods. However, their application has no effect on the Group's financial position and performance as the Group had no such transaction.

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## NOTE 3(A): PROPERTY, PLANT AND EQUIPMENT

|   | Leasehold land | Freehold land   | Buildings        | Plant, machinery and Equipment | Furniture and fixtures | Vehicles      | Biological Assets | Total for property, plant and equipment (A) | Capital Work-in-progress (B) | Total (A+B)       |
|---|----------------|-----------------|------------------|--------------------------------|------------------------|---------------|-------------------|---|------------------------------|-------------------|
| <b>As at 1<sup>st</sup> April 2016</b>  | <b>180.39</b>  | <b>2,855.21</b> | <b>10,392.39</b> | <b>57,600.58</b>               | <b>194.25</b>          | <b>466.66</b> | <b>6,180.36</b>   | <b>77,869.84</b>                            | <b>373.70</b>                | <b>78,243.54</b>  |
| Additions                               | -              | -               | 110.33           | 1,027.28                       | 19.77                  | 7.49          | 5,021.27          | <b>6,186.14</b>                             | 32.59                        | <b>6,218.73</b>   |
| Disposals                               | -              | -               | -                | (607.44)                       | (26.41)                | (336.74)      | (1,060.72)        | <b>(2,031.31)</b>                           | (55.23)                      | <b>(2,086.54)</b> |
| Exchange differences                    | -              | 50.13           | 379.81           | 4,547.53                       | 36.37                  | 183.87        | 240.87            | <b>5,438.58</b>                             | -                            | <b>5,438.58</b>   |
| <b>As at 31<sup>st</sup> March 2017</b> | <b>180.39</b>  | <b>2,905.34</b> | <b>10,882.53</b> | <b>62,567.95</b>               | <b>223.98</b>          | <b>321.28</b> | <b>10,381.78</b>  | <b>87,463.25</b>                            | <b>351.06</b>                | <b>87,814.31</b>  |
| Additions                               | -              | 1.31            | 50.84            | 894.87                         | 11.63                  | 7.52          | 3,703.54          | <b>4,669.71</b>                             | 2.07                         | <b>4,671.78</b>   |
| Disposals                               | -              | (42.73)         | (5.82)           | (1,090.89)                     | (16.58)                | (37.53)       | (838.30)          | <b>(2,031.85)</b>                           | (61.35)                      | <b>(2,093.20)</b> |
| Exchange differences                    | -              | (22.65)         | (169.11)         | (1,996.78)                     | (13.09)                | (65.80)       | (78.25)           | <b>(2,345.68)</b>                           | -                            | <b>(2,345.68)</b> |
| <b>As at 31<sup>st</sup> March 2018</b> | <b>180.39</b>  | <b>2,841.27</b> | <b>10,758.44</b> | <b>60,375.15</b>               | <b>205.94</b>          | <b>225.48</b> | <b>13,168.78</b>  | <b>87,755.43</b>                            | <b>291.78</b>                | <b>88,047.21</b>  |
| Depreciation and impairment             |                |                 |                  |                                |                        |               |                   |   |                              |                   |
| <b>As at 1<sup>st</sup> April 2016</b>  | <b>2.19</b>    | <b>-</b>        | <b>317.49</b>    | <b>3,145.66</b>                | <b>50.10</b>           | <b>134.39</b> | <b>4,105.94</b>   | <b>7,755.77</b>                             | <b>-</b>                     | <b>7,755.77</b>   |
| Depreciation charge for the year        | 2.19           | -               | 553.32           | 4,411.97                       | 53.30                  | 185.98        | 4,313.89          | <b>9,520.65</b>                             | -                            | <b>9,520.65</b>   |
| Disposals                               | -              | -               | -                | (531.67)                       | (8.02)                 | (328.55)      | -                 | <b>(868.24)</b>                             | -                            | <b>(868.24)</b>   |
| Exchange differences                    | -              | -               | 79.32            | 2,352.46                       | 21.16                  | 150.78        | -                 | <b>2,603.72</b>                             | -                            | <b>2,603.72</b>   |
| <b>As at 31<sup>st</sup> March 2017</b> | <b>4.38</b>    | <b>-</b>        | <b>950.13</b>    | <b>9,378.42</b>                | <b>116.54</b>          | <b>142.60</b> | <b>8,419.83</b>   | <b>19,011.90</b>                            | <b>-</b>                     | <b>19,011.90</b>  |
| Depreciation charge for the year        | 2.19           | -               | 429.36           | 4,594.76                       | 44.49                  | 81.01         | 3,426.28          | <b>8,578.09</b>                             | -                            | <b>8,578.09</b>   |
| Disposals                               | -              | -               | (5.79)           | (647.84)                       | (15.10)                | (35.11)       | -                 | <b>(703.84)</b>                             | -                            | <b>(703.84)</b>   |
| Exchange differences                    | -              | -               | (45.51)          | (1,142.71)                     | (10.77)                | (60.41)       | -                 | <b>(1,259.40)</b>                           | -                            | <b>(1,259.40)</b> |
| Impairment(c)                           | -              | -               | -                | 523.62                         | -                      | -             | -                 | <b>523.62</b>                               | -                            | <b>523.62</b>     |
| <b>As at 31<sup>st</sup> March 2018</b> | <b>6.57</b>    | <b>-</b>        | <b>1,328.19</b>  | <b>12,706.25</b>               | <b>135.16</b>          | <b>128.09</b> | <b>11,846.11</b>  | <b>26,150.37</b>                            | <b>-</b>                     | <b>26,150.37</b>  |
| Net book value                          |                |                 |                  |                                |                        |               |                   |   |                              |                   |
| <b>As at 31<sup>st</sup> March 2018</b> | <b>173.82</b>  | <b>2,841.27</b> | <b>9,430.25</b>  | <b>47,668.90</b>               | <b>70.78</b>           | <b>97.39</b>  | <b>1,322.67</b>   | <b>61,605.06</b>                            | <b>291.78</b>                | <b>61,896.84</b>  |
| <b>As at 31<sup>st</sup> March 2017</b> | <b>176.01</b>  | <b>2,905.34</b> | <b>9,932.40</b>  | <b>53,189.53</b>               | <b>107.44</b>          | <b>178.68</b> | <b>1,961.95</b>   | <b>68,451.35</b>                            | <b>351.06</b>                | <b>68,802.41</b>  |
| <b>As at 1<sup>st</sup> April 2016</b>  | <b>178.20</b>  | <b>2,855.21</b> | <b>10,074.90</b> | <b>54,454.92</b>               | <b>144.15</b>          | <b>332.27</b> | <b>2,074.42</b>   | <b>70,114.07</b>                            | <b>373.70</b>                | <b>70,487.77</b>  |

### (A) Asset under construction

Capital work in progress as at 31<sup>st</sup> March 2018 comprises expenditure for the plant and building in the course of construction.

### (B) Revaluation of land, buildings and plant, machinery and equipment

The Group adopted revaluation model for its land, building and plant, machinery and equipment and determined that these constitute separate class of assets under Ind AS 113, based on the nature, characteristics and risks of the asset.

Fair value of the land and building was determined by using the market approach and plant, machinery and equipment was determined by using replacement value method. As at the date of revaluation, the land, building, plant, machinery and equipment's fair values are based on valuations performed by an accredited independent valuer who has relevant valuation experience for similar assets.

#### Significant unobservable valuation input:

The value of land was determined based on condition, location, demand supply in and around and other infrastructure facility available at and around the said plot of land. Land which was based on government promoted industrial estates, was measured on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.



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Building/structural sheds were measured considering the fair market value of the constructed area depending on condition, location and other infrastructural facilities available at and around the said plot in the estate. The fair market value was applied to the building structure after considering the type of construction, quality of workmanship, its maintenance, etc.

The valuation of machinery and other movable assets was based on its present fair market value after allowing for the depreciation of the particular machinery/assets, as well as the present condition of the machinery/assets. The replacement value of the said machinery/assets as well as its maintenance up-keep is considered while working out its present fair market value.

Significant increases/ (decreases) in estimated price per square meter in isolation would result in a significantly higher/ (lower) fair value.

The valuation is classified as level 3 fair value hierarchy due to inclusion of unobservable inputs.

## Information of revaluation model (gross of deferred tax):

|   |                  |
|---|------------------|
| <b>Opening balance as at 1<sup>st</sup> April 2016</b>  | <b>20,579.62</b> |
| Measurement recognised in reserves                      | -                |
| Purchases   | -                |
| Depreciation  | (1,119.01)       |
| Disposed off  | -                |
| <b>Balance as at 31<sup>st</sup> March 2017</b>         | <b>19,460.61</b> |
| Purchases   | -                |
| Depreciation  | (1,041.53)       |
| Disposed off  | (240.90)         |
| <b>Closing balance as at 31<sup>st</sup> March 2018</b> | <b>18,178.18</b> |

If land, building and plant, machinery and equipment were measured using the cost model, the carrying amounts would be as follows:

|                                 | <b>As at<br/>31<sup>st</sup> March 2018</b> | <b>As at<br/>31<sup>st</sup> March 2017</b> | <b>As at<br/>1<sup>st</sup> April 2016</b> |
|---------------------------------|---|---|--|
| <b>Cost</b>                     |   |   |  |
| Freehold land                   | 1,011.23                                    | 1,075.30                                    | 1,025.17                                   |
| Buildings                       | 7,737.58                                    | 7,861.67                                    | 7,371.53                                   |
| Plant machinery and Equipment   | 44,887.36                                   | 46,839.24                                   | 41,871.87                                  |
|                                 | <b>53,636.17</b>                            | <b>55,776.21</b>                            | <b>50,268.57</b>                           |
| <b>Accumulated depreciation</b> |   |   |  |
| Freehold land                   | -   | -   | -  |
| Buildings                       | 1,079.27                                    | 817.50                                      | 317.49                                     |
| Plant machinery and Equipment   | 10,794.55                                   | 8,392.06                                    | 3,145.76                                   |
|                                 | <b>11,873.82</b>                            | <b>9,209.55</b>                             | <b>3,463.25</b>                            |
| <b>Net carrying amount</b>      | <b>41,762.36</b>                            | <b>46,566.66</b>                            | <b>46,805.32</b>                           |

## (C) Impairment

In power segment, due to stiff competition in power industry, the group do not expect any increase in power rates in coming years, which indicates decrease in recoverable amount from power plant assets. The group performed its annual impairment test for tangible assets for year ended 31<sup>st</sup> March 2018. The group calculated present value of future cash flows of CGU with the carrying value of asset of CGU. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

During the year ended 31<sup>st</sup> March 2018, the impairment loss of ₹ 486.37 Million is recognised for two plants as discussed below:

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The recoverable amount of Power Plant, as at 31<sup>st</sup> March 2018, has been determined based on a value in use calculated using cash flow projections from financial budgets approved by senior management for the period available for use. The Group has used pre-tax discount rate for cash flow projections for impairment testing during the current year. As a result of this analysis, management has recognised an impairment charge of ₹ 486.37 Million in the current year.

The distillery plant at Pathri amounting to ₹ 37.25 Million and capital work in progress amounting to ₹ 28.76 Million has also been impaired considering not in use.

Key assumptions used for value in use calculations for power plant:

- EBITDA
- Discount rates - Gsec for 10 years plus spread considering market risk and nature of industry.
- Growth rates used to extrapolate cash flows beyond the forecast period - Nil. As the management doesn't expect the power rate to increase, growth rate in power price is considered as Nil.

**EBITDA** - EBITDA is based on expected cane available for crushing and baggase generated out of it to generate power and the average realisation per unit of power sold.

## NOTE 3(B): INTANGIBLE ASSETS

|  | Goodwill        | Computer Software | Transmission Rights | Total           |
|--|-----------------|-------------------|---------------------|-----------------|
| <b>As at 1<sup>st</sup> April 2016</b> | <b>6,493.61</b> | <b>234.99</b>     | <b>254.41</b>       | <b>6,983.01</b> |
| Additions                              | -               | 0.09              | -                   | 0.09            |
| Disposals                              | -               | -                 | -                   | -               |
| Foreign exchange                       | 745.40          | 13.67             | 30.02               | 789.09          |
| <b>At 31<sup>st</sup> March 2017</b>   | <b>7,239.01</b> | <b>248.75</b>     | <b>284.43</b>       | <b>7,772.19</b> |
| Additions                              | -               | 0.50              | -                   | 0.50            |
| Disposals                              | -               | (0.18)            | -                   | (0.18)          |
| Foreign exchange                       | (317.26)        | (5.75)            | (13.23)             | (336.24)        |
| <b>At 31<sup>st</sup> March 2018</b>   | <b>6,921.75</b> | <b>243.32</b>     | <b>271.20</b>       | <b>7,436.27</b> |
| <b>Depreciation and impairment</b>     |                 |                   |                     |                 |
| <b>As at 1<sup>st</sup> April 2016</b> | <b>-</b>        | <b>206.08</b>     | <b>100.35</b>       | <b>306.43</b>   |
| Depreciation charge for the year       | -               | 19.46             | 9.51                | 28.97           |
| Foreign exchange                       | -               | 12.05             | 10.44               | 22.49           |
| <b>At 31<sup>st</sup> March 2017</b>   | <b>-</b>        | <b>237.59</b>     | <b>120.30</b>       | <b>357.89</b>   |
| Depreciation charge for the year       | -               | 9.13              | 18.32               | 27.45           |
| Impairment**                           | 6,746.86        | -                 | -                   | 6,746.86        |
| Disposals                              | -               | (0.18)            | -                   | (0.18)          |
| Foreign exchange                       | -               | (5.12)            | (6.41)              | (11.53)         |
| <b>At 31<sup>st</sup> March 2018</b>   | <b>6,746.86</b> | <b>241.42</b>     | <b>132.21</b>       | <b>7,120.49</b> |
| <b>Net book value</b>                  |                 |                   |                     |                 |
| <b>At 31<sup>st</sup> March 2018</b>   | <b>174.89</b>   | <b>1.90</b>       | <b>138.99</b>       | <b>315.78</b>   |
| <b>At 31<sup>st</sup> March 2017</b>   | <b>7,239.01</b> | <b>11.17</b>      | <b>164.13</b>       | <b>7,414.30</b> |
| <b>As at 1<sup>st</sup> April 2016</b> | <b>6,493.61</b> | <b>28.91</b>      | <b>154.06</b>       | <b>6,676.58</b> |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## \*\*Impairment of goodwill

The Group has made 100% impairment of goodwill pertaining to Brazil operations.

On 28<sup>th</sup> September 2015, Shree Renuka do Brasil Participações Ltda. Brazil (SRBDP) filed an appeal for Court-Ordered Reorganization ("RJ"), encompassing its subsidiaries (SRBDP Group).

On 26<sup>th</sup> July 2016, the designated court approved the re-organization Plan of Renuka Vale do Ivaí SA (Renuka VDI). A new General Meeting of Creditors is now scheduled for 7<sup>th</sup> May, 2018 to revise the plan.

The Creditors Meeting of Renuka do Brasil S.A. (Renuka RDB) held on 26<sup>th</sup> September 2017, approved the submitted recovery plan. As at 17<sup>th</sup> March 2018, Renuka do Brasil S.A. (Renuka RDB), has filed at the Court a new Amended Plan requesting approval from the Court. To date, this new Amended Plan has not yet been analysed and/or approved by the General Meeting of Creditors, nor has been approved by the Court. Accordingly, pending the outcome of reorganisation plans with the courts in Brazil, the auditors of the company have disclaimed opinion on the consolidated financial information of the company, in relation to Brazilian operations. Considering these factors, the Group has performed its annual impairment test of goodwill for the year ended 31<sup>st</sup> March 2018. Hence the goodwill is considered impaired and written down in full amounting to ₹ 6,746.86 Million (31<sup>st</sup> March 2017: ₹ Nil, 1<sup>st</sup> April 2016: ₹ Nil).

## NOTE 4: INVESTMENTS

|  | Currency | Face value | As at 31 <sup>st</sup> March 2018 |        | As at 31 <sup>st</sup> March 2017 |        | As at 1 <sup>st</sup> April 2016 |        |
|--|----------|------------|-----------------------------------|--------|-----------------------------------|--------|----------------------------------|--------|
|  |          |            | Number of units                   | Amount | Number of units                   | Amount | Number of units                  | Amount |
| <b>Unquoted equity shares</b>  |          |            |                                   |        |                                   |        |                                  |        |
| <b>In associate companies:</b>   |          |            |                                   |        |                                   |        |                                  |        |
| PASA - Paraná Operações Portuárias S.A.  | BRL      | -          | -                                 | 436.83 | -                                 | 412.46 | -                                | 308.61 |
| CPA Trading S.A.   | BRL      | -          | -                                 | 182.88 | -                                 | 247.96 | -                                | 205.94 |
|  |          |            |                                   |        |                                   |        |                                  |        |
| <b>Unquoted equity shares:<br/>At fair value through other comprehensive income (fully paid)</b> |          |            |                                   |        |                                   |        |                                  |        |
| National Commodity & Derivatives Exchange Ltd. (NCDEX)#  | ₹        | 10.00      | 2,533,700                         | 354.71 | 2,533,700                         | 443.39 | 2,533,700                        | 443.39 |
|  |          |            |                                   |        |                                   |        |                                  |        |
| <b>Quoted equity shares:</b>   |          |            |                                   |        |                                   |        |                                  |        |
| Ugar Sugar works Ltd.  | ₹        | 1.00       | -                                 | -      | -                                 | -      | 5,001,000                        | 94.71  |
|  |          |            |                                   |        |                                   |        |                                  |        |
| <b>Others:</b>   |          |            |                                   |        |                                   |        |                                  |        |
| National Treasury Notes  | BRL      | -          | -                                 | 86.23  | -                                 | 93.91  | -                                | 12.96  |
| BDCC Bank Limited (Belgaum)  | ₹        | 500.00     | 10,000                            | 5.00   | -                                 | -      | -                                | -      |
| Other investments  | BRL      | -          | -                                 | 9.84   | -                                 | 12.96  | -                                | 9.24   |
| <b>Aggregate value of total investments</b>  |          |            | <b>1,075.49</b>                   |        | <b>1,210.68</b>                   |        | <b>1,074.85</b>                  |        |
|  |          |            |                                   |        |                                   |        |                                  |        |
| Aggregate value of quoted investments  |          |            | -                                 |        | -                                 |        | 94.71                            |        |
| Aggregate value of unquoted investments  |          |            | 1,075.49                          |        | 1,210.68                          |        | 980.14                           |        |

# 697,700 equity shares pledged with IDBI bank towards working capital loan availed by the group.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 5: OTHER NON-CURRENT FINANCIAL ASSETS

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Export incentives receivable                | 197.43                               | 197.43                               | 197.43                              |
| Deposits                                    | 643.92                               | 639.88                               | 576.09                              |
|   | <b>841.35</b>                        | <b>837.31</b>                        | <b>773.53</b>                       |
| <b>Breakup for security details</b>         |                                      |                                      |                                     |
| Unsecured, considered good                  | 643.92                               | 639.88                               | 576.09                              |
| Doubtful                                    | 197.43                               | 197.43                               | 197.43                              |
| (A)   | <b>841.35</b>                        | <b>837.31</b>                        | <b>773.53</b>                       |
| <b>Impairment allowance</b>                 |                                      |                                      |                                     |
| Unsecured, considered good                  | -                                    | -                                    | -                                   |
| Doubtful                                    | (197.43)                             | -                                    | -                                   |
| (B)   | <b>(197.43)</b>                      | <b>-</b>                             | <b>-</b>                            |
| <b>Total other non-current assets (A-B)</b> | <b>643.92</b>                        | <b>837.31</b>                        | <b>773.53</b>                       |

## NOTE 6: OTHER NON-CURRENT ASSETS

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Prepayments   | 1,211.53                             | 1,374.63                             | 1,472.95                            |
| Capital advances                                    | 15.38                                | 10.96                                | 11.45                               |
| Amount paid under protest to government authorities | 421.14                               | 514.03                               | 452.52                              |
| Advances to suppliers                               | 902.00                               | -                                    | -                                   |
| Balances with government authorities                | 1,537.00                             | -                                    | -                                   |
| Other advances                                      | 2,306.99                             | 8,874.57                             | 8,788.10                            |
|   | <b>6,394.03</b>                      | <b>10,774.19</b>                     | <b>10,725.03</b>                    |

## NOTE 7: INCOME TAX

The major components of income tax expenses for the years ended 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2017 are:

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| <b>Profit and loss section</b>  |   |   |
| <b>Current income tax:</b>  |   |   |
| Current income tax charge   | 11.09                                     | -   |
| <b>Deferred tax:</b>  |   |   |
| Relating to origination and reversal of temporary differences   | (5,149.24)                                | (138.77)                                  |
| <b>Income tax expense reported in the consolidated statement of profit and loss</b>   | <b>(5,138.15)</b>                         | <b>(138.77)</b>                           |
| <b>OCI Section</b>  |   |   |
| <b>Deferred tax related to items recognised in OCI during the year</b>  |   |   |
| Remeasurement of the net defined benefit plan   | (0.70)                                    | -   |
| Income tax income/(expenses) charged to OCI   | <b>(0.70)</b>                             | <b>-</b>                                  |
| <b>Reconciliation of tax expenses and the accounting profit multiplied by the India's domestic tax rate for 31 March 2018 and 31 March 2017</b> |   |   |
| <b>Accounting loss before tax</b>   | <b>(27,175.68)</b>                        | <b>(11,658.93)</b>                        |
| At India's statutory income tax rate of 33.99% (31 <sup>st</sup> March 2017: 33.99%)  | (9,237.01)                                | (3,962.87)                                |
| Adjustment in respect of tax of previous years  | (984.54)                                  | (43.41)                                   |
| Effect of differential overseas tax rate  | (2,614.16)                                | 306.96                                    |
| Effect of differential domestic tax rate  | 67.75                                     | 18.38                                     |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| Share of results of associates   | (38.44)                                   | (31.93)                                   |
| Impairment allowance of financial assets                                   | 4,003.08                                  | -   |
| Impairment of goodwill   | 2,293.26                                  | -   |
| Effect of tax instalment of Brazil operations                              | (279.21)                                  | -   |
| Tax effect on foreign currency monetary item translation difference        | 229.36                                    | 1,816.81                                  |
| Gain due to restructuring plan   | (4,703.84)                                | -   |
| unabsorbed business loss / depreciation                                    | 4,009.27                                  | 1,437.82                                  |
| Other non deductible expenses/(Income)                                     | 2,116.33                                  | 319.47                                    |
| <b>At the effective rate of 18.96% (31<sup>st</sup> March 2017: 1.19%)</b> | <b>(5,138.15)</b>                         | <b>(138.77)</b>                           |

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Deferred tax asset</b>                                     |                                      |                                      |                                     |
| Accelerated depreciation for tax purposes                     | (9,590.04)                           | (613.53)                             | (605.93)                            |
| Expenses claimed on payment basis                             | (16.84)                              | 2,597.61                             | 2,949.66                            |
| Losses available for offsetting against future taxable income | 12,300.92                            | 324.89                               | 303.19                              |
| Impairment allowance against advances                         | 322.44                               | -                                    | -                                   |
| MAT credit entitlement  | 545.12                               | 16.22                                | 16.17                               |
|   | <b>3,561.60</b>                      | <b>2,325.19</b>                      | <b>2,663.09</b>                     |
| <b>Deferred tax liabilities</b>                               |                                      |                                      |                                     |
| Accelerated depreciation for tax purposes                     | 40.59                                | 11036.8                              | 10964.01                            |
| Expenses claimed on payment basis                             | 0                                    | 38.91                                | 69.23                               |
| Revaluation of FVTOCI investment to fair value                | 0                                    | (59.03)                              | 0                                   |
| Losses available for offsetting against future taxable income | 0                                    | (7266.77)                            | (6524.05)                           |
| MAT credit entitlement  | 0                                    | (528.9)                              | (528.9)                             |
|   | <b>40.59</b>                         | <b>3221.01</b>                       | <b>3980.29</b>                      |

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Tax deductible items on which deferred tax has been recognised:

The Group has unabsorbed depreciation of ₹ 12,996.27 Million (31<sup>st</sup> March 2017: ₹ 11,731.03 Million, 1<sup>st</sup> April 2016: ₹ 10,101.13 Million), unabsorbed tax losses of ₹ 22,995.58 Million (31<sup>st</sup> March 2017: ₹ 10,416.44 Million, 1<sup>st</sup> April 2016: ₹ 9,963.67 Million) and MAT credit entitlement of ₹ 545.12 Million (31<sup>st</sup> March 2017: ₹ 545.12 Million, 1<sup>st</sup> April 2016: ₹ 545.07 Million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. Based on the future budgeted operational cash-inflows, post the restructuring process, the Company expects to generate taxable income for utilisation of the unabsorbed depreciation, unabsorbed tax losses and MAT credit entitlement.

Tax deductible items on which deferred tax has not been recognised:

The Group has unabsorbed depreciation of ₹ 681.54 Million (31<sup>st</sup> March 2017: 625.42 Million, 1<sup>st</sup> April 2016: 570.79 Million), unabsorbed tax losses of ₹ 19,935.73 Million (31<sup>st</sup> March 2017: 19,648.06, 1<sup>st</sup> April 2016: 13,683.36 Million). These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 8: INVENTORIES

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| Raw materials, components and material in transit ** | 1,955.52                             | 6,806.44                             | 8,033.54                            |
| Work-in-progress                                     | -                                    | 44.89                                | 91.16                               |
| Stores and spares                                    | 929.06                               | 1,012.16                             | 935.74                              |
| Intermediate products                                | 367.18                               | 280.78                               | 416.87                              |
| Finished goods:                                      |                                      |                                      |                                     |
| - Manufactured                                       | 7,053.77                             | 5,880.47                             | 11,172.84                           |
| - Traded   | 2.23                                 | 257.43                               | 287.02                              |
|  | <b>10,307.76</b>                     | <b>14,282.17</b>                     | <b>20,937.17</b>                    |

\* Raw material and components includes transit stock of ₹ Nil (31<sup>st</sup> March 2017: ₹ 6,181.50 Million 1<sup>st</sup> April 2016: ₹ 5,980.76 Million)

## NOTE 9: BIOLOGICAL ASSETS

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>As as 1<sup>st</sup> April</b>                 | <b>1,567.00</b>                      | <b>1,951.85</b>                      | <b>2,555.95</b>                     |
| Amortisation of Ratoon cane                       | (955.10)                             | 1,072.60                             | 1,343.68                            |
| Crop treatment capitalized                        | 453.36                               | 638.70                               | 705.46                              |
| Reduction resulting from harvest                  | -                                    | (2,558.74)                           | (2,544.55)                          |
| Change in fair value less estimated selling costs | (631.58)                             | 462.58                               | (108.69)                            |
| <b>As at 31<sup>st</sup> March</b>                | <b>433.68</b>                        | <b>1,567.00</b>                      | <b>1,951.85</b>                     |

## NOTE 10: TRADE RECEIVABLES

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Unsecured, considered good:</b>                                 |                                      |                                      |                                     |
| Receivables from related parties (Refer Note 42)                   | 21.01                                | 23.97                                | 767.74                              |
| Receivables from others  | 7,597.25                             | 10,095.53                            | 6,455.62                            |
|  | <b>7,618.26</b>                      | <b>10,119.50</b>                     | <b>7,223.36</b>                     |
| <b>Break-up for security details:</b>                              |                                      |                                      |                                     |
| Unsecured, considered good   | 7,618.26                             | 10,119.50                            | 7,223.36                            |
| Doubtful   | 1,410.39                             | -                                    | -                                   |
| <b>(A)</b>   | <b>9,028.65</b>                      | <b>10,119.50</b>                     | <b>7,223.36</b>                     |
| <b>Impairment allowance (allowance for bad and doubtful debts)</b> |                                      |                                      |                                     |
| Unsecured, considered good   | -                                    | -                                    | -                                   |
| Doubtful   | (1,410.39)                           | -                                    | -                                   |
| <b>(B)</b>   | <b>(1,410.39)</b>                    | <b>-</b>                             | <b>-</b>                            |
| <b>Trade receivables (Net)</b>                                     | <b>(A-B)</b>                         | <b>10,119.50</b>                     | <b>7,223.36</b>                     |

The Group has made life time impairment allowance of ₹ 910.39 Million and impairment allowance of ₹ 500 Million based on 12 months expected loss for receivable from third parties.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

For terms and conditions of related party receivables, refer Note 42.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 11: CASH AND CASH EQUIVALENTS

|                       | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|-----------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Cash on hand          | 3.61                                 | 1.26                                 | 3.88                                |
| Balances with banks:  |                                      |                                      |                                     |
| - On current accounts | 538.60                               | 581.22                               | 503.82                              |
|                       | <b>542.20</b>                        | <b>582.48</b>                        | <b>507.70</b>                       |

## NOTE 12: LOANS

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Unsecured, considered good:</b>       |                                      |                                      |                                     |
| Loans to related parties (refer Note 42) | 49.37                                | 43.58                                | 38.68                               |
| Loans to others                          | 8.83                                 | 6.80                                 | 5.69                                |
|  | <b>58.20</b>                         | <b>50.38</b>                         | <b>44.37</b>                        |

## NOTE 13: OTHER CURRENT FINANCIAL ASSETS

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Other bank balances:  |                                      |                                      |                                     |
| Unpaid dividend accounts  | 6.45                                 | 9.97                                 | 11.74                               |
| Fixed deposit pledged with bank/deposited with government authorities** | 18.51                                | 2.20                                 | 21.95                               |
| In cash credit accounts   | 0.01                                 | -                                    | -                                   |
| Interest accrued  | 5.34                                 | 1.34                                 | 1.07                                |
| Interest receivable   | 10.07                                | 25.76                                | 33.48                               |
|   | <b>40.38</b>                         | <b>39.27</b>                         | <b>68.24</b>                        |

\*\*Fixed deposit with banks include amounts that have been provided as margin money or those that have been pledged with government authorities towards guarantees, etc.

## NOTE 14: OTHER CURRENT ASSETS

|                                      | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Export incentives receivable         | 3.09                                 | 3.16                                 | 8.50                                |
| Prepayments                          | 310.97                               | 222.30                               | 207.36                              |
| Balances with government authorities | 2,608.41                             | 1,914.94                             | 1,600.99                            |
| Advances to suppliers**              | 3,679.08                             | 6,755.19                             | 7,157.69                            |
| Advances to staff                    | 8.22                                 | 7.14                                 | 9.08                                |
| Other advances                       | 987.21                               | 940.00                               | 815.26                              |
|                                      | <b>7,596.98</b>                      | <b>9,842.73</b>                      | <b>9,798.88</b>                     |

\*\* Includes receivables from related parties amounting to ₹ 571.82 Million (31<sup>st</sup> March 2017: ₹ 609.16 Million) (refer Note 42).

|                                      |                 |                 |                 |
|--------------------------------------|-----------------|-----------------|-----------------|
| <b>Break-up for security details</b> |                 |                 |                 |
| Unsecured considered good            | 6,813.54        | 9,842.73        | 9,798.88        |
| Doubtful                             | 783.44          | -               | -               |
| (A)                                  | <b>7,596.98</b> | <b>9,842.73</b> | <b>9,798.88</b> |
| <b>Impairment allowance</b>          |                 |                 |                 |
| Unsecured considered good            | -               | -               | -               |
| Doubtful                             | (783.44)        | -               | -               |
| (B)                                  | <b>(783.44)</b> | <b>-</b>        | <b>-</b>        |
| <b>Total other current assets</b>    | <b>(A-B)</b>    | <b>9,842.73</b> | <b>9,798.88</b> |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 15A: SHARE CAPITAL

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>a) Authorised share capital</b>  |                                      |                                      |                                     |
| 2,900,000,000 Equity shares of ₹ 1 each                                       | 2,900.00                             | 1,600.00                             | 1,600.00                            |
| (Previous year 1,600,000,000 Equity shares of ₹ 1 each)                       |                                      |                                      |                                     |
| 510,141,365, 0.01% Compulsorily convertible preference shares of ₹ 16.27 each | 8,300.00                             | -                                    | -                                   |
| 94,000,000, 0.01% Redeemable preference shares of ₹ 100 each                  | 9,400.00                             | -                                    | -                                   |
| 45,500,000, 0.01% Optionally convertible preference shares of ₹ 100 each      | 4,550.00                             | -                                    | -                                   |
|   | <b>25,150.00</b>                     | <b>1,600.00</b>                      | <b>1,600.00</b>                     |
| <b>b) Issued, subscribed and paid up equity capital</b>                       |                                      |                                      |                                     |
| 1,916,819,292 Equity Shares of ₹ 1 each fully paid                            | 1,916.82                             | 945.25                               | 928.81                              |
| (Previous Year 945,246,580 Equity Shares of ₹ 1 each fully paid)              |                                      |                                      |                                     |
|   | <b>1,916.82</b>                      | <b>945.25</b>                        | <b>928.81</b>                       |

### Terms/rights attached to equity shares

The company has only one class of equity shares having face value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Reconciliation of number of equity and preference shares outstanding :

|   | Number of<br>equity shares |
|---|----------------------------|
| <b>As at 1<sup>st</sup> April 2016</b>  | <b>928,811,242</b>         |
| Shares issued during the year           | 16,435,338                 |
| <b>As at 31<sup>st</sup> March 2017</b> | <b>945,246,580</b>         |
| Shares issued during the year           | 971,572,712                |
| <b>As at 31<sup>st</sup> March 2018</b> | <b>1,916,819,292</b>       |

### Details of shareholders holding more than 5% shares in the equity share capital of the company

| Name of the Shareholder               | As at 31 <sup>st</sup> March 2018 |           | As at 31 <sup>st</sup> March 2017 |           |
|---------------------------------------|-----------------------------------|-----------|-----------------------------------|-----------|
|                                       | No. of Shares                     | % holding | No. of Shares                     | % holding |
| Wilmar Sugar Holdings Pte. Limited    | 739,336,351                       | 38.57%    | 257,492,467                       | 27.24%    |
| ICICI Bank Limited                    | 192,396,579                       | 10.04%    | -                                 | -         |
| IDBI Bank Limited                     | 181,969,219                       | 9.49%     | -                                 | -         |
| Murkumbi Investments Private Limited  | 121,414,000                       | 6.33%     | 121,414,000                       | 12.84%    |
| Khandepar Investments Private Limited | 75,400,000                        | 3.93%     | 75,400,000                        | 7.98%     |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 15(B) : OTHER EQUITY

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>a) Securities Premium</b>   |                                      |                                      |                                     |
| As per last Consolidated Balance Sheet                                     | 15,569.73                            | 15,314.27                            | 15,314.27                           |
| Addition during the year   |                                      |                                      |                                     |
| Increase because of issuance of equity shares                              | 14,845.63                            | 255.73                               |                                     |
| Increase because of issuance of compulsorily convertible preference shares | 4.82                                 | -                                    |                                     |
| Decrease due to transaction costs for issued shares                        | (23.67)                              | (0.27)                               | -                                   |
| <b>Closing balance (A)</b>   | <b>30,396.51</b>                     | <b>15,569.73</b>                     | <b>15,314.27</b>                    |
| <b>b) Debenture Redemption Reserve</b>                                     |                                      |                                      |                                     |
| As per last Consolidated Balance Sheet                                     | 625.00                               | 500.00                               | 500.00                              |
| Add: Transfer from/(to) Consolidated Statement of Profit and Loss          | -                                    | 125.00                               | -                                   |
| <b>Closing balance (B)</b>   | <b>625.00</b>                        | <b>625.00</b>                        | <b>500.00</b>                       |
| <b>c) Other reserves</b>   |                                      |                                      |                                     |
| Foreign currency translation reserve                                       | (307.70)                             | (2,727.91)                           | 1,134.55                            |
| Foreign currency monetary item translation difference                      | (2,724.76)                           | (3,563.30)                           | (9,788.20)                          |
| Changes in equity instrument and others                                    | 21.77                                | 108.78                               | 114.59                              |
| Revaluation reserve  | 11,935.89                            | 12,864.30                            | 13,602.96                           |
| <b>Closing balance (C)</b>   | <b>8,925.20</b>                      | <b>6,681.87</b>                      | <b>5,063.90</b>                     |

The disaggregation of changes in OCI by each type of reserves in equity has been disclosed in consolidated statement of changes in equity.

### Debenture Redemption Reserve (DRR)

The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued out of the profits of the company.

## NOTE 16: BORROWINGS (NON-CURRENT)

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Secured:</b>  |                                      |                                      |                                     |
| <b>a) Non-Convertible Debentures**</b>   |                                      |                                      |                                     |
| (i) 1500 Redeemable non-convertible debentures (11.70%) of ₹ 1,000,000 each  | 1,500.00                             | 1,500.00                             | 1,500.00                            |
| (ii) 1000 Redeemable non-convertible debentures (11.30%) of ₹ 1,000,000 each   | 1,000.00                             | 1,000.00                             | 1,000.00                            |
| (iii) 5521 Redeemable non-convertible debentures (0.01%) of ₹ 1,000,000 each (refer note on debt restructuring scheme below) | 2,112.16                             | -                                    | -                                   |
| <b>b) Term-Loans **</b>  |                                      |                                      |                                     |
| (i) From Banks and financial institutions  | 66,620.30                            | 84,856.63                            | 69,731.10                           |
| <b>c) From others **</b>   |                                      |                                      |                                     |
| (i) IFCI Limited (Sugar Development Fund)  | 435.45                               | 1,545.67                             | 1,060.90                            |
| (ii) Interest accrued  | -                                    | 184.86                               | 118.15                              |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Unsecured:</b>   |                                      |                                      |                                     |
| <b>Financial instruments (refer note on debt restructuring scheme below)</b>                                      |                                      |                                      |                                     |
| (i) 74,388,207 Redeemable preference shares (0.01%) of ₹ 100 each   | 1,058.95                             | -                                    | -                                   |
| (ii) 42,808,858 Optionally convertible preference shares (0.01%) of ₹ 100 each                                    | 3,538.54                             | -                                    | -                                   |
|   | <b>76,265.40</b>                     | <b>89,087.16</b>                     | <b>73,410.15</b>                    |
| Less: Current maturity of long-term borrowings transferred to Other current financial liabilities (refer Note 24) | 47,207.95                            | 38,625.81                            | 38,603.11                           |
|   | <b>29,057.45</b>                     | <b>50,461.35</b>                     | <b>34,807.04</b>                    |

## Terms of repayment as on 31<sup>st</sup> March 2018- Other than borrowings in Brazil entities

| Particulars   | Maturity Date  | Effective rate of interest     | As at<br>31 <sup>st</sup> March 2018 |
|---|--|--------------------------------|--------------------------------------|
| <b>Non-convertible debentures:</b>                    |  |                                |                                      |
| Non convertible debentures -LIC -11.70%               | 31 <sup>st</sup> March 2024  | 11.70%                         | 1,500.00                             |
| Non convertible debentures -LIC -11.30%               | 31 <sup>st</sup> March 2024  | 11.30%                         | 1,000.00                             |
| Non-convertible debentures issued to lenders - 0.01%  | 31 <sup>st</sup> March 2027  | 12.90%                         | 2,112.16                             |
| <b>Term loans:</b>                                    |  |                                |                                      |
| <b>From banks and financial institutions;</b>         |  |                                |                                      |
| Indian renewable energy development authority (IREDA) | 31 <sup>st</sup> December 2020                                     | 11.20%                         | 221.38                               |
| Indian renewable energy development authority (IREDA) | 31 <sup>st</sup> March 2022  | 13.15%                         | 262.51                               |
| Exim Bank   | 31 <sup>st</sup> March 2029  | IDBI Bank rate plus 125 bps    | 503.71                               |
| ICICI Bank Limited                                    | 31 <sup>st</sup> March 2029  | 1 year ICICI MCLR plus 180 bps | 4,406.29                             |
| State Bank of India Limited                           | 31 <sup>st</sup> March 2029  | 1 year MCLR plus 515 bps       | 454.97                               |
| IDBI Bank Limited                                     | 31 <sup>st</sup> March 2029  | MCLR plus 160 bps              | 4,425.30                             |
| Axis Bank Limited                                     | 31 <sup>st</sup> March 2029  | IDBI Bank rate plus 125 bps    | 128.11                               |
| Kotak Mahindra Bank Limited                           | 31 <sup>st</sup> March 2029  | KMBL MCLR plus 210 bps         | 692.90                               |
| Ratnakar Bank Limited                                 | 31 <sup>st</sup> March 2029  | 11.00%                         | 54.15                                |
| Ratnakar Bank Limited                                 | 5 <sup>th</sup> March 2019   | 1 year MCLR plus 200 bps       | 15.56                                |
| Ratnakar Bank Limited                                 | 30 <sup>th</sup> June 2022   | 1 year MCLR plus 200 bps       | 50.00                                |
| Yes Bank Limited                                      | 31 <sup>st</sup> March 2029  | IDBI 1 year MCLR rate          | 439.26                               |
| SCB-Term Loan   | 31 <sup>st</sup> March 2027  | 11.00%                         | -                                    |
| SCB-Term Loan   | 30 <sup>th</sup> April 2018  | 3.20%                          | 1,925.84                             |
| SCB - Trust receipt loan                              | 31 <sup>st</sup> May 2018  | 2.2% to 3.61%                  | -                                    |
| SEFASU Loan from Banks                                | 31 <sup>st</sup> March 2029  | 12.00%                         | 742.72                               |
| <b>from others;</b>                                   |  |                                |                                      |
| IFCI Limited (SDF)                                    | 22 <sup>nd</sup> February 2021 and 30 <sup>th</sup> September 2021 | 12.00%                         | 435.45                               |
| <b>Financial instruments:</b>                         |  |                                |                                      |
| 0.01% Redeemable preference shares                    | 31 <sup>st</sup> March 2037  | 12.90%                         | 1,058.95                             |
| 0.01% Optionally convertible preference shares        | 9 <sup>th</sup> September 2019                                     | 12.90%                         | 3,538.54                             |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Terms of repayment as on 31<sup>st</sup> March 2017- Other than borrowings in Brazil entities

| Particulars                          | Current | Non-current | Date of maturity            |
|--------------------------------------|---------|-------------|-----------------------------|
| <b>Non-Convertible Debentures*:</b>  |         |             |                             |
| i) Non-Convertible Debentures- LIC   | -       | 1,500.00    | 31 <sup>st</sup> March 2024 |
| ii) Non-Convertible Debentures - LIC | -       | 1,000.00    | 31 <sup>st</sup> March 2024 |

\*(Quarterly repayment to commence from 30<sup>th</sup> June 2019)

## Term-Loans from Banks/Financial Institutions:

### A) Rupee Term-Loans:

|                              |          |          |                                 |
|------------------------------|----------|----------|---------------------------------|
| i) IDBI Bank Ltd.            |          |          |                                 |
| Loan I                       | 34.57    | 6,878.93 | 28 <sup>th</sup> March 2027     |
| ii) EXIM Bank                |          |          |                                 |
| Loan I                       | 261.25   | 260.46   | 31 <sup>st</sup> December 2018  |
| Loan II                      | 3.60     | 543.85   | 31 <sup>st</sup> March 2027     |
| iii) IREDA                   |          |          |                                 |
| Loan I                       | 100.63   | 221.38   | 31 <sup>st</sup> December 2020  |
| Loan II                      | 82.04    | 262.51   | 31 <sup>st</sup> March 2022     |
| iv) State Bank of India      | 750.00   | 150.00   | 30 <sup>th</sup> June 2018      |
| v) ICICI Bank Ltd            |          |          |                                 |
| Loan I                       | 165.00   | 1,212.75 | 13 <sup>th</sup> June 2018      |
| Loan II                      | 35.80    | 740.20   | 29 <sup>th</sup> September 2022 |
| Loan III                     | 48.50    | 921.50   | 22 <sup>nd</sup> March 2024     |
| Loan IV                      | 2.08     | 6,607.93 | 31 <sup>st</sup> October 2027   |
| vi) Standard Chartered Bank  | 25.65    | 4,285.68 | 31 <sup>st</sup> March 2027     |
| vii) Standard Chartered Bank | 4,511.52 | -        | 31 <sup>st</sup> December 2017  |
| viii) Kotak Mahindra         | 6.91     | 1,374.25 | 31 <sup>st</sup> March 2027     |
| ix) Axis Corporate Loan      | 7.90     | 1,458.50 | 31 <sup>st</sup> March 2027     |
| x) Ratnakar Bank             | 1.00     | 399.00   | 31 <sup>st</sup> December 2020  |
| xi) Ratnakar Bank            | 150.00   |          | 28 <sup>th</sup> November 2017  |
| xii) Yes Bank Corporate Loan | 5.25     | 870.25   | 31 <sup>st</sup> March 2027     |

### B) SEFASU Loan:

|                     |        |        |                                |
|---------------------|--------|--------|--------------------------------|
| IDBI Bank Ltd       | 166.67 | 166.67 | 1 <sup>st</sup> January 2019   |
| Axis Bank Ltd       | 153.33 | 153.47 | 20 <sup>th</sup> February 2019 |
| State Bank of India | 208.33 | 166.69 | 7 <sup>th</sup> March 2019     |
| Ratnakar Bank       |        | 157.00 | 5 <sup>th</sup> March 2019     |

### C) Soft Loan

|                |       |        |                                 |
|----------------|-------|--------|---------------------------------|
| IDBI Bank Ltd. | 2.13  | 424.37 | 31 <sup>st</sup> March 2027     |
| ICICI Bank Ltd | 12.70 | 241.30 | 29 <sup>th</sup> September 2023 |

## Term-Loan from Others-Sugar Development Fund :

|                           |       |        |                                 |
|---------------------------|-------|--------|---------------------------------|
| i) Havalga Co-Generation  | 63.30 | -      | 21 <sup>st</sup> March 2018     |
| ii) Athani Sugar          | 43.35 | 130.05 | 22 <sup>nd</sup> February 2021  |
| iii) Athani Co-Generation | 93.85 | 218.97 | 30 <sup>th</sup> September 2021 |
| iv) Havalga Sugar         | 53.42 | 160.25 | 22 <sup>nd</sup> February 2021  |
| v) Munoli Sugar           | 57.17 | -      | 31 <sup>st</sup> March 2017     |

## Interest Accrued but not due on loans

|  |          |          |  |
|--|----------|----------|--|
|  | 11.31    | 100.99   |  |
| Government Assistance on SDF and SEFASU Loan | (109.12) | (195.96) |  |
| Deferment of Processing Fees on loan availed | (12.57)  | (99.59)  |  |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Terms of repayment - Borrowings in Brazil entities

| Particulars                                   | Maturity month | Interest Rate  | As at 31 <sup>st</sup> March 2018 | As at 31 <sup>st</sup> March 2017 | Nature of security towards the borrowings  |
|---|----------------|--|-----------------------------------|-----------------------------------|--|
| Finame/Finem                                  | Mar-19         | TJLP + 3.492% p.a. (average interest of 3.492% p.a.) | 5,810.24                          | 5,859.22                          | Receivables from the sale of energy and machinery/ equipment and vehicle contracts.  |
| Leasing                                       | Sep-17         | Interest 8.13% p.a.                                  | 13.86                             | 38.88                             | The guarantee are the equipment of each contract   |
| Export notes                                  | Jan-20         | Interest CDI + 3% p.a. (Interest CDI + 3% p.a.)      | 746.96                            | 701.85                            | Anhydrous alcohol sale agreement guarantee   |
| Working capital                               | Jan-20         | Interest CDI + 3% p.a. (Interest CDI + 3% p.a.)      | 11,241.79                         | 10,609.77                         | Global agreement guarantee   |
| Letter of Guarantee                           | -              | -  | 383.57                            | 402.03                            | Machinery / Equipment  |
| Bank credit - working capital                 | Jul-31         | Variation in IGP-M                                   | 1,331.08                          | 1,344.70                          | Chattel Mortgage; Mortgage; Agricultural Pledge  |
| Bank credit - working capital                 | Sep-17         | CDI + 5% (in 2017, CDI + 5%)                         | 789.93                            | 726.22                            | Chattel Mortgage; Mortgage; Agricultural Pledge  |
| BNDES   | Jul-31         | Variation in IGP-M                                   | 352.65                            | 356.25                            | Chattel Mortgage; Mortgage;  |
| ACC (Loan adhering to Judicial Recovery Plan) | Jul-28         | Variation in IGP-M                                   | 1,982.43                          | 1,992.38                          | Endorsement  |
| ACC   | Jun-28         | Variation in IGP-M                                   | 906.27                            | 911.87                            | Endorsement  |
| Securitization                                | Aug-25         | Interest 3.00%                                       | 1.78                              | 2.08                              | Mortgage; Pledge   |
| PESA (a)                                      | May-19         | IGP-M + 9.15%  | 481.33                            | 509.15                            | Mortgage; Pledge; C.T.N. (National Treasury Notes)   |
| Export prepayment                             | Jul-31         | Libor + Forex  | 2,340.90                          | 2,309.92                          | Chattel Mortgage; Fiduciary Assignment; Mortgage; Agricultural Pledge  |
| Export prepayment                             | Jul-31         | Libor + Forex  | 569.26                            | 562.72                            | Fiduciary Assignment   |
| Working capital                               | Sep-17         | Libor + Forex  | 518.33                            | 513.17                            | Pledge of shares   |
| Export Prepayment (DIP)                       | Sep-25         | Libor + Forex  | 164.01                            | 163.36                            | Priority Loan (The loan amount shall be repaid on priority before all the other bank borrowings of the Company are repaid) |
| ACC   | Dec-15         | Int. 8.65% p.a.                                      | 1,525.70                          | 1,411.71                          | Export receivables sugar, yeast and cane sugar   |
| Export Notes                                  | Jan-20         | Currency variation + 7.5092% p.a.                    | 1,922.61                          | 1,787.04                          | Global agreement guarantee   |
| Pre-payment                                   | Jan-20         | Libor + 2.978% p.a.                                  | 21,792.23                         | 20,814.67                         | Proceeds against Sugar Export  |
| Cost of transaction                           |                |  | (577.38)                          | (281.68)                          | Amortization of Processing Charges of Bank Borrowings  |

### \*\*Nature of security

1. First pari-passu charge by way of mortgage / hypothecation on all immovable / movable properties of the Company both present & future except assets at Panchanga and Ajinkyatara which are exclusively charged to IREDA.
2. Second pari-passu charge on all the current assets of the company both present and future (except Non-Convertible debentures issued to LIC).

### Working capital loan (refer Note 22)

1. First Pari-passu charge on all the current assets of the company both present and future.
2. Second pari passu charge on entire property, plant and equipment both present and future except assets at Panchanga and Ajinkyatara which are exclusively charged to IREDA.
3. Company has pledged 697,700 equity shares of NCDEX with IDBI Bank Limited towards working capital loan.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Corporate guarantee

Corporate Guarantee of Wilmar International Ltd. towards term loan and working capital limits extended by IDBI Bank, ICICI Bank Limited, Axis Bank Limited, RBL, Yes Bank Limited, Exim Bank, Kotak Mahindra Bank Limited and State Bank of India Limited aggregating to ₹ 27,130 Million. Term loans are repayable in 47 structured quarterly installments commencing from 30<sup>th</sup> September 2017.

## IREDA Loan

Exclusive charge on plant, property and equipment at Panchganga and Ajinkyatara (co-generation plants).

## Debt restructuring scheme

In March 2018, the Company entered into framework agreement to restructure borrowings from lenders. As part of restructuring process, Wilmar Sugar Holdings Pte. Limited (WSH) has infused funds of ₹ 7,839 Million (USD 120 Million) and the company has availed revised term loan facilities and working capital facilities which are also secured by the Corporate Guarantee given by Wilmar International Ltd (towards term loan and working capital limits aggregating to ₹ 27,130 Million).

As part of this process, the Company issued 481,843,884 Compulsorily Convertible Preference Shares (CCPS) to WSH having face value of ₹ 16.27 at premium of ₹ 0.01. WSH exercised option for conversion CCPS into equity shares and the Company issued 481,843,884 equity shares of ₹ 1 each at premium of ₹ 15.28 per share. Further, the Company also made repayment of ₹ 1,668.63 Million towards term loans facilities and issued following securities to lenders as part of the restructuring process to its lenders towards settlement of its borrowings:

| Financial Instruments                          | Numbers     | Face Value   | Issue Price  | Amount ₹ Million | Included under borrowings | Included in share capital | Gain on fair valuation included under exceptional items |
|--|-------------|--------------|--------------|------------------|---------------------------|---------------------------|---|
| Equity shares                                  | 489,728,828 | 1.00         | 16.28        | 7,972.79         |                           | 7,972.79                  | -   |
| 0.01% Non-convertible debentures               | 5,521       | 1,000,000.00 | 1,000,000.00 | 5,521.00         | 2,112.16                  | -                         | 3,408.84  |
| 0.01% Redeemable preference shares             | 74,388,207  | 100.00       | 100.00       | 7,438.82         | 1,058.95                  | -                         | 6,379.87  |
| 0.01% Optionally convertible preference shares | 42,808,858  | 100.00       | 100.00       | 4,280.89         | 3,538.54                  | -                         | 742.35  |
| <b>Total</b>                                   |             |              |              | <b>25,213.50</b> | <b>6,709.65</b>           | <b>7,972.79</b>           | <b>10,531.06</b>  |

The Company and its subsidiaries also entered into settlement agreement for settlement of the guarantees given by the Company to lenders of subsidiaries for the borrowings availed by them, amounting to ₹ 18,768.32 Million, by issue of shares of the Company amounting to ₹ 478.41 Million (included in the equity shares stated above) and by repayment of borrowings of ₹ 14,052.29 Million. The Company also incurred cost of ₹ 703.65 Million for releasing guarantees given to subsidiaries in Brazil.

Post issue of financial instruments and repayment of borrowings the Company recognised net gain as part of the restructuring of ₹ 15,340.13 Million (including ₹ 10,531.06 Million specified in table above) which has been included as part of exceptional items.

Repayment schedule of financial instruments is as follows:

- Term loans are repayable in 47 structured quarterly instalments commencing from 30<sup>th</sup> September 2017.
- 0.01% Non-Convertible Debenture (NCDs) of ₹ 5,521 Million, repayable in 12 equal quarterly instalments commencing from 30<sup>th</sup> June, 2024.
- 0.01% Optionally Convertible Preference Shares (OCPS) of ₹ 4,280.89 Million, issued to lenders with convertibility right at the end of 18 months in line with existing SEBI regulations. However, the company will extend the convertibility of the OCPS in its Annual General Meeting/ Extraordinary General Meeting at least 60 days prior to the expiry of the convertibility right of the lenders, subject to applicable regulations. Simultaneously, the company will seek exemption from SEBI for relaxation of conversion period of OCPS beyond 18 months, so as to be converted on or before 31<sup>st</sup> March 2029 at a price to be determined as per prevailing SEBI Guidelines.
- 0.01% Redeemable Preference Shares (RPS) of ₹ 7,438.82 Million, redeemable in 40 structured quarterly instalments commencing from 30<sup>th</sup> June 30 2027.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 17: OTHER NON-CURRENT FINANCIAL LIABILITIES

|                              | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Interest accrued but not due | 352.21                               | -                                    | -                                   |
| Other payables               | 4,214.44                             | 1,149.09                             | 926.52                              |
|                              | <b>4,566.65</b>                      | <b>1,149.09</b>                      | <b>926.52</b>                       |

## NOTE 18: TRADE PAYABLES

|                    | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Payables to others | 1,362.31                             | 1,389.93                             | 82.51                               |
|                    | <b>1,362.31</b>                      | <b>1,389.93</b>                      | <b>82.51</b>                        |

## NOTE 19: LONG-TERM PROVISIONS

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Provision for employee benefits:</b>                                |                                      |                                      |                                     |
| Provision for gratuity   | 46.65                                | 0.43                                 | 8.61                                |
| Less: Short-term (transferred to short-term provisions, refer Note 26) | (1.03)                               | (0.43)                               | (6.86)                              |
|  | <b>45.62</b>                         | <b>0.00</b>                          | <b>1.75</b>                         |
| Provision for Leave Encashment   | 86.84                                | 71.62                                | 55.46                               |
| Less: Short-term (transferred to short-term provisions, refer Note 26) | (10.19)                              | (14.56)                              | (5.30)                              |
|  | <b>76.65</b>                         | <b>57.06</b>                         | <b>50.16</b>                        |
| Provisions for tax and other liabilities                               | 882.17                               | 711.93                               | 525.11                              |
|  | <b>1,004.44</b>                      | <b>768.99</b>                        | <b>577.02</b>                       |

At 31<sup>st</sup> March 2018, the Company and its subsidiaries have recorded a provision in the consolidated financial statements, which management, based on the opinion of its legal advisers, deems to be sufficient to cover expected losses when claims pending judgment are awarded a final decision. Classification of amounts provisioned, based on the types of the corresponding claims, is as follows:

|                                    |               |               |               |
|------------------------------------|---------------|---------------|---------------|
| <b>Tax:</b>                        |               |               |               |
| At 1 <sup>st</sup> April           | 97.75         | 87.52         | 87.52         |
| Additions                          | -             | 10.23         | -             |
| Reversal                           | (44.78)       | -             | -             |
| <b>As at 31<sup>st</sup> March</b> | <b>52.97</b>  | <b>97.75</b>  | <b>87.52</b>  |
| <b>Labour:</b>                     |               |               |               |
| At 1 <sup>st</sup> April           | 465.95        | 331.17        | 331.17        |
| Additions                          | 112.31        | 134.78        | -             |
| Reversal                           | -             | -             | -             |
| <b>As at 31<sup>st</sup> March</b> | <b>578.26</b> | <b>465.95</b> | <b>331.17</b> |
| <b>Environmental:</b>              |               |               |               |
| At 1 <sup>st</sup> April           | 7.79          | 8.19          | 8.19          |
| Additions                          | -             | -             | -             |
| Reversal                           | (7.45)        | (0.40)        | -             |
| <b>As at 31<sup>st</sup> March</b> | <b>0.34</b>   | <b>7.79</b>   | <b>8.19</b>   |
| <b>Civil:</b>                      |               |               |               |
| At 1 <sup>st</sup> April           | 140.44        | 98.23         | 98.23         |
| Additions                          | 110.16        | 42.21         | -             |
| Reversal                           | -             | -             | -             |
| <b>As at 31<sup>st</sup> March</b> | <b>250.60</b> | <b>140.44</b> | <b>98.23</b>  |

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for the year ended 31<sup>st</sup> March 2018

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## NOTE 20: GOVERNMENT GRANTS

|             | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|-------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Current     | 95.54                                | 137.28                               | 187.87                              |
| Non-current | 52.02                                | 167.46                               | 309.37                              |
|             | <b>147.56</b>                        | <b>304.74</b>                        | <b>497.24</b>                       |

Government grant relates to financial assistance for investment towards sugar and power division. There are no unfulfilled conditions or contingencies attached to these grants. These grants are recognised on straight line basis over the life of the loan.

## NOTE 21: OTHER NON-CURRENT LIABILITIES

|                          | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Advance from customers** | 1,329.30                             | 1,274.40                             | 1,057.43                            |
|                          | <b>1,329.30</b>                      | <b>1,274.40</b>                      | <b>1,057.43</b>                     |

\*\* Includes payables to related parties amounting to ₹ Nil (31<sup>st</sup> March 2017: ₹ 8.61 Million) (refer Note 42).

## NOTE 22: BORROWINGS (CURRENT)

|                             | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|-----------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>Secured:**</b>           |                                      |                                      |                                     |
| Working Capital from Banks: |                                      |                                      |                                     |
| Rupee borrowings            | 2,233.14                             | 4,107.92                             | 8,687.09                            |
| Foreign currency borrowings | 12.64                                | 5,551.46                             | 8,942.05                            |
|                             | <b>2,245.79</b>                      | <b>9,659.38</b>                      | <b>17,629.14</b>                    |

\*\*Refer Note 16 for details of security.

## NOTE 23 : TRADE PAYABLES\*\*

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Payables to related parties (refer Note 42) | 11,743.99                            | 6,072.41                             | 4,822.20                            |
| Payables to others                          | 27,277.77                            | 33,142.29                            | 39,076.39                           |
|   | <b>39,021.76</b>                     | <b>39,214.70</b>                     | <b>43,898.59</b>                    |

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled within the credit period agreed with the supplier.
- Other payables are non-interest bearing
- For terms and conditions with related parties, refer to Note 42

For explanations on the company credit risk management processes, refer to Note 48.

Trade payable includes liabilities in relation to Crop and H&T purchases.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

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## NOTE 24 : OTHER CURRENT FINANCIAL LIABILITIES

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| Current maturity of long-term borrowings (refer Note 16) | 47,207.95                            | 38,625.81                            | 38,603.11                           |
| Interest accrued but not due on borrowings               | 258.98                               | 3,967.77                             | 4,825.98                            |
| Unclaimed dividend                                       | 6.45                                 | 9.97                                 | 11.74                               |
| Salary payable   | 80.79                                | 43.27                                | 92.14                               |
| Derivative financial liabilities                         | 418.28                               | 697.33                               | 86.18                               |
| Other payables   | 4,842.60                             | 3,256.76                             | 2,924.42                            |
|  | <b>52,815.06</b>                     | <b>46,600.91</b>                     | <b>46,543.57</b>                    |

## NOTE 25 : OTHER CURRENT LIABILITIES

|                          | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Advance from customers** | 4,522.25                             | 7,193.68                             | 7,387.43                            |
| Statutory dues payable   | 610.94                               | 395.98                               | 410.68                              |
|                          | <b>5,133.19</b>                      | <b>7,589.66</b>                      | <b>7,798.11</b>                     |

\*\* Includes payables to related parties amounting to ₹ 4,387.76 Million (31<sup>st</sup> March 2017: ₹ NIL) (refer Note 42).

## NOTE 26 : SHORT-TERM PROVISIONS

|  | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------------------|
| Provision for gratuity (refer Note 19)         | 1.03                                 | 0.43                                 | 6.86                                |
| Provision for leave encashment (refer Note 19) | 10.19                                | 14.56                                | 5.30                                |
|  | <b>11.22</b>                         | <b>14.99</b>                         | <b>12.16</b>                        |

## NOTE 27 : REVENUE FROM OPERATIONS

|                                     | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|-------------------------------------|---|---|
| Sale of products (gross)            |   |   |
| Sale of manufactured / traded sugar | 62,731.25                                 | 101,412.92                                |
| Sale of power                       | 3,159.54                                  | 3,270.64                                  |
| Sale of ethanol and allied products | 10,466.25                                 | 13,362.36                                 |
| Sale from engineering division      | 127.82                                    | 266.78                                    |
| Sale of by-products and others      | 955.72                                    | 1,132.40                                  |
|                                     | <b>77,440.57</b>                          | <b>119,445.08</b>                         |

Sale of good includes excise duty collected from customers of ₹ 160.34 Million (31<sup>st</sup> March 2017 ₹ 1,000.42 Million). Sale of goods net of excise duty is ₹ 77,280.24 Million (31<sup>st</sup> March 2017: ₹ 118,444.66 Million). Revenue from operations for periods up to 30<sup>th</sup> June 2017 includes excise duty. From July 1<sup>st</sup> 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31<sup>st</sup> March 2018 is not comparable with that of year ended 31<sup>st</sup> March 2017.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 28 : OTHER INCOME

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| <b>Other non-operating income:</b>                              |   |   |
| Dividend on investments   | 0.90                                      | 6.49                                      |
| Profit on sale of investments                                   | 0.62                                      | 77.49                                     |
| Profit on sale of assets  | 19.96                                     | 0.84                                      |
| Income from professional services                               | 2.86                                      | 11.79                                     |
| Government assistance   | 137.28                                    | 179.37                                    |
| Others  | 677.17                                    | 3,489.10                                  |
| <b>Finance income:</b>  |   |   |
| Interest received on financial assets carried at amortised cost | 130.50                                    | 6.79                                      |
|   | <b>969.28</b>                             | <b>3,771.87</b>                           |

## NOTE 29 : COST OF RAW MATERIALS CONSUMED

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| Sugar-Cane                             | 12,452.13                                 | 25,714.44                                 |
| Raw-Sugar                              | 32,141.90                                 | 42,175.27                                 |
| Bagasse                                | 156.67                                    | 195.67                                    |
| Coal                                   | 1,932.34                                  | 1,793.58                                  |
| Molasses                               | 794.00                                    | 771.46                                    |
| Denatured Alcohol and rectified spirit | 181.16                                    | 397.48                                    |
| MG Alcohol                             | 54.41                                     | 35.10                                     |
| Engineering Division                   | 121.72                                    | 204.23                                    |
| Others                                 | 3.87                                      | 3.32                                      |
|  | <b>47,838.20</b>                          | <b>71,290.55</b>                          |

## NOTE 30 : PURCHASE OF TRADED GOODS

|                       | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|-----------------------|---|---|
| Raw-Sugar             | 22,166.06                                 | 26,412.65                                 |
| White sugar           | 3,876.41                                  | 194.58                                    |
| Coal                  | 9.41                                      | 65.50                                     |
| Contract cancellation | 8,170.60                                  | -   |
| Others                | 0.39                                      | -   |
|                       | <b>34,222.87</b>                          | <b>26,672.74</b>                          |

## NOTE 31: (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| <b>Opening stock</b>                     |   |   |
| Work in progress                         | 152.20                                    | 200.10                                    |
| Finished goods and intermediate products | 6,572.81                                  | 11,433.18                                 |
| <b>A</b>                                 | <b>6,725.01</b>                           | <b>11,633.28</b>                          |
| <b>Closing stock</b>                     |   |   |
| Work in progress                         | 367.18                                    | 152.20                                    |
| Finished goods and intermediate products | 7,799.51                                  | 6,572.81                                  |
| <b>B</b>                                 | <b>8,166.69</b>                           | <b>6,725.01</b>                           |
| <b>Net (increase)/decrease in stock</b>  | <b>(A-B)</b>                              | <b>4,908.27</b>                           |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

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## NOTE 32: EMPLOYEE BENEFIT EXPENSES

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| Salaries, wages and bonus                 | 1,659.34                                  | 1,787.19                                  |
| Contribution to provident and other funds | 68.62                                     | 69.26                                     |
| Gratuity expenses                         | 60.01                                     | 10.45                                     |
| Staff welfare expenses                    | 152.81                                    | 78.80                                     |
|   | <b>1,940.78</b>                           | <b>1,945.70</b>                           |

## NOTE 33: DEPRECIATION AND AMORTISATION EXPENSES

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| Depreciation and amortisation of tangible assets (refer Note 3(a))   | 8,578.09                                  | 9,520.65                                  |
| Depreciation and amortisation of intangible assets (refer Note 3(b)) | 27.45                                     | 28.97                                     |
|  | <b>8,605.54</b>                           | <b>9,549.62</b>                           |

## NOTE 34: FINANCE COSTS

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| <b>Liabilities measured at amortised cost:</b>          |   |   |
| On term loans   | 6,629.43                                  | 7,625.39                                  |
| On working capital                                      | 2,309.32                                  | 860.83                                    |
| On debentures   | 288.50                                    | 288.50                                    |
| <b>Other costs:</b>                                     |   |   |
| Bank and other borrowing costs                          | 290.28                                    | 596.06                                    |
|   | <b>9,517.53</b>                           | <b>9,370.78</b>                           |
| Unwinding of interest on borrowing at concessional rate | 115.81                                    | 210.33                                    |
|   | <b>9,633.34</b>                           | <b>9,581.11</b>                           |

## NOTE 35: OTHER EXPENSES

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| Consumption of stores and spares                          | 395.82                                    | 400.33                                    |
| Consumption of chemicals, consumables, oil and lubricants | 458.34                                    | 463.41                                    |
| Outsourced service cost                                   | 175.90                                    | 159.71                                    |
| Sugar house loading, un-loading and handling charges      | 211.01                                    | 202.38                                    |
| Packing materials   | 746.10                                    | 755.95                                    |
| Power and fuel  | 374.73                                    | 359.77                                    |
| Rent  | 241.14                                    | 140.46                                    |
| Repairs and maintenance:                                  |   |   |
| Plant and machinery                                       | 137.97                                    | 133.94                                    |
| Buildings   | 5.72                                      | 5.03                                      |
| Others  | 54.99                                     | 59.24                                     |
| Rates and taxes   | 339.91                                    | 372.56                                    |
| Insurance   | 108.87                                    | 117.01                                    |
| Travelling and conveyance                                 | 56.56                                     | 87.79                                     |
| Printing and stationery                                   | 6.52                                      | 7.31                                      |
| Communication expenses                                    | 36.53                                     | 38.75                                     |
| Legal and professional fees                               | 518.97                                    | 594.10                                    |
| Directors' sitting fees                                   | 3.28                                      | 2.69                                      |
| Payment to auditors (refer details below)                 | 9.54                                      | 7.51                                      |
| Impairment of financial assets                            | 697.40                                    | -   |
| Safety and security expenses                              | 59.52                                     | 58.45                                     |
| Donations and contributions                               | 1.83                                      | 2.56                                      |
| Loss on sale of fixed assets                              | -   | 3.82                                      |
| Freight and forwarding charges                            | 1,518.96                                  | 2,097.19                                  |
| Advertising and sales promotion                           | 187.72                                    | 68.85                                     |
| Miscellaneous expenses                                    | 434.85                                    | 424.05                                    |
|   | <b>6,782.18</b>                           | <b>6,562.86</b>                           |



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

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## Payment to Auditors

|                                     | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|-------------------------------------|---|---|
| <b>As auditor</b>                   |   |   |
| Audit fee                           | 6.59                                      | 2.16                                      |
| Tax audit fee                       | -   | 0.88                                      |
| Limited review                      | 0.80                                      | 3.24                                      |
| <b>In other capacity:</b>           |   |   |
| Other services (certification fees) | 0.60                                      | 0.89                                      |
| Reimbursement of expenses           | 0.05                                      | 0.30                                      |
| Others                              | 1.50                                      | 0.04                                      |
|                                     | <b>9.54</b>                               | <b>7.51</b>                               |

## NOTE 36: EXCEPTIONAL ITEMS

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| Impairment for advances to vendors and others                              | 1,141.76                                  | -   |
| Cane price difference paid   | 983.71                                    | -   |
| Impairment for trade receivables   | 910.39                                    | -   |
| Impairment of goodwill   | 6,746.86                                  | -   |
| Gain on restructuring (refer note on debt restructuring scheme in Note 16) | (15,340.13)                               | -   |
| Impairment of non-financial assets   | 66.02                                     | -   |
| Provision For litigations-tax  | 220.00                                    | -   |
| Levy duty liability  | 100.00                                    | -   |
| Processing charges on restructuring  | 208.55                                    | -   |
| Reversal of government grant   | (30.89)                                   | -   |
|  | <b>(4,993.73)</b>                         | <b>-</b>                                  |

## NOTE 37: EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects profit/(loss) and share data used in the basic and diluted EPS computations:

|   | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---|---|---|
| Profit/(loss) attributable to equity holders for basic earnings   | (22,015.86)                               | (11,518.90)                               |
| Weighted average number of equity shares for basic EPS**  | 1,006,468,970                             | 929,891,922                               |
| <b>Earnings per share</b>   |   |   |
| Basic, computed on the basis of profit/(loss) from operations attributable to equity holders of the company   | (21.87)                                   | (12.40)                                   |
| Diluted, computed on the basis of profit/(loss) from operations attributable to equity holders of the company | (21.87)                                   | (12.40)                                   |

\*\*Weighted average number of equity shares takes into account the weighted average effect of changes in share transactions during the year.

Also, optionally convertible preference shares issued during the year are not considered for diluted EPS computation as these are anti diluted.

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for the year ended 31<sup>st</sup> March 2018

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## NOTE 38: COMMITMENT AND CONTINGENCIES

### a) Finance lease commitments (Group as lessee)

The Group has acquired equipment under finance lease which have been capitalized under property, plant and equipment. Future minimum lease payments under finance leases with the present value of the net minimum lease payments are, as follows:

| Sr. No. | Lease Payable   | Minimum payments | 31 <sup>st</sup> March, 2018<br>Present value of payments | Minimum payments | 31 <sup>st</sup> March, 2017<br>Present value of payments |
|---------|---|------------------|---|------------------|---|
| A       | Within a period of one year                                     | -                | -   | 38.88            | 38.88   |
| B       | One year to five years  | -                | -   | -                | -   |
| C       | five years and above  | -                | -   | -                | -   |
| D       | Lease rent charged to consolidated statement of profit and loss | -                | -   | -                | 39.00   |

### b) Operating lease commitments (Group as lessee)

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

| Sr. No. | Lease Payable   | As at<br>31 <sup>st</sup> March, 2018 | As at<br>31 <sup>st</sup> March, 2017 |
|---------|---|---------------------------------------|---------------------------------------|
| A       | Within a period of one year                                     | 182.21                                | 163.84                                |
| B       | One year to five years  | 499.82                                | 499.82                                |
| C       | five years and above  | 1,190.21                              | 1,315.17                              |
| D       | Lease rent charged to consolidated statement of profit and loss | 241.14                                | 140.46                                |

### c) Other commitments

Outstanding commitments of the group are as follows:

| Outstanding Commitments                            | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
|--|--------------------------------------|--------------------------------------|
| Estimated amount of contract pending for execution | 12,900.77                            | 33,405.50                            |
| Commitment on behalf of subsidiaries               | 1,403.01                             | 1,250.63                             |

### d) Guarantees

Outstanding guarantees of the group are as follows:

| Sr. No. | Lease Payable       | As at<br>31 <sup>st</sup> March, 2018 | As at<br>31 <sup>st</sup> March, 2017 |
|---------|---------------------|---------------------------------------|---------------------------------------|
| A       | Bank Guarantee      | 10.89                                 | 34.32                                 |
| B       | Corporate Guarantee | 376.02                                | 797.94                                |

## NOTE 39: CONTINGENT LIABILITIES

| Liabilities classified and considered contingent due to contested claims and legal disputes | As at<br>31 <sup>st</sup> March, 2018 | As at<br>31 <sup>st</sup> March, 2017 |
|---|---------------------------------------|---------------------------------------|
| Income Tax Demands  | 66.01                                 | 275.65                                |
| Excise and Service Tax Demands  | 1,314.05                              | 1,287.72                              |
| Sales Tax/VAT Demands   | 31.26                                 | 38.22                                 |
| Customs Demand  | 1,357.13                              | 465.12                                |
| Brazilian Taxes   | 6,748.92                              | 1,865.07                              |
| Other Matters   | 10,917.69                             | 1528.28                               |
| <b>Total</b>  | <b>20,435.06</b>                      | <b>5,460.06</b>                       |

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## NOTE 40: DEFINED BENEFIT PLANS

The Group has a defined benefit gratuity plan. The companies defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

| Sr. No   | Particulars   | Gratuity Benefits            |                              |
|----------|---|------------------------------|------------------------------|
|          |   | 31 <sup>st</sup> March, 2018 | 31 <sup>st</sup> March, 2017 |
| <b>1</b> | <b>Change in Benefit obligation</b>                                 |                              |                              |
|          | Opening Defined Benefit Obligation                                  | 97.03                        | 78.68                        |
|          | Current service cost  | 12.92                        | 11.19                        |
|          | Interest cost   | 6.69                         | 5.87                         |
|          | Actuarial loss/(gain) due to change in financial assumptions        | (5.06)                       | 6.48                         |
|          | Actuarial loss/(gain) due to change in demographic assumption       | -                            | (0.01)                       |
|          | Actuarial loss/ (gain) due to experience                            | (1.54)                       | 3.51                         |
|          | Past Service Cost   | 47.54                        | -                            |
|          | Benefits paid   | (6.96)                       | (8.69)                       |
|          | <b>Closing Defined Benefit Obligation</b>                           | <b>150.62</b>                | <b>97.03</b>                 |
| <b>2</b> | <b>Change in Plan Assets</b>  |                              |                              |
|          | Opening value of plan assets  | 96.59                        | 82.26                        |
|          | Interest Income   | 7.14                         | 6.61                         |
|          | Return on plan assets excluding amounts included interest income    | (6.77)                       | (0.13)                       |
|          | Contributions by employer   | 13.50                        | 15.90                        |
|          | Benefits paid   | (6.49)                       | (8.04)                       |
|          | <b>Closing value of plan assets</b>                                 | <b>103.97</b>                | <b>96.60</b>                 |
| <b>3</b> | <b>Fund Status of Plan Assets</b>                                   |                              |                              |
|          | Present value unfunded obligations                                  | 2.44                         | 2.34                         |
|          | Present value funded obligations                                    | 148.18                       | 94.69                        |
|          | Fair Value of plan assets   | 103.97                       | 96.60                        |
|          | <b>Net Liability (Assets)</b>                                       | <b>46.65</b>                 | <b>0.43</b>                  |
| <b>4</b> | <b>Other Comprehensive Income for the current period</b>            |                              |                              |
|          | Due to Change in financial assumptions                              | (5.06)                       | 6.48                         |
|          | Due to change in demographic assumption                             | -                            | (0.01)                       |
|          | Due to experience adjustments                                       | (1.54)                       | 3.51                         |
|          | Return on plan assets excluding amounts included in interest income | 6.77                         | 0.13                         |
|          | <b>Amounts recognized in Other Comprehensive Income</b>             | <b>0.16</b>                  | <b>10.11</b>                 |
| <b>5</b> | <b>Expenses for the current period</b>                              |                              |                              |
|          | Current service cost  | 12.92                        | 11.19                        |
|          | Interest cost   | 6.69                         | 5.87                         |
|          | Past Service cost   | 47.54                        | -                            |
|          | Interest Income   | (7.14)                       | (6.61)                       |
|          | <b>Amount recognized in expenses</b>                                | <b>60.01</b>                 | <b>10.45</b>                 |
| <b>6</b> | <b>Defined benefit liability</b>                                    |                              |                              |
|          | Net opening provision in books of accounts                          | 0.43                         | (3.58)                       |
|          | Employee Benefit Expense  | 60.01                        | 10.45                        |
|          | Amounts recognized in Other Comprehensive Income                    | 0.17                         | 10.11                        |
|          | Contributions to plan assets  | (13.50)                      | (15.90)                      |
|          | Benefits paid by the Company  | (0.46)                       | (0.65)                       |
|          | <b>Closing provision in books of accounts</b>                       | <b>46.65</b>                 | <b>0.43</b>                  |
| <b>7</b> | <b>Composition of the plan assets</b>                               |                              |                              |
|          | Policy of insurance   | 100%                         | 100%                         |
|          | <b>Total</b>  | <b>100%</b>                  | <b>100%</b>                  |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

| Sr. No   | Particulars   | Gratuity Benefits                              |  |
|----------|---|--|--|
|          |   | 31 <sup>st</sup> March, 2018                   | 31 <sup>st</sup> March, 2017                   |
| <b>8</b> | <b>Principal Actuarial Assumption</b>                                   |  |  |
|          | Discount rate   | 7.30% to 7.70%                                 | 6.80% to 7.35%                                 |
|          | Salary Growth rate  | 5%   | 5%   |
|          | Withdrawal Rates  | 5% at younger ages reduced to 1% at lower ages | 5% at younger ages reduced to 1% at lower ages |
| <b>9</b> | <b>Sensitivity to key assumptions</b>                                   |  |  |
|          | <b>Discount rate Sensitivity</b>  |  |  |
|          | Increase by 0.5%  | 104.18   | 91.04  |
|          | Decrease by 0.5%  | (115.12)                                       | (101.13)                                       |
|          | <b>Salary growth rate Sensitivity</b>                                   |  |  |
|          | Increase by 0.5%  | 114.56   | 100.72   |
|          | Decrease by 0.5%  | (104.68)                                       | (91.49)  |
|          | <b>Withdrawal rate (W.R.) Sensitivity</b>                               |  |  |
|          | W.R. x 110%   | 111.39   | 97.72  |
|          | W.R. x 90%  | 109.91   | 96.48  |
| <b>9</b> | <b>Expected contributions to the defined benefit plan in next years</b> | 4.66   | -  |

## NOTE 41: DERIVATIVES

The following amount represent the aggregate notional amounts of the Group's derivative financial instruments as of reporting date

|                | Long   | Short  | Long                                      | Short                                     |
|----------------|--|--|---|---|
|                | 31 <sup>st</sup> March, 2018<br>AED in Million | 31 <sup>st</sup> March, 2018<br>AED in Million | 31 <sup>st</sup> March, 2018<br>₹ Million | 31 <sup>st</sup> March, 2018<br>₹ Million |
| <b>Futures</b> |  |  |   |   |
| White sugar    | (0.08)   | 3.69   | (1.36)                                    | 65.49                                     |
| Raw sugar      | (15.04)  | -  | (266.58)                                  | -   |
|                | (15.11)  | 3.69   | (267.94)                                  | 65.49                                     |
| <b>Options</b> |  |  |   |   |
| White sugar    | -  | (0.46)   | -   | (8.18)                                    |
| Raw sugar      | (13.27)  | 1.56   | (235.30)                                  | 27.72                                     |
|                | (13.27)  | 1.10   | (235.30)                                  | 19.54                                     |

|                | Long   | Short  | Long                                      | Short                                     |
|----------------|--|--|---|---|
|                | 31 <sup>st</sup> March, 2018<br>AED in Million | 31 <sup>st</sup> March, 2018<br>AED in Million | 31 <sup>st</sup> March, 2018<br>₹ Million | 31 <sup>st</sup> March, 2018<br>₹ Million |
| <b>Futures</b> |  |  |   |   |
| White sugar    | (0.004)  | 4.07   | (0.08)                                    | 71.92                                     |
| Raw sugar      | (33.49)  | 3.86   | (591.46)                                  | 68.22                                     |
|                | (33.50)  | 7.94   | (591.53)                                  | 140.13                                    |
| <b>Options</b> |  |  |   |   |
| White sugar    | -  | -  | -   | -   |
| Raw sugar      | 56.21  | (70.15)  | 992.72                                    | (1,238.79)                                |
|                | 56.21  | (70.15)  | 992.72                                    | (1,238.79)                                |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

The following represent notional quantities of open positions in the Group's traded products as of the reporting date:

|                             | Long Quantity<br>31 <sup>st</sup> March, 2018 | Short Quantity<br>31 <sup>st</sup> March, 2018 | Long Quantity<br>31 <sup>st</sup> March, 2017 | Short Quantity<br>31 <sup>st</sup> March, 2017 |
|-----------------------------|---|--|---|--|
| White sugar (Metric tonnes) | 250   | 91,326   | 200   | 59,950   |
| Raw sugar (Metric tonnes)   | 192,110                                       | 20,143   | 545,631                                       | 415,049  |
|                             | <b>192,360</b>                                | <b>111,469</b>                                 | <b>545,831</b>                                | <b>474,999</b>                                 |

## NOTE 42: RELATED PARTY TRANSACTIONS

### A RELATED PARTIES

#### (a) Affiliate companies

- 1 Vantamuri Trading and Investments Limited
- 2 Renuka Energy Resource Holdings (FZE), Sharjah
- 3 Ravindra Energy Limited
- 4 Adani Wilmar Limited
- 5 Wilmar Sugar Pte Limited
- 6 Wilmar International Ltd
- 7 Jawananis Rafinasi (JMR)
- 8 Mineração Elefante Ltda.
- 9 Apoenal Logística

#### (b) Associate companies

- 1 CPA Trading S.A. and subsidiaries
- 2 PASA - Paraná Operações Portuárias S.A.

#### (c) Key managerial personnel

- 1 Mrs. Vidya Murkumbi – Executive Chairperson
- 2 Mr. Narendra Murkumbi – Vice Chairman and Managing Director
- 3 Mr. Vijendra Singh – President and Whole Time Director
- 4 Mr. K. K. Kumbhat- Chief Financial Officer
- 5 Mr. Naveen Manghani- Company Secretary and Compliance Officer. (Till 31<sup>st</sup> October 2017)
- 6 Mr Rupesh Saraiya - Company Secretary and Compliance Officer. (From 13<sup>th</sup> November 2017)

#### (d) Relative of key managerial personnel

- 1 Mrs. Sangeeta Singh - DGM (Quality and Training)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## B TRANSACTIONS WITH RELATED PARTIES

| Sr. No.                 | Particulars                               | As at and year ended | Sales to related parties | Purchases from related parties | Rental income | Interest income on advances | Loans and advances paid/ (refunded) |
|-------------------------|---|----------------------|--------------------------|--------------------------------|---------------|-----------------------------|-------------------------------------|
| (a) Affiliate companies |   |                      |                          |                                |               |                             |                                     |
| i                       | Renuka energy resource holding (FZE)      | 31 March 2018        | -                        | -                              | -             | -                           | -                                   |
|                         |   | 31 March 2017        | -                        | -                              | -             | -                           | (0.18)                              |
| ii                      | Ravindra Energy Limited                   | 31 March 2018        | 0.50                     | (155.38)                       | -             | 5.54                        | 163.65                              |
|                         |   | 31 March 2017        | 1.98                     | (255.71)                       | -             | 4.90                        | 619.35                              |
| iii                     | Vantamuri Trading And Investments Limited | 31 March 2018        | -                        | -                              | -             | -                           | -                                   |
|                         |   | 31 March 2017        | -                        | -                              | -             | -                           | -                                   |
| iv                      | Adani wilmar limited                      | 31 March 2018        | 0.32                     | (21,032.89)                    | 0.14          | -                           | -                                   |
|                         |   | 31 March 2017        | 0.34                     | (22,461.14)                    | -             | -                           | -                                   |
| v                       | Wilmar Sugar Pte. Ltd.                    | 31 March 2018        | 14.48                    | (1,496.24)                     | -             | -                           | -                                   |
|                         |   | 31 March 2017        | 3,962.80                 | 2.97                           | -             | -                           | -                                   |
| vi                      | Jawananis Rafinasi (JMR)                  | 31 March 2018        | -                        | -                              | -             | -                           | -                                   |
|                         |   | 31 March 2017        | 22.97                    | -                              | -             | -                           | -                                   |
| vii.                    | Mineração Elefante Ltda.                  | 31 March 2018        | -                        | -                              | -             | -                           | -                                   |
|                         |   | 31 March 2017        | -                        | -                              | -             | -                           | -                                   |
| viii.                   | Apoena Logística                          | 31 March 2018        | -                        | -                              | -             | -                           | -                                   |
|                         |   | 31 March 2017        | -                        | -                              | -             | -                           | -                                   |
| (b) Associate companies |   |                      |                          |                                |               |                             |                                     |
| i.                      | CPA Trading S.A. and subsidiaries         | 31 March 2018        | -                        | -                              | -             | -                           | -                                   |
|                         |   | 31 March 2017        | -                        | -                              | -             | -                           | -                                   |
| ii.                     | PASA - Paraná Operações Portuárias S.A.   | 31 March 2018        | -                        | -                              | -             | -                           | -                                   |
|                         |   | 31 March 2017        | -                        | -                              | -             | -                           | -                                   |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

## Corporate guarantees:

There have been corporate guarantees received from Wilmar International Ltd amounting to ₹ 27,130 Million (31<sup>st</sup> March 2017 ₹ Nil) towards term loan and working capital limits extended by Banks to Shree Renuka Sugars Limited.

## C) Details of amounts receivable from related parties as at 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 are as follows:

| Particulars                                 | As At<br>31 <sup>st</sup> March 2018 | As At<br>31 <sup>st</sup> March 2017 |
|---|--------------------------------------|--------------------------------------|
| <b>Current loans (refer Note 12)</b>        |                                      |                                      |
| <b>Affiliate companies:</b>                 |                                      |                                      |
| Ravindra Energy Limited                     | 49.37                                | 43.58                                |
|   | <b>49.37</b>                         | <b>43.58</b>                         |
| <b>Other current assets (refer Note 14)</b> |                                      |                                      |
| <b>Affiliate companies:</b>                 |                                      |                                      |
| Ravindra Energy Limited                     | 563.29                               | 554.98                               |
| Wilmar Sugar Pte. Ltd.                      | -                                    | 3.14                                 |
| Mineração Elefante Ltda.                    | 0.12                                 | 0.12                                 |
| Apoena Logística                            | 7.49                                 | 7.05                                 |
| Renuka Energy Resource Holdings (FZE)       | -                                    | 41.77                                |
| <b>Associate companies:</b>                 |                                      |                                      |
| CPA Trading S.A. and subsidiaries           | 0.92                                 | 1.71                                 |
| PASA - Paraná Operações Portuárias S.A.     | -                                    | 0.39                                 |
|   | <b>571.82</b>                        | <b>609.16</b>                        |
| <b>Trade receivables (refer Note 10)</b>    |                                      |                                      |
| <b>Affiliate companies:</b>                 |                                      |                                      |
| Ravindra Energy Limited                     | 18.51                                | 18.30                                |
| Adani Wilmar Limited                        | 0.39                                 | -                                    |
| Wilmar Sugar Pte. Ltd.                      | -                                    | 0.19                                 |
| Vantamuri Trading and Investments Limited   | 2.11                                 | 2.11                                 |
| Jawananis Rafinasi (JMR)                    | -                                    | 3.37                                 |
|   | <b>21.01</b>                         | <b>23.97</b>                         |

## D) Details of amounts payable to related parties as at 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 are as follows:

| Particulars  | As At<br>31 <sup>st</sup> March 2018 | As At<br>31 <sup>st</sup> March 2017 |
|--|--------------------------------------|--------------------------------------|
| <b>Trade payables (refer Note 23)</b>                |                                      |                                      |
| <b>Affiliate companies:</b>                          |                                      |                                      |
| Adani Wilmar Limited                                 | (10,470.53)                          | (6,068.52)                           |
| Wilmar Sugar Pte. Ltd.                               | (1,273.46)                           | (3.89)                               |
|  | <b>(11,743.99)</b>                   | <b>(6,072.41)</b>                    |
| <b>Other current liabilities (refer Note 25)</b>     |                                      |                                      |
| <b>Affiliate companies:</b>                          |                                      |                                      |
| Wilmar Sugar Pte. Ltd.                               | (4,387.76)                           | -                                    |
|  | <b>(4,387.76)</b>                    | <b>-</b>                             |
| <b>Other non-current liabilities (refer Note 21)</b> |                                      |                                      |
| <b>Associate companies:</b>                          |                                      |                                      |
| CPA Trading S.A. and subsidiaries                    | -                                    | (8.61)                               |
|  | <b>-</b>                             | <b>(8.61)</b>                        |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

## E TRANSACTIONS WITH KEY MANAGERIAL PERSONNEL

### Employee loans

The Group operates loan scheme providing loan to all employees. Under the scheme, the employee can avail loan up to two times of gross monthly salary repayable in easy monthly instalments. Such loans are unsecured and the interest free. During the year loan granted to key managerial personnel ₹ Nil (31<sup>st</sup> March 2017 ₹ 4.50 Million), out of which repaid ₹ Nil (31<sup>st</sup> March 2017 ₹ 4.50 Million).

### Other directors' interests

The Group acquired office space on rent from one of key managerial personnel of the Group. During both the years Group has paid a rent of ₹ 7.54 Million (31<sup>st</sup> March 2017 ₹ 6.95 Million) including all the taxes, out of which amount payable is ₹ 0.58 Million (31<sup>st</sup> March 2017 ₹ Nil)

### Compensation of key managerial personnel

|                                | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--------------------------------|---|---|
| Short-term employee benefits   | 77.41                                     | 65.61                                     |
| Contribution to provident fund | 4.06                                      | 3.61                                      |
| <b>Total</b>                   | <b>81.47</b>                              | <b>69.22</b>                              |

### Compensation of Relative of key managerial personnel

|                              | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|------------------------------|---|---|
| Short-term employee benefits | 3.00                                      | 3.00                                      |
| <b>Total</b>                 | <b>3.00</b>                               | <b>3.00</b>                               |

### Outstanding remuneration payable

|                                      | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--------------------------------------|---|---|
| Key management personnel             | 6.11                                      | -   |
| Relative of key management personnel | 0.25                                      | -   |
| <b>Total</b>                         | <b>6.36</b>                               | <b>-</b>                                  |

## NOTE 43: JUDICIAL UPDATE OF BRAZIL OPERATIONS

On 28<sup>th</sup> September, 2015, Shree Renuka do Brasil Participações Ltda. Brazil (SRBDP) filed an appeal for Court-Ordered Reorganization ("RJ"), encompassing its subsidiaries (SRBDP Group).

On 26<sup>th</sup> July, 2016, the designated court approved the re-organization Plan of Renuka Vale do Ivaí SA (Renuka VDI). A new General Meeting of Creditors is now scheduled for 7<sup>th</sup> May, 2018 to revise the plan.

The creditors Meeting of Renuka do Brasil S.A. (Renuka RDB) held on 26<sup>th</sup> September 2017, approved the submitted recovery plan. On 1<sup>st</sup> September, 2017 Supreme Court of Sao Paulo granted injunction to Banco Nacional do Desenvolvimento (BNDES Bank) appeal to suspend the Amended RJ Plan and its effects. As at 17<sup>th</sup> March, 2018, Renuka do Brasil S.A. (Renuka RDB), has filed at the Court a new Amended Plan requesting approval from the Court. To date, this new Amended Plan has not yet been analyzed and/or approved by the General Meeting of Creditors, nor has been approved by the Court. Accordingly, pending the outcome of reorganization plans with the courts in Brazil and related legal proceedings are in progress, the auditors of the company have disclaimed their opinion on the financial information in relation to those operations.

Post recent investment from Wilmar, the Company has expressed their disinterest in continuing with Brazil operations. The Company has obtained independent legal opinion in Brazil, that in principle, each legal entity is responsible with its own assets before creditors for their own debts, which are separate from those of partners, shareholders and management members. Basis this, the Company believes there will not be any material liability back on Company in future from the Brazil operations except to the extent of Investments made by the Company, which has been already provided by the Company in its standalone financial statements for year ended 31<sup>st</sup> March, 2018.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

Further, on the separation or discontinuation of the Brazilian business, the continuing operations would have been as follows:

| Assets and Liability   | Consolidation  | Consolidation Without Brazil* |
|------------------------|----------------|-------------------------------|
| Non-current assets     | 74,205         | 52,058                        |
| Current assets         | 25,814         | 22,883                        |
| <b>Total assets</b>    | <b>100,019</b> | <b>74,941</b>                 |
| Total Equity           | (36,716)       | 11,095                        |
| Non-current liability  | 37,413         | 22,993                        |
| Current liability      | 99,322         | 40,853                        |
| <b>Total liability</b> | <b>100,019</b> | <b>74,941</b>                 |

## NOTE 44: NON-CONTROLLING INTEREST

The Group has deficit balance of non-controlling interest as on balance sheet date of ₹ 20,138.33 Million (31<sup>st</sup> March 2017: 16,080.31 Million and 1<sup>st</sup> April, 2016: ₹ 12,980.31 Million) with respect to its subsidiary Renuka do Brasil S.A. (Renuka RDB), in which Group holds 51% stake. Considering that Group has been under judicial recovery plan in Brazil and undergoing court ordered reorganisation plan (details of which has been provided in Note 43), the group believes that any recoverability on account of Brazil operations is uncertain. Accordingly, the Group has recorded deficit balance pertaining to the non-controlling interest in parent's equity.

## NOTE 45: NOTE ON ADJUSTMENTS MADE TO COMPARATIVE FINANCIAL INFORMATION

The Group has elected to apply the revaluation model as its accounting policy for subsequent measurement of property, plant and equipment under Ind AS 16 Property, plant and Equipment (PPE). As on March 31, 2016, the Group had measured the fair value of its assets and recognised a revaluation surplus of ₹ 20,579.62 Million under the head revaluation reserve in Other Equity. However –

- Depreciation in relation to revalued Property, plant and equipment was reduced from the revaluation reserve for the year ended 31<sup>st</sup> March 2017 instead of debiting the same to statement of profit and loss.
- The Group had not recognised deferred taxes liability on the temporary difference arising from revaluation of PPE, in accordance with Ind AS 12, 'Income Taxes'
- The Group had elected to measure its investment in equity shares of NCDEX at fair value through OCI but impact of the fair value movement was not adjusted to the other comprehensive income.
- The Group has aligned the measurement of benefit of a government below market rate of interest with the requirements of Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance.'
- The Group had not released revaluation reserve to the extent of disposal of PPE to OCI.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

**These errors have been corrected by restating respective accounts in the financial information for the respective prior periods, as follows:**

|   | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|-------------------------------------|
| Impact on equity [increase/(decrease) in equity]                                  | (6,903.80)                           | (6,903.91)                          |
| Impact on equity due to restatement as on 1 <sup>st</sup> April 2016              | (6,903.91)                           | -                                   |
| Deferred tax liability on revaluation reserve                                     | -                                    | (6,976.66)                          |
| Non current investment- equity shares of NCDEX                                    | -                                    | 114.59                              |
| Government grant  | 4.62                                 | (85.61)                             |
| Reclassification/ adjustment of FCTR/consolidation adjustments                    | 2.57                                 | 43.77                               |
| Borrowings  | (30.96)                              | -                                   |
| Other expenses  | 23.88                                | -                                   |
| Impact on statement of profit or loss [increase/(decrease) in profit]             | (1,121.47)                           | -                                   |
| Other income- Government grant income   | 4.62                                 | -                                   |
| Finance cost- Unwinding of interest expenses                                      | (30.96)                              | -                                   |
| Depreciation  | (1,119.01)                           | -                                   |
| Other expenses  | 23.88                                | -                                   |
| Impact on basic and diluted earnings per share (EPS) [increase/(decrease) in EPS] |                                      |                                     |
| Earnings per share  |                                      |                                     |
| Basic   | (1.21)                               | -                                   |
| Diluted   | (1.21)                               | -                                   |

**Reconciliation of restated consolidated other equity compared to audited consolidated other equity as at 1<sup>st</sup> April 2016**

|   | Securities<br>premium | Debenture<br>redemption<br>reserve | Foreign<br>currency<br>translation<br>reserve | Foreign<br>currency<br>monetary<br>item<br>translation<br>difference<br>account | Retained<br>earnings | Revaluation<br>reserve | Changes<br>in equity<br>instrument<br>and others | Total             |
|---|-----------------------|------------------------------------|---|---|----------------------|------------------------|--|-------------------|
| As per audited financial statements                                 | 15314.27              | 500                                | (1030.31)                                     | (7965.87)   | (45957.49)           | 20579.62               | -  | (18559.78)        |
| <b>Restatement due to:</b>  |                       |                                    |   |   |                      |                        |  |                   |
| Deferred tax asset/(liability)                                      | -                     | -                                  | -   | -   | -                    | (6976.66)              | -  | (6976.66)         |
| Government grant  | -                     | -                                  | -   | -   | (85.61)              | -                      | -  | (85.61)           |
| Fair valuation of investment in equity shares of NCDEX (net of tax) | -                     | -                                  | -   | -   | -                    | -                      | 114.59   | 114.59            |
| Reclassification/ adjustment of FCTR/consolidation adjustments      | -                     | -                                  | 2164.86                                       | (1822.33)   | (298.76)             | -                      | -  | 43.77             |
| <b>Derived opening balance</b>                                      | <b>15314.27</b>       | <b>500</b>                         | <b>1134.55</b>                                | <b>(9788.2)</b>   | <b>(46341.86)</b>    | <b>13602.96</b>        | <b>114.59</b>                                    | <b>(25463.69)</b> |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Reconciliation of restated consolidated other equity compared to audited consolidated other equity as at 31<sup>st</sup> March 2017

|  | Securities premium | Debenture redemption reserve | Foreign currency translation reserve | Foreign currency monetary item translation difference account | Retained earnings | Revaluation reserve | Changes in equity instrument and others | Total             |
|--|--------------------|------------------------------|--------------------------------------|---|-------------------|---------------------|---|-------------------|
| As per audited financial statements                            | 15569.73           | 625                          | (4896.61)                            | (1740.97)   | (56484.46)        | 19460.61            | -                                       | (27466.70)        |
| <b>Restatement due to:</b>                                     |                    |                              |                                      |   |                   |                     |   |                   |
| Restatement as at 1 <sup>st</sup> April 2016                   | -                  | -                            | 2164.86                              | (1822.33)   | (384.37)          | (6976.66)           | 114.59                                  | (6903.91)         |
| Remeasurement of defined benefit plans                         | -                  | -                            | -                                    | -   | 5.81              | -                   | (5.81)                                  | -                 |
| Government grant   | -                  | -                            | -                                    | -   | (26.34)           | -                   | -                                       | (26.34)           |
| Tax effect on depreciation of revalued assets                  | -                  | -                            | -                                    | -   | (380.35)          | 380.35              | -                                       | -                 |
| Reclassification/ adjustment of FCTR/consolidation adjustments | -                  | -                            | 3.84                                 | -   | (1.27)            | -                   | -                                       | 2.57              |
| Other expenses   | -                  | -                            | -                                    | -   | 23.88             | -                   | -                                       | 23.88             |
| <b>Derived opening balance</b>                                 | <b>15569.73</b>    | <b>625</b>                   | <b>(2727.91)</b>                     | <b>(3563.3)</b>   | <b>(57247.1)</b>  | <b>12864.3</b>      | <b>108.78</b>                           | <b>(34370.50)</b> |

\*\* Capital reserve of ₹ Nil (31<sup>st</sup> March 2017: ₹ 19.01 Million, 1<sup>st</sup> April 2016: ₹ 19.01 Million) has been transferred to retained earnings.

\*\* Reserves on consolidation of ₹ Nil (31<sup>st</sup> March 2017: ₹ 366.87 Million, 1<sup>st</sup> April 2016: ₹ 366.87 Million) has been transferred to retained earnings.

## NOTE 46: ENTERPRISES CONSOLIDATED AS SUBSIDIARY IN ACCORDANCE WITH IND AS 112 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES<sup>1</sup>

| Name of the Enterprise                              | Country of Incorporation | Proportion of ownership interest |                             |
|---|--------------------------|----------------------------------|-----------------------------|
|   |                          | 31 <sup>st</sup> March 2018      | 31 <sup>st</sup> March 2017 |
| Renuka Commodities DMCC, Dubai                      | Dubai                    | 100.00%                          | 100.00%                     |
| Shree Renuka Global Ventures Ltd., Mauritius        | Mauritius                | 100.00%                          | 100.00%                     |
| Shree Renuka East Africa Agriventures PLC, Ethiopia | Ethiopia                 | 99.99%                           | 99.99%                      |
| Lanka Sugar Refinery Company (Private) Limited**    | Srilanka                 | 100.00%                          | 100.00%                     |
| Gokak Sugars Ltd.                                   | India                    | 93.64%                           | 93.64%                      |
| Shree Renuka Agri ventures Limited                  | India                    | 100.00%                          | 100.00%                     |
| Monica Trading Private Limited                      | India                    | 100.00%                          | 100.00%                     |
| Shree Renuka Tunaport Pvt. Limited                  | India                    | 100.00%                          | 100.00%                     |
| KBK Chem Engineering Pvt Limited                    | India                    | 100.00%                          | 100.00%                     |
| Shree Renuka do Brasil Participações Ltda.***       | Brazil                   | 100.00%                          | 100.00%                     |
| Shree Renuka São Paulo Participações Ltda.***       | Brazil                   | 100.00%                          | 100.00%                     |
| Renuka do Brasil S/A ***                            | Brazil                   | 59.41%                           | 59.41%                      |
| Revati S.A- Acucar e Alcool ***                     | Brazil                   | 100.00%                          | 100.00%                     |
| Renuka Geradora de Energia Elétrica Ltda***         | Brazil                   | 99.99%                           | 99.99%                      |
| Renuka Cogeração Ltda***                            | Brazil                   | 99.99%                           | 99.99%                      |
| Revati Geradora de Energia Elétrica Ltda ***        | Brazil                   | 99.99%                           | 99.99%                      |
| Revati Agropecuaria Ltda.***                        | Brazil                   | 99.99%                           | 99.99%                      |
| Renuka Vale do IVAI S/A***                          | Brazil                   | 100.00%                          | 100.00%                     |
| Ivaicana Agropecuaria Ltda.***                      | Brazil                   | 99.99%                           | 99.99%                      |
| Biovale Comercio de Leveduras Ltda. ***             | Brazil                   | 99.99%                           | 99.99%                      |

\*\* Liquidated on 30<sup>th</sup> September 2017

\*\*\* Included in the consolidated financial statements of Shree Renuka São Paulo Participações Ltda., Brazil

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for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 47: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

|  | Carrying Value                          |   |                                     | Fair Value                              |   |                                     |
|--|---|---|-------------------------------------|---|---|-------------------------------------|
|  | As at<br>31 <sup>st</sup> March<br>2018 | As at<br>31 <sup>st</sup> March<br>2017 | As at<br>1 <sup>st</sup> April 2016 | As at<br>31 <sup>st</sup> March<br>2018 | As at<br>31 <sup>st</sup> March<br>2017 | As at<br>1 <sup>st</sup> April 2016 |
| <b>Financial assets:</b>                             |   |   |                                     |   |   |                                     |
| <b>Fair value through other comprehensive income</b> |   |   |                                     |   |   |                                     |
| Investment in equity shares                          | 354.72                                  | 443.40                                  | 443.40                              | 354.72                                  | 443.40                                  | 443.40                              |
| <b>Other financial assets at amortised cost</b>      |   |   |                                     |   |   |                                     |
| Loans  | 58.20                                   | 50.38                                   | 44.37                               | 58.20                                   | 50.38                                   | 44.37                               |
| Trade receivables                                    | 7,618.26                                | 10,119.50                               | 7,223.36                            | 7,618.26                                | 10,119.50                               | 7,223.36                            |
| Cash and cash equivalents                            | 542.20                                  | 582.48                                  | 507.70                              | 542.20                                  | 582.48                                  | 507.70                              |
| Other financial assets                               | 684.30                                  | 876.58                                  | 841.77                              | 684.30                                  | 876.58                                  | 841.77                              |
| <b>Total financial assets</b>                        | <b>9,257.68</b>                         | <b>12,072.34</b>                        | <b>9,060.60</b>                     | <b>9,257.68</b>                         | <b>12,072.34</b>                        | <b>9,060.60</b>                     |
| <b>Financial liabilities:</b>                        |   |   |                                     |   |   |                                     |
| <b>Fair value through profit and loss</b>            |   |   |                                     |   |   |                                     |
| Derivative financial instruments                     | 418.28                                  | 697.33                                  | 86.18                               | 418.28                                  | 697.33                                  | 86.18                               |
| <b>Other financial liabilities at amortised cost</b> |   |   |                                     |   |   |                                     |
| Borrowings   |   |   |                                     |   |   |                                     |
| Redeemable preference shares                         | 1,058.95                                | -                                       | -                                   | 1,058.95                                | -                                       | -                                   |
| Optionally convertible preference shares             | 3,538.54                                | -                                       | -                                   | 3,538.54                                | -                                       | -                                   |
| Redeemable non-convertible debentures                | 2,112.16                                | -                                       | -                                   | 2,112.16                                | -                                       | -                                   |
| IFCI (Sugar Development Fund)                        | 435.45                                  | -                                       | 1,060.90                            | 435.45                                  | -                                       | 1,060.90                            |
| SEFASU Loan  | 742.72                                  | -                                       | 1,460.00                            | 742.72                                  | -                                       | 1,460.00                            |
| Other borrowings at floating rate of interest        | 70,623.37                               | 98,746.54                               | 88,518.39                           | 70,623.37                               | 98,746.54                               | 88,518.39                           |
| Trade Payables                                       | 40,384.07                               | 40,604.63                               | 43,981.10                           | 40,384.07                               | 40,604.63                               | 43,981.10                           |
| Other financial liabilities                          | 9,755.48                                | 8,426.86                                | 8,780.80                            | 9,755.48                                | 8,426.86                                | 8,780.80                            |
| <b>Total financial liabilities</b>                   | <b>129,069.02</b>                       | <b>148,475.36</b>                       | <b>143,887.37</b>                   | <b>129,069.02</b>                       | <b>148,475.36</b>                       | <b>143,887.37</b>                   |

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### The following methods and assumptions were used to estimate the fair values:

As at 31<sup>st</sup> March 2018, fair value of the unquoted equity shares recognised at FVTOCI have been estimated using a non-binding agreement with an investor. As at 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016, fair value of the unquoted equity shares recognised at FVTOCI has been estimated at actual sale price of shares recognised in earlier years.

The fair value of non-current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair values hierarchy due to the use of unobservable inputs including own credit risk.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2017 are as shown below:

### Description of significant unobservable inputs to valuation:

|   | Valuation technique  | Sensitivity of the input to fair value   |
|---|--|--|
| FVTOCI financial instruments Unquoted equity shares | Market realisable value based on non binding agreement with venture fund | 5% (31 March 2018: 0.5%) increase (decrease) in the market price per share would result in increase (decrease) in fair value by ₹ 17.74 Million (31 March 2017: ₹ 22.17 Million) |

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## Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI:

|   | Amount        |
|---|---------------|
| <b>As at 1<sup>st</sup> April 2016</b>  | <b>443.39</b> |
| Measurement recognised in OCI           | -             |
| Purchases                               | -             |
| Sales                                   | -             |
| <b>As at 31<sup>st</sup> March 2017</b> | <b>443.39</b> |
| Measurement recognised in OCI           | (88.68)       |
| Purchases                               | -             |
| Sales                                   | -             |
| <b>As at 31<sup>st</sup> March 2018</b> | <b>354.71</b> |

## Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

## Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31<sup>st</sup> March 2018:

|  | Fair value measurement using |  |  |  |
|--|------------------------------|--|--|--|
|  | Total                        | Quoted prices in active markets<br>(Level 1) | Significant observable inputs<br>(Level 2) | Significant unobservable inputs<br>(Level 3) |
| <b>Assets measured at fair value - recurring fair value measurement:</b> |                              |  |  |  |
| Investment in equity shares  | 354.71                       | -  | -  | 354.71                                       |
| <b>Liabilities measured at fair value:</b>                               |                              |  |  |  |
| Derivative financial instruments   | 418.28                       | 418.28                                       | -  | -  |
| <b>Borrowings</b>  |                              |  |  |  |
| Redeemable preference shares   | 1,058.95                     | -  | -  | 1,058.95                                     |
| Optionally convertible preference shares                                 | 3,538.54                     | -  | -  | 3,538.54                                     |
| Redeemable non-convertible debentures                                    | 2,112.16                     | -  | -  | 2,112.16                                     |

## Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31<sup>st</sup> March 2017:

|  | Fair value measurement using |  |  |  |
|--|------------------------------|--|--|--|
|  | Total                        | Quoted prices in active markets<br>(Level 1) | Significant observable inputs<br>(Level 2) | Significant unobservable inputs<br>(Level 3) |
| <b>Assets measured at fair value - recurring fair value measurement:</b> |                              |  |  |  |
| Investment in equity shares  | 443.39                       | -  | -  | 443.39                                       |
| <b>Liabilities measured at fair value:</b>                               |                              |  |  |  |
| Derivative financial instruments   | 697.33                       | 697.33                                       | -  | -  |

## Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 1<sup>st</sup> April 2016:

|  | Fair value measurement using |  |  |  |
|--|------------------------------|--|--|--|
|  | Total                        | Quoted prices in active markets<br>(Level 1) | Significant observable inputs<br>(Level 2) | Significant unobservable inputs<br>(Level 3) |
| <b>Assets measured at fair value - recurring fair value measurement:</b> |                              |  |  |  |
| Investment in equity shares  | 443.39                       | -  | -  | 443.39                                       |
| <b>Liabilities measured at fair value:</b>                               |                              |  |  |  |
| Derivative financial instruments   | 86.18                        | 86.18  | -  | -  |

There have been no transfers between Level 1 and Level 2 during the period.

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for the year ended 31<sup>st</sup> March 2018

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## NOTE 48: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

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

The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Group. The senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The board of directors reviews and agrees for managing each of these risks.

### Market risk:

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

### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

### Interest rate sensitivity:

| Particulars                        | As at<br>31 <sup>st</sup> March 2018 | Composition | As at<br>31 <sup>st</sup> March 2017 | Composition |
|------------------------------------|--------------------------------------|-------------|--------------------------------------|-------------|
| Borrowing - Fixed interest rate    | 7,887.82                             | 10.05%      | -                                    | 0.00%       |
| Borrowing - Floating interest rate | 70,623.37                            | 89.95%      | 98,746.54                            | 100.00%     |
| <b>Total</b>                       | <b>78,511.19</b>                     |             | <b>98,746.54</b>                     |             |

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

|                                   | Increase/<br>decrease in basis<br>points | Effect on profit<br>before tax |
|-----------------------------------|--|--------------------------------|
| <b>31<sup>st</sup> March 2018</b> |  |                                |
| ₹                                 | 50                                       | 353.12                         |
| <b>31<sup>st</sup> March 2017</b> |  |                                |
| ₹                                 | 50                                       | 493.73                         |

### Foreign currency risk:

The Group enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Group analyses currency risk as to which balances outstanding in currency other than the functional currency of that Group. The management has taken a position not to hedge this currency risk.

### Foreign currency sensitivity:

As at 31<sup>st</sup> March 2018, net exposure of the Company and its subsidiaries to asset and liabilities is as follows:

| Currency                   | Liabilities as at                    |                                      |
|----------------------------|--------------------------------------|--------------------------------------|
|                            | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
| United States Dollar (USD) | (55,017.61)                          | (19,114.18)                          |
| Brazilian Reals (BRL)      | (16,707.15)                          | (7,307.58)                           |

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## 5% increase and decrease in the foreign exchange rates will have the following impact on profit before tax:

| Currency                   | Sensitivity Analysis                 |                                      |
|----------------------------|--------------------------------------|--------------------------------------|
|                            | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 |
| <b>Increase by 5%</b>      |                                      |                                      |
| United States Dollar (USD) | (2,750.88)                           | (955.71)                             |
| Brazilian Reais (BRL)      | (835.36)                             | (365.38)                             |
| <b>Decrease by 5%</b>      |                                      |                                      |
| United States Dollar (USD) | 2,750.88                             | 955.71                               |
| Brazilian Reais (BRL)      | 835.36                               | 365.38                               |

## Commodity price risk:

Commodity price in sugar industry is impacted by multiple factors such as international sugar price, government regulations, quantity of sugar production in the relevant period, etc. The Group has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The following table shows effect of changes in various commodities on the profit of the Company.

## Commodity price sensitivity:

|                                | Sugar      | Cane       | Raw Sugar  |
|--------------------------------|------------|------------|------------|
| <b>Increase in price by 5%</b> |            |            |            |
| 31 <sup>st</sup> March 2018    | 3,136.56   | (622.61)   | (1,607.10) |
| 31 <sup>st</sup> March 2017    | 5,070.65   | (1,285.72) | (2,108.76) |
| <b>Decrease in price by 5%</b> |            |            |            |
| 31 <sup>st</sup> March 2018    | (3,136.56) | 622.61     | 1,607.10   |
| 31 <sup>st</sup> March 2017    | (5,070.65) | 1,285.72   | 2,108.76   |

## Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and loans given to affiliates. The Group only deals with parties which has good credit worthiness based on company's internal assessment. The Group has developed credit worthiness assessment mechanism as well. As per the management procedure, each party is internally rated on the basis of their external ratings (wherever available), respective industry information / trends available, financial position of party and past transactions with the party.

A counterparty whose payment is due more than 90 days after the due date is considered as a defaulted party. This is based on considering the market and economic forces in which the entities in the Company is operating. The Group write-off the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 180 days from the due date.

## Trade receivables:

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 180 days.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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## Liquidity risk:

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares etc. Post the recent debt restructuring process, the Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

**The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.**

| Particulars                              | Less than 1 year | 1 to 5 years     | >5 years         | Total             |
|--|------------------|------------------|------------------|-------------------|
| <b>As at 31<sup>st</sup> March, 2018</b> |                  |                  |                  |                   |
| Borrowings                               | 49,453.74        | 16,319.65        | 12,737.80        | 78,511.19         |
| Trade and other payables                 | 39,021.76        | -                | -                | 39,021.76         |
| Other financial liabilities              | 5,546.22         | 60.89            | -                | 5,607.11          |
| <b>Total</b>                             | <b>94,021.72</b> | <b>16,380.54</b> | <b>12,737.80</b> | <b>123,140.06</b> |
| <b>As at 31<sup>st</sup> March, 2017</b> |                  |                  |                  |                   |
| Borrowings                               | 48,285.19        | 26,412.16        | 24,049.19        | 98,746.54         |
| Trade and other payables                 | 39,214.70        | -                | -                | 39,214.70         |
| Other financial liabilities              | 7,892.99         | 82.11            | -                | 7,975.10          |
| <b>Total</b>                             | <b>95,392.88</b> | <b>26,494.27</b> | <b>24,049.19</b> | <b>145,936.34</b> |

## NOTE 49: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of Group's management is to maximise shareholder's value.

The Group manages its capital structure and makes adjustments in light of changes in the financial condition. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

**The calculation of capital for the purpose of capital management is as follows:**

|   | As at<br>31 <sup>st</sup> March 2018 | As at<br>31 <sup>st</sup> March 2017 | As at<br>1 <sup>st</sup> April 2016 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| Equity share capital                        | 1,916.82                             | 945.25                               | 928.81                              |
| Other equity (including securities premium) | (38,628.73)                          | (34,370.50)                          | (25,463.69)                         |
|   | <b>(36,711.91)</b>                   | <b>(33,425.25)</b>                   | <b>(24,534.88)</b>                  |

## NOTE 50: SEGMENT INFORMATION

### Primary Segment Reporting for the Year ended 31<sup>st</sup> March 2018

The Management Committee monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The group's financing (including finance costs and finance income) and income taxes are managed on a group level and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



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| Particulars                                       | SUGAR            |                  |                  | TRADING          |                  |                  | CO-GENERATION   |                 |               | ETHANOL         |               |               | Engineering  |              |              | OTHER        |              |              | ELIMINATIONS |              |              | TOTAL        |              |              |
|---|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|---------------|-----------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2017-18          | 2016-17          | 2017-18          | 2017-18          | 2016-17          | 2017-18          | 2017-18         | 2016-17         | 2017-18       | 2017-18         | 2016-17       | 2017-18       | 2017-18      | 2016-17      | 2017-18      | 2017-18      | 2016-17      | 2017-18      | 2017-18      | 2016-17      | 2017-18      | 2017-18      | 2016-17      | 2016-17      |
| <b>REVENUE</b>                                    |                  |                  |                  |                  |                  |                  |                 |                 |               |                 |               |               |              |              |              |              |              |              |              |              |              |              |              |              |
| External sales                                    | 58,521.42        | 84,800.96        | 13,073.06        | 26,591.45        | 3,206.04         | 3,005.15         | 2,453.88        | 4,685.86        | 127.82        | 266.78          | 94.88         | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Inter-segment sales                               | 3,735.30         | 1,694.36         | -                | -                | 2,716.82         | 2,218.79         | -               | -               | 23.72         | 3.98            | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Revenue</b>                              | <b>62,256.72</b> | <b>86,495.32</b> | <b>13,073.06</b> | <b>26,591.45</b> | <b>5,922.86</b>  | <b>5,223.94</b>  | <b>2,453.88</b> | <b>4,685.86</b> | <b>151.54</b> | <b>270.76</b>   | <b>94.88</b>  | <b>94.88</b>  | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> | <b>94.88</b> |
| Results   | (10,604.85)      | 7431.70          | (8,270.46)       | (201.05)         | (1,349.92)       | (369.39)         | 520.98          | 1276.21         | (80.02)       | (69.99)         | (16.14)       | 50.79         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Unallocated corporate expenses                    | -                | -                | -                | -                | -                | -                | -               | -               | -             | -               | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Operating profit</b>                           |                  |                  |                  |                  |                  |                  |                 |                 |               |                 |               |               |              |              |              |              |              |              |              |              |              |              |              |              |
| Finance costs                                     | -                | -                | -                | -                | -                | -                | -               | -               | -             | -               | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Foreign currency and derivative (gain)/loss (net) | -                | -                | -                | -                | -                | -                | -               | -               | -             | -               | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Other income                                      | -                | -                | -                | -                | -                | -                | -               | -               | -             | -               | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Profit from ordinary activities</b>            |                  |                  |                  |                  |                  |                  |                 |                 |               |                 |               |               |              |              |              |              |              |              |              |              |              |              |              |              |
| Exceptional items                                 | -                | -                | -                | -                | -                | -                | -               | -               | -             | -               | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Profit before tax</b>                          |                  |                  |                  |                  |                  |                  |                 |                 |               |                 |               |               |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>OTHER INFORMATION</b>                          |                  |                  |                  |                  |                  |                  |                 |                 |               |                 |               |               |              |              |              |              |              |              |              |              |              |              |              |              |
| Segment assets                                    | 53,636.38        | 66,437.95        | 8,911.87         | 23,611.26        | 23,580.70        | 21,453.38        | 6,619.82        | 5,771.61        | 300.78        | 1,095.26        | 834.99        | 870.67        | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Unallocated corporate assets                      | -                | -                | -                | -                | -                | -                | -               | -               | -             | -               | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Assets</b>                               | <b>53,536.38</b> | <b>66,437.95</b> | <b>8,911.87</b>  | <b>23,611.26</b> | <b>23,580.70</b> | <b>21,453.38</b> | <b>6,619.82</b> | <b>5,771.61</b> | <b>300.78</b> | <b>1,095.26</b> | <b>834.99</b> | <b>870.67</b> | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| Segment liabilities                               | 43,435.53        | 34,678.87        | 9,549.44         | 16,337.94        | 3,923.19         | 4,359.40         | 167.55          | 24.26           | 103.96        | 221.39          | 6.67          | 3.74          | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Unallocated corporate liabilities                 | -                | -                | -                | -                | -                | -                | -               | -               | -             | -               | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Liabilities</b>                          | <b>43,435.53</b> | <b>34,678.87</b> | <b>9,549.44</b>  | <b>16,337.94</b> | <b>3,923.19</b>  | <b>4,359.40</b>  | <b>167.55</b>   | <b>24.26</b>    | <b>103.96</b> | <b>221.39</b>   | <b>6.67</b>   | <b>3.74</b>   | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| Capital expenditure                               | 4,570.93         | 6120.06          | 1.02             | 0.06             | 276.3            | 12.83            | 241.2           | 9.96            | 0.21          | 0.51            | 0.04          | 0.02          | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Unallocated corporate capital expenditure         | -                | -                | -                | -                | -                | -                | -               | -               | -             | -               | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Capital Expenditure</b>                  | <b>4,570.93</b>  | <b>6,120.06</b>  | <b>1.02</b>      | <b>0.06</b>      | <b>276.3</b>     | <b>12.83</b>     | <b>241.2</b>    | <b>9.96</b>     | <b>0.21</b>   | <b>0.51</b>     | <b>0.04</b>   | <b>0.02</b>   | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| Depreciation                                      | 7,087.23         | 7,958.58         | 6.57             | 703              | 1,170.51         | 1,239.67         | 272.50          | 274.83          | 3.75          | 4.55            | 49.72         | 49.77         | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Unallocated corporate depreciation                | -                | -                | -                | -                | -                | -                | -               | -               | -             | -               | -             | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Depreciation</b>                         | <b>7,087.23</b>  | <b>7,958.58</b>  | <b>6.57</b>      | <b>703</b>       | <b>1,170.51</b>  | <b>1,239.67</b>  | <b>272.50</b>   | <b>274.83</b>   | <b>3.75</b>   | <b>4.55</b>     | <b>49.72</b>  | <b>49.77</b>  | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |

Inter-segment revenues are eliminated upon consolidation and are reflected in the 'eliminations' column.

All other adjustments forming a part of unallocated corporate segment are provided with detailed reconciliation.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## Reconciliation to amounts reflected in the financial statements:

### Reconciliation of assets

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| <b>Segment operating assets</b>                    | 93,784.54                                 | 119,240.13                                |
| Deferred Tax asset (refer note 7)                  | 3,561.60                                  | 2,325.19                                  |
| Investment (refer note 4)                          | 1,075.49                                  | 1,210.68                                  |
| Cash and cash equivalents (refer note 11)          | 542.20                                    | 582.48                                    |
| Other assets forming a part of unallocated segment | 1,055.54                                  | 4,883.07                                  |
| <b>Total assets</b>                                | <b>100,019.37</b>                         | <b>128,241.55</b>                         |

### Reconciliation of liabilities

|  | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--|---|---|
| <b>Segment operating liabilities</b>                     | 57,186.35                                 | 55,625.59                                 |
| Non-current borrowings (refer note 16)                   | 29,057.45                                 | 50,461.35                                 |
| Current borrowings (refer note 22)                       | 2,245.79                                  | 9,659.38                                  |
| Current maturity of long-term borrowings (refer Note 24) | 47,207.95                                 | 38,625.81                                 |
| Government Grants (refer note 20)                        | 147.56                                    | 304.74                                    |
| Deferred Tax liabilities (refer note 7)                  | 40.59                                     | 3,221.01                                  |
| Other liabilities forming part of unallocated segment    | 849.63                                    | 3,751.27                                  |
| <b>Total Liabilities</b>                                 | <b>136,735.32</b>                         | <b>161,649.15</b>                         |

### Revenue from customers

|                      | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|----------------------|---|---|
| India                | 23,324.18                                 | 21,723.21                                 |
| Outside India        | 54,116.39                                 | 97,721.87                                 |
| <b>Total revenue</b> | <b>77,440.57</b>                          | <b>119,445.08</b>                         |

### Total assets

|                     | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|---------------------|---|---|
| India               | 63,126.93                                 | 65,984.76                                 |
| Outside India       | 36,892.44                                 | 62,256.79                                 |
| <b>Total assets</b> | <b>100,019.37</b>                         | <b>128,241.55</b>                         |

### Total liabilities

|                          | Year ended<br>31 <sup>st</sup> March 2018 | Year ended<br>31 <sup>st</sup> March 2017 |
|--------------------------|---|---|
| India                    | 58,135.94                                 | 64,068.51                                 |
| Outside India            | 78,599.38                                 | 97,580.64                                 |
| <b>Total liabilities</b> | <b>136,735.32</b>                         | <b>161,649.15</b>                         |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

All amounts in million Indian Rupees, unless otherwise stated

## NOTE 51: ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

| Sl No.     | Name of the entity in the Group                     | As % of consolidated net assets | Net assets i.e. total assets minus total liabilities | As % of consolidated profit/loss after tax | Profit/(loss) for the year | As % of consolidated other comprehensive income | Other comprehensive income | As % of consolidated total comprehensive income | Total comprehensive income |
|------------|---|---------------------------------|--|--|----------------------------|---|----------------------------|---|----------------------------|
| <b>1</b>   | <b>Parent</b>                                       |                                 |  |  |                            |   |                            |   |                            |
|            | Shree Renuka Sugars Limited                         | -24%                            | 8,915.38   | 135%                                       | (29,821.36)                | 189%  | (618.15)                   | 136%  | (30,439.51)                |
| <b>II</b>  | <b>Indian subsidiaries</b>                          |                                 |  |  |                            |   |                            |   |                            |
| 1          | Gokak Sugars Ltd.                                   | -1%                             | 202.07   | 2%   | (344.81)                   | 0%  | 0.31                       | 2%  | (344.50)                   |
| 2          | Shree Renuka Agriventures Ltd.                      | 1%                              | (220.24)   | 0%   | (19.27)                    | 0%  | -                          | 0%  | (19.27)                    |
| 3          | Monica Trading Private Limited                      | 0%                              | 68.23  | 0%   | (3.24)                     | 0%  | -                          | 0%  | (3.24)                     |
| 4          | Shree Renuka Tunaport Pvt. Ltd.                     | 0%                              | (7.76)   | 0%   | (0.32)                     | 0%  | -                          | 0%  | (0.32)                     |
| 5          | KBK Chem Engineering Pvt Ltd.                       | 3%                              | (1,216.35)   | 3%   | (650.10)                   | 0%  | -                          | 3%  | (650.10)                   |
| <b>III</b> | <b>Foreign subsidiaries</b>                         |                                 |  |  |                            |   |                            |   |                            |
| 1          | Renuka Commodities DMCC, Dubai                      | 54%                             | (19,795.23)  | 122%                                       | (26,899.35)                | 0%  | -                          | 120%  | (26,899.35)                |
| 2          | Shree Renuka Global Ventures Ltd., Mauritius        | 0%                              | (29.99)  | 104%                                       | (22,794.35)                | 0%  | -                          | 102%  | (22,794.35)                |
| 3          | Shree Renuka East Africa Agriventures PLC, Ethiopia | 0%                              | 3.66   | 0%   | -                          | 0%  | -                          | 0%  | -                          |
| 4          | Lanka Sugar Refinery Company (Private) Limited      | 0%                              | (1.06)   | 0%   | (1.30)                     | 0%  | -                          | 0%  | (1.30)                     |
| 5          | Shree Renuka do Brasil Participações Ltda.          | -5%                             | 1,937.83   | -3%  | 629.90                     | 0%  | -                          | -3%   | 629.90                     |
| 6          | Shree Renuka São Paulo Participações Ltda.          | -22%                            | 8,077.34   | 0%   | (2.30)                     | 0%  | -                          | 0%  | (2.30)                     |
| 7          | Renuka do Brasil S/A                                | 137%                            | (50,261.46)  | 45%  | (9,815.98)                 | 0%  | -                          | 44%   | (9,815.98)                 |
| 8          | Revati S.A- Acucar e Alcool                         | -6%                             | 2,347.71   | 7%   | (1,510.96)                 | 0%  | -                          | 7%  | (1,510.96)                 |
| 9          | Renuka Geradora de Energia Elétrica Ltda            | 3%                              | (1,121.79)   | 1%   | (282.38)                   | 0%  | -                          | 1%  | (282.38)                   |
| 10         | Renuka Cogeração Ltda                               | -7%                             | 2,479.03   | 0%   | (0.02)                     | 0%  | -                          | 0%  | (0.02)                     |
| 11         | Revati Geradora de Energia Elétrica Ltda            | -10%                            | 3,766.14   | 2%   | (526.71)                   | 0%  | -                          | 2%  | (526.71)                   |
| 12         | Revati Agropecuaria Ltda.                           | 53%                             | (19,403.73)  | 13%  | (2,914.61)                 | 0%  | -                          | 13%   | (2,914.61)                 |
| 13         | Renuka Vale do IVAI S/A                             | 20%                             | (7,220.91)   | 8%   | (1,801.18)                 | 0%  | -                          | 8%  | (1,801.18)                 |
| 14         | Ivaicana Agropecuaria Ltda.                         | 8%                              | (2,794.88)   | 3%   | (689.95)                   | 0%  | -                          | 3%  | (689.95)                   |
| 15         | Biovale Comercio de Leveduras Ltda.                 | -1%                             | 414.03   | 0%   | (44.19)                    | 0%  | -                          | 0%  | (44.19)                    |
|            | Non Controlling Interest                            |                                 | (4.04)   |  | (21.67)                    |   | (0.02)                     |   | (21.69)                    |
|            | Adjustments arising out of consolidation            |                                 | 37150.07   |  | 75,498.29                  |   | 289.95                     |   | 75,788.24                  |
|            |   |                                 | <b>(36,715.95)</b>                                   |  | <b>(22,015.86)</b>         |   | <b>(327.91)</b>            |   | <b>(22,343.77)</b>         |

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

*All amounts in million Indian Rupees, unless otherwise stated*

## NOTE 52

Previous year's figures have been regrouped /rearranged wherever necessary to conform to the current year presentation.

To be read with our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

For and on behalf of the **Board of directors of**

**Shree Renuka Sugars Limited**

**per Shyamsundar Pachisia**

Partner

Membership No.49237

**Vidya M. Murkumbi**

Executive Chairperson

DIN: 00007588

**Narendra M. Murkumbi**

Vice-Chairman & Managing Director

DIN: 00009164

**K. K. Kumbhat**

Chief Financial Officer

**Rupesh Saraiya**

Company Secretary

ACS No.: A14699

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

Date : 3<sup>rd</sup> May 2018

Place: Mumbai

# Notice

NOTICE is hereby given that the Twenty-Second Annual General Meeting of **Shree Renuka Sugars Limited** will be held on Saturday, 29<sup>th</sup> September, 2018 at 1.30 p.m. at Maratha Mandir Hall, Near Railway Over Bridge, Khanapur Road, Belagavi - 590 001 to transact the following business:

## ORDINARY BUSINESS:

1. To consider and adopt the audited standalone and the consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Stephen Ho Kiam Kong (DIN: 07584449), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors for raising, borrowing and availing loans and other credit facilities, whether by way of loans, bonds, foreign currency borrowings or any other instruments from any person including banks, financial institutions, which when aggregated together with all existing borrowings of the Company shall not exceed by ₹ 6,000 crores.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, desirable and to resolve any question or difficulty or doubt that may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

4. **To consider and if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT in partial modification/ supersession of the special resolution passed by the Company under Section 180(1)(a) of the Companies Act, 2013, through Postal Ballot on 7<sup>th</sup> October, 2014 and pursuant other applicable provisions, if any, of the Companies Act, 2013, ("the Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company 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), to create such charges, mortgages, hypothecations, pledges etc. in addition to the existing charges, mortgages, hypothecations, pledges etc. already created by the Company, on such terms and conditions and at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit, on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings, including present or future properties, whether immovable or movable assets, comprised in any undertaking of the Company, as may be agreed to in favour of the Bank or Banks, Financial Institutions, lending institutions, person or persons, hereinafter referred to as the lenders, and/or trustees to secure borrowings upto an aggregate amount not exceeding ₹ 6,000 Crores (Rupees Six Thousand Crores) subject to the limits approved under Section 180(1)(c) of the Act, together with interest at the respective agreed rates by issue of Non-Convertible Debentures, Bonds, Term Loans, and/or other instruments including foreign currency borrowings, as the Board may deem fit, to be issued in one or more tranches, to Indian/ Foreign Banks, Institutions, Investors, Mutual Funds, Companies, other Corporate Bodies, Resident/ Non-resident Indians, Foreign Nationals, and other eligible investors, and upon such terms and conditions, as may be decided by the Board, including any increase as a result of devaluation/ revaluation or fluctuation in the rates of exchange together with interest, at the respective agreed rates, compound interest, additional interest, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and other monies covered by the aforesaid financial assistance under the respective documents, entered into by the Company in respect of the said Debentures/Bonds/term loans/other instrument(s) including Foreign Currency borrowings, in terms of their issue.

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/ pari passu/subservient with/to the mortgages and/or charges already created or to be created in future by the Company and as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee(s) of Directors or any one or more whole-time directors of the Company, with the power to further delegate any such powers as they may deem fit, to finalize, settle and execute such documents/

deeds/writings/agreements, as may be required, and to do all such acts, matters and things as it may at its absolute discretion deem proper, fit and expedient and to settle any question(s), difficulty(ies) or doubt that may arise in regard to creating mortgage/charge as aforesaid or otherwise considered to be in the best interests of the Company."

**5. To consider and if thought fit, to pass 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 rules made thereunder and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. Madhu Rao (DIN: 02683483), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 27<sup>th</sup> June, 2018 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of 5 (Five) consecutive years with effect from 27<sup>th</sup> June, 2018."

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

"RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 188, if and to the extent applicable, and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company, consent of the members of the Company 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 (₹ in crores) |
|---------|---------------------------------|---|------------------------------------|--|
| 1       | Adani Wilmar Limited            | Entity & Company are joint ventures of the same third party, Wilmar Group           | Purchase/ sale of sugar/coal       | 1,000                                    |
| 2       | Wilmar Sugar Pte. Ltd.          | Entity & Company is subsidiary/ joint venture of the same third party, Wilmar Group | Purchase/ sale of sugar            | 3,000                                    |
| 3       | Wilmar Sugar Holdings Pte. Ltd. | Holding Company of Shree Renuka Sugars Limited                                      | Sale of sugar                      | 2,000                                    |

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things; to finalise or vary the terms and conditions of the transactions with the aforesaid parties; 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."

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

"RESOLVED THAT pursuant to Regulation 31A and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any

other laws and regulations as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force), and other applicable provisions; pursuant to the application received by the Company on 30<sup>th</sup> July 2018 requesting for such reclassification and subject to necessary approvals from the Stock Exchanges and other appropriate statutory authorities, as may be necessary; the approval of the Members, be and is hereby accorded to reclassify the following persons/entities (hereinafter individually & jointly referred to as the "Applicants") and currently forming part of the "Promoter and Promoter Group" holding 120,91,705 equity shares aggregating to 0.63% of the

paid-up equity share capital of the Company, from "Promoter & Promoter Group shareholders" of the Company to the "Public Shareholders" of the Company:

| Sr. No.      | Name  | Category       | Number of Equity Shares | % of the Paid-up Equity Share Capital |
|--------------|---|----------------|-------------------------|---------------------------------------|
| 1            | Mrs. Vidya Murkumbi                                 | Promoter       | 12,28,800               | 0.06                                  |
| 2            | Mr. Narendra Murkumbi                               | Promoter       | 1,08,12,905             | 0.56                                  |
| 3            | Mrs. Apoorva Murkumbi                               | Promoter Group | 50,000                  | 0.00                                  |
| 4            | Mr. Dilip Deshpande                                 | Promoter Group | 0                       | 0.00                                  |
| 5            | Mrs. Supriya Rojekar                                | Promoter Group | 0                       | 0.00                                  |
| 6            | Ms. Malvika Narendra Murkumbi                       | Promoter Group | 0                       | 0.00                                  |
| 7            | Ms. Inika Narendra Murkumbi                         | Promoter Group | 0                       | 0.00                                  |
| 8            | Mrs. Anuradha Kulkarni                              | Promoter Group | 0                       | 0.00                                  |
| 9            | Narendra Madhusudan Murkumbi (HUF)                  | Promoter Group | 0                       | 0.00                                  |
| 10           | Murkumbi Investments Private Limited                | Promoter       | 0                       | 0.00                                  |
| 11           | Khandepar Investments Private Limited               | Promoter       | 0                       | 0.00                                  |
| 12           | Agri Venture Trading And Investment Private Limited | Promoter       | 0                       | 0.00                                  |
| <b>Total</b> |   |                | <b>1,20,91,705</b>      | <b>0.63</b>                           |

RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned Applicants, the Company shall effect such re-classification in the statement of shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements), 2015 and compliance to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.

RESOLVED FURTHER THAT the any one of the Directors or Company Secretary of the Company, be and is hereby authorized to perform and execute all such acts, deeds, matters and things including but not limited to making timely applications and intimations to Stock Exchange(s), and to execute all other documents, applications and undertakings required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of ₹ 4,50,000 (Rupees Four lakhs Fifty thousand) (plus applicable tax and out-of-pocket expenses, if any, for the purpose of Audit) to M/s B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) appointed as Cost Auditors by

the Board of Directors of the Company for conducting the cost audit for the financial year ending 31<sup>st</sup> March, 2019, 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**

Sd/-  
**Rupesh Saraiya**  
Company Secretary

8<sup>th</sup> August, 2018, Mumbai

**Regd. Office:**

BC 105, Havelock Road,  
Camp, Belagavi – 590 001.  
CIN: L01542KA1995PLC019046

**NOTES:**

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the special business are annexed hereto.
2. 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.
3. The instrument appointing proxy(ies) must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies



etc., must be supported by an appropriate resolution/ authority, as applicable. A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

4. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
5. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the meeting, a member would be entitled to inspect, at any time between 9 a.m. and 6 p.m. during the working days of the Company, the proxies lodged provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
6. Corporate members intending to send their authorised representatives 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.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21<sup>st</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018, (both days inclusive).
8. This Notice is being sent to all the members, whose names appear in the Register of Members/Statements of beneficial ownership maintained by the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on 24<sup>th</sup> August, 2018.
9. Electronic copy of the Annual Report for the year ended 31<sup>st</sup> March, 2018 including the Notice of the 22<sup>nd</sup> Annual General Meeting of the Company amongst other things, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail ID(s) are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the above mentioned documents are being sent by the permitted mode.
10. 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. Proxies should carry their identity proof at the meeting for the purpose of identification.
11. 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.
12. As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the provisions of Secretarial Standard-2 on General Meetings the relevant information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is provided in the Notice of Annual General Meeting.
13. 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 Agent of the Company viz. Karvy Computershare Pvt. Ltd. ("KARVY").
14. All relevant documents referred to in the accompanying Notice are open for inspection by members at the Registered and Corporate Office of the Company on all working days except Saturdays, Sundays and public holidays, between 9.00 a.m. and 6.00 p.m. upto the date of Annual General Meeting.
15. 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.
16. 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.
17. In accordance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all its members as an alternate mode to exercise their right to vote.



18. The facility for voting through ballot paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.

19. The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

20. Process and Manner of remote e-voting

Pursuant to Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of Companies Act, 2013 and Rules made thereunder, the Company is providing facility for voting by electronic means ("remote e-voting") 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 Advocate Mr. Gururaj P. Mutalik (M. No. KAR/1535/06), as the Scrutinizer for conducting the remote 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 22<sup>nd</sup> September, 2018 being the Cut-off date for the purpose. The shareholders of the Company holding shares either in dematerialised or in physical form, as on the Cut-off date, may cast their vote electronically. A person who is not a shareholder as on the Cut-off date should treat this Notice for information purposes only.

Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and is holding shares as on the Cut-off date i.e. 22<sup>nd</sup> September, 2018, may obtain the User ID and password in the manner as mentioned below:

- (i) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL :  
MYEPWD<SPACE>EVENTIN12345612345678

Example for CDSL :  
MYEPWD<SPACE>EVENT1402345612345678

Example for Physical :  
MYEPWD<SPACE>EVENTXXXX1234567

- (ii) If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>,

the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

#### The process and manner for remote e-voting are as under:

- (1) The Company has entered into an arrangement with Karvy Computershare Private Limited ("Karvy") for facilitating remote e-voting for the ensuing Annual General Meeting. The instructions for remote e-voting are as under:

- (i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- (ii) Enter the login credentials, i.e. user-id & password, mentioned on the Attendance Slip / Email forwarded through the electronic notice:

|          |   |
|----------|---|
| User-ID  | For shareholder(s)/ Beneficial Owner(s) holding Shares in Demat Form:-<br><br>a) For NSDL:- 8 Characters DP ID followed By 8 Digits Client ID<br><br>b) For CDSL:- 16 Digits Beneficiary ID<br><br>For Members holding shares in Physical Form:- Folio Number registered with the Company |
| Password | Your Unique password is printed on the AGM Attendance Slip / sent via email forwarded through the electronic notice.  |
| Captcha  | Enter the Verification code for security reasons, i.e., please enter the alphabets and numbers in the exact way as they are displayed.  |

- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) Members holding shares in Demat / Physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like \*, #, @, etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that such company opts for e-voting through Karvy's e-Voting platform. System will prompt you to change your password and update any contact details like mobile, email ID, 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. Kindly ensure that you note down your password for future reference. In case you forget it, you will need to go through 'Forgot Password' option available on the Karvy's e-voting website to reset the same.

- (v) You need to login again with the new credentials.
  - (vi) On successful login, system will prompt to select the 'Event', i.e. 'SHREE RENUKA SUGARS LIMITED'.
  - (vii) If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any other company, then your existing login id and password are to be used.
  - (viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If you do not want to cast a vote, you may select 'ABSTAIN'.
  - (ix) After selecting the resolution if you have decided to cast vote on the same, click on "SUBMIT" and a confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  - (xi) Corporate / Institutional Members (corporate / FIs / FIIs / Trust / Mutual Funds / Banks, etc.) are required to send scanned copy (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [gururajmutalik@gmail.com](mailto:gururajmutalik@gmail.com) with a copy to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image / pdf file of the Board Resolution should be in the naming format "Corporate Name".
- (2) Once you have cast your vote on a resolution you will not be allowed to modify it subsequently. Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.
- (3) The Portal will remain open for voting from: 9.00 a.m. on 26<sup>th</sup> September, 2018 to 5.00 p.m. on 28<sup>th</sup> September, 2018 (both days inclusive). The e-voting portal shall be disabled by Karvy thereafter.
- (4) 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>. In case of any grievances, you may contact Mr. Rajeev Kumar of Karvy Computershare Private Limited at 040-67162222 or at 1800-3454-001 (toll free); email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com).
- (5) The Scrutinizer shall within a period not later than 3 (Three) days from the conclusion of the voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 (Three) days after the conclusion of the Annual General Meeting to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
- (6) The resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the resolutions.
- (7) The results declared along with the Scrutinizer's Report(s) will be placed on the website of the Company immediately after it is declared by the Chairman, or any other person authorised by the Chairman, and the same shall be communicated to National Stock Exchange of India Limited and BSE Limited.
21. A separate communication for shareholders holding shares in physical form is enclosed after the Notice of the Annual General Meeting.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 3:**

As per the provisions of section 180(1)(c) and other applicable provisions of the Companies Act 2013, the Board of Director cannot, except with the consent of the Company in general meeting, borrow monies apart from temporary loan obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital, free reserves and securities premium.

The consent of the Company is required under the provision of section 180(1)(c) and applicable provisions of the Companies Act 2013, authorizing the Board of Directors of the Company to borrow monies in excess of paid up capital and free reserve, and to specify total amount up to which the borrowing powers to be exercised.

The Company at its Annual General Meeting held on 26<sup>th</sup> September, 2014 had empowered the Board of Directors of the Company to borrow and raise money not exceeding ₹ 4,800 Crores.

To meet fund requirement of the Company's business and various other purposes, it requires to borrow monies time to time as may be circumstances warrant.

The Company may also be required to borrow monies to meet the fund requirement arising out of growth in the operations of the Company. It is desirable, as a matter of abundant caution also, to provide a sufficient margin for borrowing by one or another means as detailed in the resolution, to be covered under borrowing powers of the Board.

Therefore, it is proposed to increase the borrowing limits and to authorize and empower the Board to exercise powers in such a manner as they think fit in respect to borrow monies which may exceed the aggregate of the paid up capital, free reserves and securities premium of the Company provided that the outstanding principal amount of such borrowings at any point of time shall not exceed of ₹ 6,000 crores (Rupee Six thousand crores).

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

Directors, Key Managerial Personnel of the Company and any of their relatives are not concerned or interested in the resolution, except to the extent of equity shares in the Company that may be held by them or any entity in which they may be deemed to be concerned or interested.

#### **Item No. 4:**

The resolution relates to authorizing the Board of Directors of the Company to create mortgage, charge, pledge, hypothecation, interest etc. on all or any of the present and future assets, undertakings, receivables, projects, agreements, rights, privileges, investments, securities, movable and immovable properties of the Company as described in the said Resolution.

As the Company is planning to pursue operations and projects, to meet fund requirement for the existing and future operation and for the Company's business and various other

purposes, it requires to borrow monies from time to time as may be circumstances warrant to meet the fund requirement of the Company and to augment its working capital, facilities, credit needs, repay or prepay high cost debts or restructuring of borrowing. The Company may also be required to borrow monies to meet the fund requirement arising out of growth in the operations of the Company.

The borrowings and credit facilities availed by the Company would need to be secured in manner, as may be agreed with Lenders, including by way of charge, mortgage, pledge, hypothecation and/or encumbrance on or in relation to the Company's assets, properties, undertaking etc. as described in the Resolution.

The Company had earlier empowered the Board of Directors of the Company to create mortgage, charge, pledge, hypothecation, interest etc. by way of a special resolution passed by the shareholders through Postal Ballot on 7<sup>th</sup> October, 2014.

In course of business and if circumstances warrant, there would be requirement to sale, lease or otherwise dispose off by entering into feasible arrangement to meet the fund requirement and business needs of the Company and considering that the documents to be executed with the Lenders may contain provisions in this respect including to take over substantial assets and undertakings of the Company or enforcement of the security as may be stipulated in that behalf in certain events, it is necessary to pass the resolution enabling the Board to exercise powers in this respect, if necessary, in interest of the Company.

The consent of the shareholders is required under the provision of section 180(1)(a) and applicable provisions of the Companies Act, 2013, authorizing the Board of Directors of the Company for creation of charge etc. on assets of the Company, as described in the Resolution, for an amount up to ₹ 6,000 crores (Rupee Six thousand crores). This resolution on coming into effect and being acted upon, would be in supersession of the earlier resolutions passed for the subject matter, however it will not affect to or invalidate the acts or deeds already executed under earlier resolution.

It is desirable, as a matter of abundant caution also, to authorize the Board sufficiently in respect to matters as mentioned in the resolution to meet the business requirement of the Company from time to time. For financial and other business detail, financial statements of company may be referred which is available on website of the Company.

Therefore, it is proposed to authorize and empower the Board to exercise powers in such a manner as they think fit in respect to the matters as set out the subject resolution.

The Board recommends the Resolution at Item No. 4 of the Notice for approval of the members by way of a Special Resolution.

Directors, Key Managerial Personnel of the Company and any of their relatives are not in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of shares in the Company that may be held by them or their relatives or any entity in which they may be deemed to be concerned or interested.

Subject to applicable statutory provisions, the Company may enter into arrangement or transaction, in respect to subject matter of resolution, with its holding company, promoters, and/or with the companies, entities wherein the promoters, directors and KMP of the Company may be shareholder, director or otherwise interested or concerned.

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

The Board of Directors appointed Mr. Madhu Rao as an Additional Director of the Company on 27<sup>th</sup> June, 2018 as per the provisions of Sections 161, 149 and 152 of the Companies Act, 2013 ("the Act") for a period of 5 (five) consecutive years effective from 27<sup>th</sup> June, 2018, subject to the approval of the members.

In terms of Section 161 of the Act, he would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Madhu Rao as an Independent Director of the Company.

The Nomination and Remuneration/Compensation Committee had recommended to the Board, the appointment of Mr. Madhu Rao as an Independent Director.

Mr. Rao is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from him that he meets with the criteria of independence as prescribed both under 149(6) of the Act and under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further, Mr. Rao has not been debarred from holding office of Director pursuant to any SEBI order or any other authority. In the opinion of the Board, Mr. Rao fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and are also independent of the management.

Considering expertise and vast knowledge of Mr. Rao, it is in the interest of the Company that he appointed as Independent Director of the Company. Brief resumes of Mr. Rao, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/

chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36(3) of the Listing Regulations and under the provisions of Secretarial Standard-2 on General Meetings are provided in this Notice of Annual General Meeting.

Copy of the draft letter of appointment of Mr. Rao as an Independent Director 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 the Listing Regulations.

Mr. Rao is interested in the resolution set out at Item No. 5 of the Notice, with regard to his appointment.

The relatives of Mr. Rao may be deemed to be interested in the resolution set out at No. 5 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, in this resolution.

The Board recommends the Resolution at Item No. 5 of the Notice for approval of the members by way of an Ordinary Resolution.

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

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 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. 6 are at arm's length and in the ordinary course of business of the Company. Further, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 ("Listing Regulations"), all related party transactions shall require prior approval of the Audit Committee and all material transactions with related parties require approval of the members of the Company through ordinary resolution. Material Related Party Transaction means any transaction entered either individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company, as per the last audited financial statements of the company.

The Company proposes to enter into transaction with related parties as provided in Resolution at Item No. 6, from time to time, at the agreed terms of the transactions between the parties. 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. Further, the said transactions may qualify as material Related Party transactions under the Listing Regulations. Accordingly, the members' approval is sought for the same.

Information relating to transactions viz. names of the related parties and relationships, monetary value of the transactions are mentioned in the resolution. The terms are determined from contract to contract, as agreed between the parties; and the transactions are in the ordinary course of the business of the Company and are at arm's length basis. Any other information relevant or important for the members to make a decision on the transaction is not applicable.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the resolution except Mr. Jean-Luc Bohbot and Mr. Stephen Ho Kiam Kong by virtue of their positions in Wilmar Sugar Pte. Ltd.; and Mr. Atul Chaturvedi by virtue of his position as Director in Adani Wilmar Limited.

The Board recommends the Resolution at Item No. 6 of the Notice for approval of the members by way of an Ordinary Resolution.

#### Item No. 7:

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") has provided a regulatory mechanism for classification of Promoters & Promoter Group as Public Shareholders subject to fulfillment of conditions as provided therein.

In connection with the debt restructuring package, Wilmar Sugar Holdings Pte. Ltd. ("WSH"), Wilmar International Limited, the Company and the Applicants have, executed the termination agreement dated 9<sup>th</sup> March, 2018 ("JV Termination Agreement"), pursuant to which the earlier

joint venture agreement dated 20<sup>th</sup> February, 2014 entered into amongst them, which governed their mutual rights and obligations as shareholders including but not limited to management rights, reserved matters and transfer restrictions, has been terminated. The JV Termination Agreement, inter alia, contemplates that post completion of the open offer undertaken by WSH, the Applicants ceasing to exercise control over the Company, the Applicants shall be entitled to undertake all necessary steps and actions under applicable laws, including but not limited to, Regulation 31A of the Listing Regulations, to reclassify themselves as Public Shareholders of the Company. The process of open offer has since been completed.

In this regard, the Company has received applications from the Applicants (as set out below) on 30<sup>th</sup> July, 2018 seeking to be reclassified as Public Shareholders pursuant to Regulation 31A of the Listing Regulations.

The Applicants, in their letter, have confirmed that they hold only 0.63% of equity shares in the Company, do not have any special rights through formal and informal arrangements, that all shareholding agreements granting special rights to them have been terminated, and that they exercise no direct or indirect control over the affairs of the Company.

Further they do not hold any key managerial position and post reclassification, none of them will continue as key managerial personnel of the Company. They do not have any representation on the Board, except Mr. Narendra Murkumbi who is presently continuing to serve on the Board in the capacity of a non-executive director. They do not have any right to appoint any new director on the Board. They are not controlled by the remaining promoters of the Company (i.e. WSH), as per the definition of promoter group as provided in Regulations 2(1)(zb)(ii) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

| Sr. No.      | Name  | Category       | Number of Equity Shares | % of the Paid-up Equity Share Capital |
|--------------|---|----------------|-------------------------|---------------------------------------|
| 1            | Mrs. Vidya Murkumbi                                 | Promoter       | 12,28,800               | 0.06                                  |
| 2            | Mr. Narendra Murkumbi                               | Promoter       | 1,08,12,905             | 0.56                                  |
| 3            | Mrs. Apoorva Murkumbi                               | Promoter Group | 50,000                  | 0.00                                  |
| 4            | Mr. Dilip Deshpande                                 | Promoter Group | 0                       | 0.00                                  |
| 5            | Mrs. Supriya Rojekar                                | Promoter Group | 0                       | 0.00                                  |
| 6            | Ms. Malvika Narendra Murkumbi                       | Promoter Group | 0                       | 0.00                                  |
| 7            | Ms. Inika Narendra Murkumbi                         | Promoter Group | 0                       | 0.00                                  |
| 8            | Mrs. Anuradha Kulkarni                              | Promoter Group | 0                       | 0.00                                  |
| 9            | Narendra Madhusudan Murkumbi (HUF)                  | Promoter Group | 0                       | 0.00                                  |
| 10           | Murkumbi Investments Private Limited                | Promoter       | 0                       | 0.00                                  |
| 11           | Khandepar Investments Private Limited               | Promoter       | 0                       | 0.00                                  |
| 12           | Agri Venture Trading And Investment Private Limited | Promoter       | 0                       | 0.00                                  |
| <b>Total</b> |   |                | <b>1,20,91,705</b>      | <b>0.63</b>                           |

Vide their letter dated 30<sup>th</sup> July 2018, the Applicants have requested the Company for reclassification of the persons (as mentioned in the table above) as Public Shareholders and their shareholding as public shareholding.

In view of the explanations given by the Applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, the Board at their meeting held on 8<sup>th</sup> August, 2018 have approved the application for reclassification received by the Company as above from Promoter and Promoter Group category to Public category, subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges (where the shares of the Company are listed), based on the declaration received from the Applicants.

Further, as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding, as on the date of this notice, fulfils the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the public shareholding to achieve compliance with the minimum public shareholding requirement.

Further, in accordance with Regulation 31A of the Listing Regulations, the said reclassification requires the approval of the Stock Exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the Stock Exchanges for granting such approval, the Stock Exchanges, inter alia, require that the Company obtain the consent of the shareholders of the Company, for the said reclassification.

Except Mr. Narendra Murkumbi, who is continuing to act as a non-executive director, none of the other directors, key managerial personnel, or their relatives are concerned or interested in this resolution except to the extent and manner set out in the resolution.

The Board recommends the passing of the resolution as set out under item No. 7 for approval of the Members as an Ordinary Resolution.

The relevant documents in this regard are available for inspection in physical and/or electronic form, between 9:00 a.m. to 6:00 p.m. on all working days i.e., Monday to Friday, till

29<sup>th</sup> September, 2018, at the registered office of the Company and copies thereof will also be made available for inspection in physical or electronic form at the corporate office of the Company.

#### **Item No. 8:**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration of ₹ 4,50,000 (Rupees Four lakhs Fifty thousand) (plus applicable tax and out-of- pocket expenses, if any,) to M/s B. M. Sharma & Co., Cost Accountants as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2019.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the passing of the resolution as set out under item No. 8 for approval of the Members as an Ordinary Resolution.

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

Sd/-

**Rupesh Saraiya**

Company Secretary

8<sup>th</sup> August, 2018, Mumbai

#### **Regd. Office:**

BC 105, Havelock Road,

Camp, Belagavi – 590 001.

CIN: L01542KA1995PLC019046



Details of Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to the provisions of i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided herein below:

| <b>Name of the Director</b>   | <b>Mr. Madhu Rao</b>  | <b>Mr. Stephen Ho Kiam Kong</b>  |
|---|---|--|
| Date of Birth   | 23-12-1951  | 05-09-1959   |
| Date of Appointment   | 27-06-2018  | 22-08-2016   |
| Qualification   | <ol style="list-style-type: none"> <li>Commerce Graduate from Mumbai University (1971)</li> <li>Chartered Accountant (1974)</li> </ol>  | <ol style="list-style-type: none"> <li>Graduated from the Victoria University of Wellington, New Zealand</li> <li>Advanced Management Programme at Harvard Business School.</li> </ol>   |
| Expertise in specific functional area/ Brief Profile  | Mr. Rao was a Partner with N M Rajji & Co, Chartered Accountants for about 12 years. Thereafter, he was associated with Shangri-La Hotels & Resorts (now a part of Shangri-La Asia Ltd.) for about 30 years as CFO, President & Vice Chairman and Executive Director. | Mr. Stephen Ho Kiam Kong was appointed the Chief Financial Officer of Wilmar International Limited in November 2011.<br><br>He is in charge of the Wilmar Group's finance, treasury and risk management functions. He has assumed different roles in Royal Philips where he served for 12 years, including Head of Finance and a member of the Greater China Management team, Asia Pacific CFO, Head of Treasury and Finance for an independent JV business, and Head of Corporate Finance in their Regional Finance Center. Prior to this, he was with major international financial institutions in Singapore, Hong Kong and New York. |
| Directorship in all other public Companies except foreign companies and companies under Section 8 of the Companies Act, 2013  | -   | -  |
| Membership/ Chairman of the Committees of the Board of other public limited companies (Membership/ Chairmanships of only Audit Committees and stakeholders Relationship Committees in other public limited Companies have been considered.) | -   | -  |
| Number of shares held in the Company  | -   | -  |
| Terms and Condition of appointment  | To be appointed as Independent Director of the Company; not liable to retire by rotation and to hold office for a period of 5 consecutive years w.e.f. 27 <sup>th</sup> June, 2018  | To be appointed as Director of the Company; liable to retire by rotation.  |
| Number of meetings of the Board attended during the financial year  | NA  | 9 out of 13 meeting held during the year   |
| Remuneration last drawn   | -   | -  |
| Remuneration proposed to be paid  | -   | -  |
| Relationship with Directors inter-se  | -   | -  |

**SHREE RENUKA SUGARS LIMITED**

CIN: L01542KA1995PLC019046

Regd. Office: BC 105, Havelock Road, Camp, Belagavi – 590001

Website: www.renukasugars.com, Email einward.ris@karvy.com

Tel No.: +91-831-2404000

**COMMUNICATION TO THE SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM****Sub.: (1) Mandatory updation of PAN and Bank details against your physical holding; and  
(2) No physical transfers pursuant to SEBI- LODR notification**

The Securities and Exchange Board of India has by its circular SEBI/HO/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 mandated that the companies through their Registrar and Transfer Agents ("RTA") take special efforts for collecting copies of PAN and bank account details for the security of the holders holding securities in physical form.

Those security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to RTA/ Company for registration/updation.

As per the records available with us, your folio needs to be updated with the PAN/Bank Account details. You are therefore requested to submit the following to update the records immediately on receipt of the letter to enable us to update the records

**Action required from you**

- Enclosed format duly filled in and signed by all the shareholders
- Self-attested copy of Pan Card of all the holders of the security
- Cancelled Cheque leaf with name (if name is not printed, self-attested copy of the pass book showing the name of the account holder) of the first holder
- Address proof (self-attested Aadhaar-card) of the first holder
- Any change in the name of the holders

Members may please be informed that, pursuant to SEBI LODR Amendment Regulations, effective 5<sup>th</sup> December, 2018, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository. Hence investors are encouraged to demat their physical holding for any further transfer.

In case, if you have any queries or need any assistance in this regard, please contact Karvy Computershare Private Ltd. at the following address:

**Karvy Computershare Private Limited**

Unit : SHREE RENUKA SUGARS LIMITED

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District, Nanakramguda,

Hyderabad - 500 032

Tel No.: +91 40 6716 2222/6716 1700

Email : einward.ris@karvy.com

Thanking you,

Yours faithfully,

for **Shree Renuka Sugars Limited**

Sd/-

**Rupesh Saraiya**

Company Secretary &amp; Compliance Officer

Encl: As above



**SHREE RENUKA SUGARS LIMITED**

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Tel No.: +91-831-2404000

**FORMAT FOR FURNISHING PAN AND BANK DETAILS**

To

**Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32

Gachibowli, Financial District, Nanakramguda

Hyderabad - 500 032

Dear Sir,

**Unit: SHREE RENUKA SUGARS LIMITED**

I/we furnish below our folio details along with PAN and Bank mandate details for updation and confirmation of doing the needful. I/we are enclosing the self-attested copies of PAN cards of all the holders, original cancelled cheque leaf, Bank pass book and address proof viz. Aadhaar card as required for updation of the details:

|   |  |
|---|--|
| Folio No.   |  |
| Address of the 1 <sup>st</sup> named shareholder as per the share certificate |  |
| Mobile No.  |  |
| E-Mail id   |  |

|  |        |         |             |
|--|--------|---------|-------------|
| Bank Account Details (for electronic credit of unpaid dividends and all future dividends): |        |         |             |
| Name of the Bank   |        |         |             |
| Name of the Branch   |        |         |             |
| Account Number (as appearing in your cheque book)  |        |         |             |
| Account Type (Saving / Current / Cash Credit)  | Saving | Current | Cash Credit |
|  |        |         |             |
| 9 Digit MICR Number<br>(as appearing on the cheque issued by the bank)                     |        |         |             |
| 11 Digit IFSC Code   |        |         |             |

|                  | Pan No. | Name | Signature |
|------------------|---------|------|-----------|
| First Holder :   |         |      |           |
| Joint Holder 1 : |         |      |           |
| Joint Holder 2 : |         |      |           |

Date:

Place:

NB: The above details will not be updated if the supporting documents are not attached and not duly signed by all the shareholders.

[illegible]



