

ANNUAL REPORT  
2020-21



**GROWTH** **WITH**  
**SUSTAINABILITY**

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## Forward-looking statements

### Corporate Overview

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know more about us

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

# GROWTH WITH **SUSTAINABILITY**

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Right from pioneering the concept of operating sugar manufacturing assets in India on lease and running power projects at third party mills on **BOOT basis to being one of the first company in the Indian sugar industry to have ventured into** the business of sugar refining, Renuka Sugars has been at the forefront of driving growth through innovation.

Our Investors and stakeholders across India and around the world trust us for our robust performance, market knowledge and commitment to drive sustainable development. We are engaged in manufacturing of sugar, generation of power and production of Ethanol and other

Industrial Alcohol. We leverage the strategic location of our mills in highly productive sugarcane belts of India and refineries near port-based areas to smoothly cater to the growing needs of our customers worldwide.

**Being one of the first companies in the Indian sugar industry to have ventured into the business of sugar refining, Renuka Sugars** has been at the forefront of driving growth through innovation.

*We are*



### **Shree Renuka Sugars Limited (Renuka Sugars)**

is one of the largest ethanol and sugar producers and raw sugar refiners in India. We are a renowned agribusiness and bio-energy corporation present across the sugar value-chain.



We have pioneered the concept of operating sugar manufacturing assets in India on lease and ran power projects at third party mills on BOOT basis. We are also one of the first companies in the Indian sugar industry to have ventured into the business of sugar refining, Renuka Sugars has been at the forefront of driving growth through innovation.

Our Investors and stakeholders across India and around the world trust us for our robust performance, market knowledge and commitment to drive sustainable development. We are engaged in manufacturing of sugar, generation of power and production of Ethanol and other-potable grade Alcohol. We leverage the strategic location of our mills in highly productive sugarcane belts of India and refineries near port-based areas to smoothly cater to the growing needs of our customers worldwide.

**Our Vision is to be among the top three integrated ethanol and sugar companies in the world by harnessing our strengths and realising synergies through our global presence.**



## Our Performance in FY 21 against 3Ps

### PEOPLE



**1,979**

Total number of permanent employees

**10**

(in %)

Increase in number of employees over the past 1 year

**1,129**

(in million)

Employee benefit expense

### PLANET



**529**

Mn KWh (Total generation)

**404**

Mn KWh (from mills only)

Clean energy generated

**10,267**

(in Nos.)

Trees planted

**16.54**

(in %)

Reduction in water consumption

### PROFIT



**55,434**

(Rs. in million)

Revenue from operations  
(includes incentives)

**5,606**

(Rs. in million)

EBITDA  
(excluding forex)

**15,315**

(Rs. in million)

Net operating cash flow used

**10**

(in %)

EBITDA/  
total turnover

# Our Business Overview

## Sugar & Refinery Business

We are one of the leading sugar producers in India with strategically located plants in high yielding sugar cultivating areas and refineries near the Eastern and Western coasts of India. Over the years, we have built strong presence across our value chain and it enables us to deliver superior quality products to our customers.

### Our Scale

**02** 

Refineries in the state of Gujarat and West Bengal

**06** 

State-of-the-art sugar plants in the states of Karnataka (4) & Maharashtra (2)

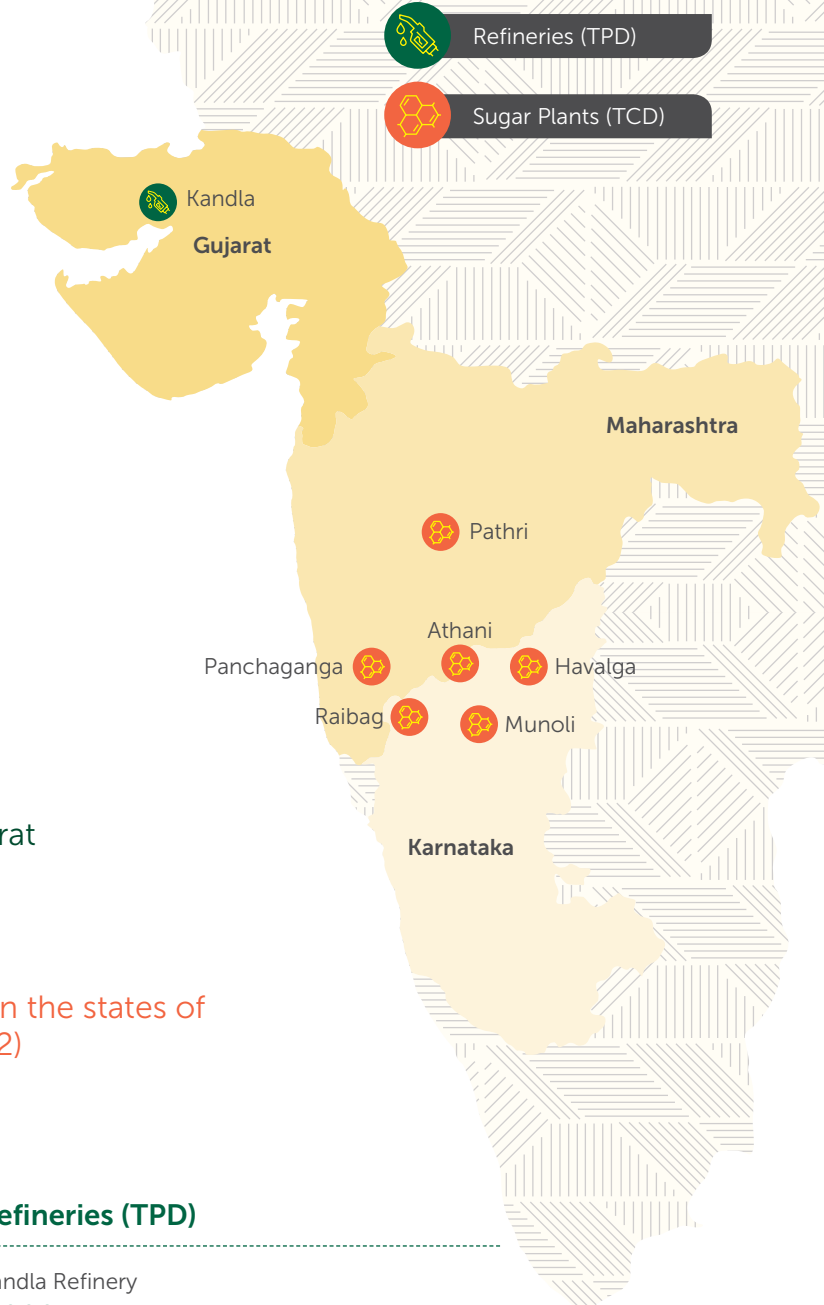


### Refineries (TPD)

Kandla Refinery  
**3,000**

Haldia Refinery  
**2,500**

(TPD - Tonnes Per Day TCD- Tonnes of Cane Per Day)





### Sugar Units (TCD)

Athani	Panchaganga
<b>10,000</b>	<b>6,000</b>
Munoli	Raibag
<b>10,000</b>	<b>2,500</b>
Havalga	Pathri
<b>7,500</b>	<b>1,500</b>

### Key Highlights for FY 2020-21

- ▶ No major impact on our operations owing to the outbreak of Covid-19 crisis as the crushing season was over before the lockdown
- ▶ The revenue from sugar segment amounted to Rs. 53,137 Mn, accounting to 80.01% share of the total revenue mix in comparison to Rs. 42,223 Mn in the previous year
- ▶ Our refinery in Haldia restarted after a gap of 2.5 years
- ▶ Total raw sugar melted at the Kandla refinery stood at 1,201,447 MT and 116,927 MT in our Haldia refinery
- ▶ We initiated supply of consumer products from our Haldia refinery to meet the supply deficit in the North Eastern region of India
- ▶ Our consumer pack business registered 29% sales growth owing to shifting consumer preference towards branded sugar
- ▶ We occupy 22% market share in the branded sugar segment

### Opportunity Landscape

Owing to favourable climatic conditions and increased cane acreage in southern and western regions, sugar output in India continues to rise at a robust rate. Further, favourable government policies such as setting of minimum selling price and export subsidy is providing much needed impetus to the industry. Going forward, sugar production in India is likely to remain above 30 MMT as the demand for sugar in domestic and international markets continue to grow.

# Our Business Overview

## Cogeneration

Through our cogeneration power plants at the mills, we use bagasse (the by-product of sugar manufacturing process) to produce power. A significant percentage of the power generated is captively consumed within our plants while the remaining power is sold to the state electricity grid.

### Our Scale

**262** 

Cogeneration power plants located in the states of Karnataka, Maharashtra, Gujarat and West Bengal



### Power Plants (MW)

Munoli	Athani
<b>34</b>	<b>76</b>
Havalga	Kandla
<b>38</b>	<b>45</b>
Panchaganga	Haldia
<b>30</b>	<b>15</b>
Ajinkyatara	
<b>24</b>	

 Power Plants (MW)

**Maharashtra**

Ajinkyatara

Panchganga

Athani

Havalga

Munoli

**Karnataka**

(kWh - kilowatt-hour)

### Key Highlights for FY 2021

- ▶ Total 529 million kWh of power generated, out of which 53% was captively consumed and 248Mn kWh was sold to the state electricity grid.
- ▶ 77% of our cogeneration process is based on renewable energy ensuring significant reduction in GHG emissions
- ▶ The revenue from the segment amounted to Rs. 4,301 Mn, registering 6.4% share in the total revenue mix in comparison to Rs. 3,722 Mn in the previous year



# Our Business Overview

## Ethanol

We are one of the largest suppliers of ethanol to oil marketing companies in India. Through our distilleries, we manufacture 3 grades of Ethanol i.e. Rectified Spirit (RS), Extra Neutral Alcohol (ENA) and Absolute Alcohol (AA) or Ethanol (used for fuel blending). Further, through our subsidiary - KBK Chem-Engineering Pvt. Ltd., we provide turnkey distillery, ethanol, certain sugar process equipment and biofuel plant solutions.

### Our Scale

# 03



Distilleries located in states of Karnataka



### Distilleries (KLPD)

Athani Distillery

**300**

Munoli Distillery

**120**

Havalga Distillery

**300**



Distilleries (KLPD)

Maharashtra

Athani



Munoli



Havalga

Karnataka

(KLPD - Kilo Litres Per Day)

## Key Highlights for FY 2021

- ▶ The revenue from the segment amounted to Rs. 7,014 Mn, accounting for 10.56% share of the total revenue mix, as compared to Rs. 4,712 Mn in the previous year
- ▶ 136 Mn liters of ethanol produced – highest ever production, as compared to 110 Mn liters in the previous year, registering a growth of 23% YoY.
- ▶ The plants are running at 100% capacity utilisation
- ▶ We also operated with expanded capacities and used incineration boilers to burn spent wash, enabling us to save a large amount of external fuel
- ▶ Increase in ethanol supply also rose 90 Mn litres to 120 Mn litres, an increase of 34%



## Opportunity Landscape

In recent times, the demand for ethanol is constantly rising and is anticipated to increase even further in the near future owing to favourable government policies. The government has launched a range of policy initiatives to promote its ambitious ethanol blending programme (EBP) and achieve the target of 10% blending with petrol by 2022 and 20% blending by 2025. In order to meet its target, the government has proposed to offer financial aid for production of first-generation ethanol from sources such as sugarcane and sugar beet. Through its policies, the government is striving to make production of ethanol commercially viable in comparison to the production of sugar.

## Outlook for FY 2021-22

We foresee robust growth opportunity in the Indian Ethanol market going forward, owing to increasing demand and strong policy support. Thus, we are investing around Rs. 6,500 Mn to expand our ethanol capacity from 720 KLPD to 1400 KLPD. We endeavour to become a green-energy company with a focus on production of bio-fuel ethanol. The expansion will help us become one of the largest ethanol producers in India.



# Our Integrated Business Model

## Inputs

**Financial Resources**  
in terms of debt and equity funds

Skills and competencies of our **human resources**

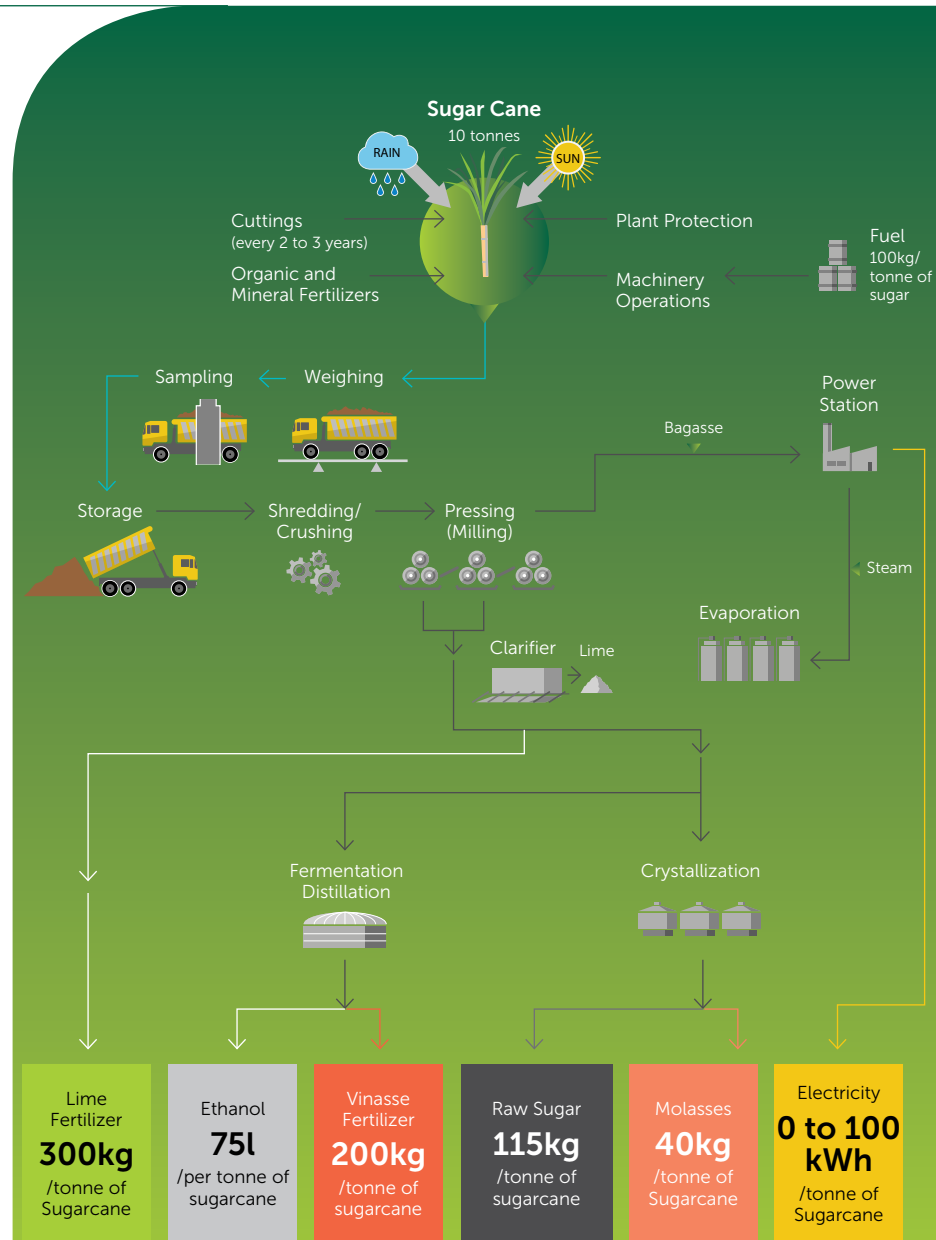
State-of-the-art **sugar units, distilleries, refineries, power plant** and robust supply chain network

**Raw materials and natural resources** such as air, water and land which are used by us or impacted by our operations

**Enduring relationship** with farmers, customers, investors, society and other stakeholders

**Expertise, market knowledge and technical knowhow** along with our **Goodwill and Brand value**

## Sugar Cane Processing



## Output Generated

**4,254,868 MT**

Cane crushed

**11.14%**

Sugar recovered

**367,010 MT**

Sugar produced from cane crushing

**1,318,374 MT**

Sugar refined

**529 MN KWH**

Energy produced

**135,824 KL**

Ethanol produced

**123,018 MT**

Branded sugar produced

## Output Generated



### Customers

**22%**

Market share in branded sugar



### Environment

**404**

Renewable energy consumed (million kWh)

**668,659 KL**

Water recycled

**322.59**

Energy consumed (million kWh)



### Employees

**3.00**

Invested in training and development (Rs. in Mn)

**38%**

Employees participated in various training and development programs

# Engaging with our stakeholders

		Description
	Employees	We employ 1979 employees who are critical to our business growth
	Suppliers / Farmers	As an integrated sugar producer present across the value-chain, we cater to a diverse and growing base of suppliers / farmers.
	Customers	The end-users of multiple products – Madhur – pure and hygienic sugar, ethanol and co-gen power
	Regulators	Changes in regulations and laws is critical for ensuring business sustainability.
	Shareholders	Our individual and institutional shareholders form an integral part of our stakeholder ecosystem.

Key Issues	How We Engage
<ul style="list-style-type: none"> <li>▶ Health and Safety</li> <li>▶ Diversity and Inclusion</li> <li>▶ Engagement and empowerment</li> <li>▶ Learning and development</li> </ul>	<ul style="list-style-type: none"> <li>▶ Email</li> <li>▶ Intranet</li> <li>▶ Newsletters</li> <li>▶ Notice Boards</li> <li>▶ Programs and activities on multiple issues</li> <li>▶ Townhall</li> <li>▶ Virtual meetings</li> </ul>
<ul style="list-style-type: none"> <li>▶ Payment schedules</li> <li>▶ Responsible sourcing</li> <li>▶ Supply chain sustainability</li> </ul>	<ul style="list-style-type: none"> <li>▶ Face-to-face meetings</li> <li>▶ Training camps</li> <li>▶ Communicating via emails / tele calls</li> <li>▶ Correspondence</li> <li>▶ Audits</li> </ul>
<ul style="list-style-type: none"> <li>▶ Product safety and quality</li> <li>▶ Value for money</li> <li>▶ Availability of products</li> <li>▶ Impact on environment</li> <li>▶ Engagement levels</li> </ul>	<ul style="list-style-type: none"> <li>▶ Customer surveys</li> <li>▶ Digital / social media</li> <li>▶ Customer care</li> <li>▶ Backend office support for B2B customers</li> </ul>
<ul style="list-style-type: none"> <li>▶ Regulatory changes due to changes in tax structure or caused by Covid-19</li> <li>▶ Climate and environment related matters</li> <li>▶ Industry related changes</li> <li>▶ Changes in renewable energy prices</li> </ul>	<ul style="list-style-type: none"> <li>▶ Meetings</li> <li>▶ Industry body / association forums</li> <li>▶ Participation in government body meetings</li> <li>▶ Representations before relevant forums</li> </ul>
<ul style="list-style-type: none"> <li>▶ Enhancing shareholder value</li> <li>▶ Governance</li> <li>▶ Sustainability issues</li> </ul>	<ul style="list-style-type: none"> <li>▶ Website</li> <li>▶ Annual General Meeting</li> <li>▶ Notices</li> <li>▶ Press releases</li> <li>▶ Quarterly Results announcements</li> </ul>

# Chairman's Message

*Dear Shareholders,*

The COVID-19 pandemic has had a significant impact on India's economic activity during the year 2020-21, owing to the nationwide lockdown announced by the Central and State Governments to contain the spread of the virus. Majority of the industries in India have been adversely impacted because of a sharp drop in domestic demand and exports. As per the Economic Survey 2020-21, Indian economy is expected to witness a pandemic-driven contraction of 7.5 per cent in FY 2020-21.

However, being engaged in the manufacturing of essential commodities enabled us to continue our operations even during the lockdown period. I am proud of how Shree Renuka Sugars Limited (SRSL) has stood tall to the challenges of Covid-19, despite the devastating effect it has had on businesses around the world. The pandemic has taught us to appreciate the people around us and be prepared for the unexpected. We at SRSL have withstood these demanding circumstances and survived to emerge stronger and better.

Sugar industry remains a key driver of economic empowerment in rural belt of our country. The inherent source of sugar industry as an inclusive growth-driver cannot be ignored. Having been at cross-roads for years, we feel that, as the largest agro-based industry, it has got traction and positive cues to emerge as a value-accretive industry across its value-chain of system.

Amidst these fundamental changes in the industry, our financial performance this year demonstrates the resilience within our company's business model. Our total revenues grew by around 21% to Rs. 56,116 Mn, whereas our EBITDA was recorded at Rs. 5,606 Mn, driven by growth in exports, ethanol and our consumer pack – Madhur.

The COVID-19 pandemic posed major challenges to the sugar industry, causing supply chain and logistic disruptions. The sugar demand was also impacted from reduced sugar consumption after the pandemic.

Despite the challenges in the sugar industry, your Company's capital and financial resources are well-positioned. In fact, this year has been a turnaround year for your Company for several reasons. The Company witnessed good crushing operations with over 38% growth over the last year, and 15% growth in sugar melting in our refineries. Our refinery in

Kandla achieved record 1.2 Mn tonnes raw sugar melting, despite the Covid-19 driven challenges. We have also restarted our Haldia refinery which was shut for the past 2.5 years.

On the ethanol front, we are looking towards capitalizing the opportunity of India's target of attaining 20% ethanol blending by 2025. Government is encouraging the production of ethanol from sugar producers, making its production more commercially viable and attractive. We have seized on this opportunity and attained record production of ethanol this year. Furthermore, we plan to almost double our ethanol capacities in the coming years, from current 720 KLPD to 1400 KLPD, which will give the Company a major foothold in the ethanol space.

Our consumer sugar business under the 'Madhur' brand has continued on its growth journey during FY 2020-21. We expanded our footprint in the northern and eastern parts of the country during this year. Our long-term objective has always been on educating and encouraging consumers to switch from unclean and unhygienic

**We at SRSL have withstood these demanding circumstances and survived to emerge stronger and better.**

**Since reopening of economy in the second half, our team has demonstrated exemplary abilities to ensure we bounce back faster.**

loose sugar to “Madhur” which is untouched by hand in the entire process of manufacturing and also comes with our 5S guarantee. Our continuous emphasis on safety and hygiene in our audio and visual campaigns helped us gain our consumers’ trust during the pandemic with our constant emphasis on Madhur being a quality driven brand and a brand that resonates with safety and hygiene. We also aggressively scaled up our presence through numerous social media campaigns in the first quarter of FY21, in addition to our presence in print and radio platforms. Moving forward, we further aim to strengthen our business through our association with the e-commerce platforms and increasing the presence of Madhur across the length and breadth of the country.

In such challenging times, we have emerged out stronger than ever. Since reopening of economy in the second half, our team has demonstrated exemplary abilities to ensure we bounce back faster. We also implemented ‘work from home’ model, prioritising the safety of our employees and their families.



Lastly, I would like to express my heartfelt appreciation to everyone at Renuka for their commitment, passion and hard work. Our business is positioned to grow from the sustained investments we have made in recent past. Favourable regulatory policies and growing consumer demand for products across our sugar value-chain make us optimistic for sustained business performance. I would also like to thank our valued shareholders, employees, customers, suppliers, distributors and bankers for their constant support and belief in us

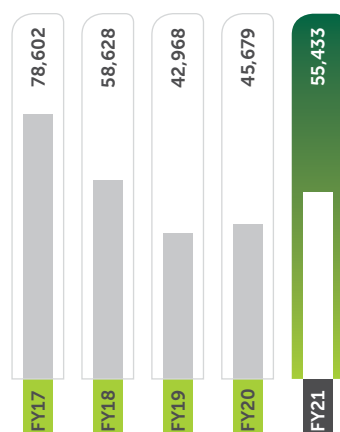
Regards,

**Atul Chaturvedi**  
Executive Chairman

# Financial Highlights

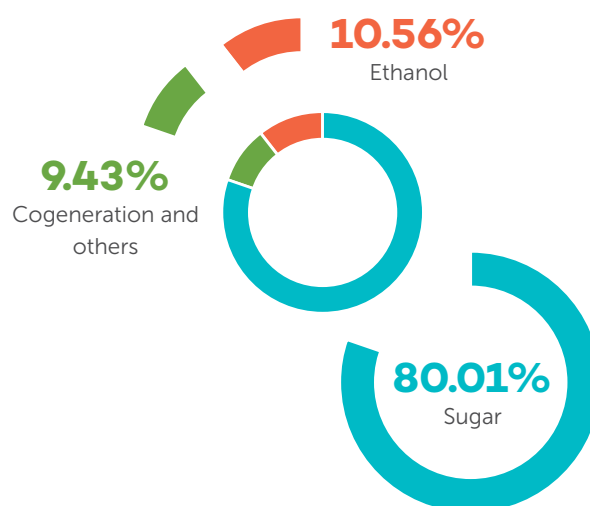
## Revenue from operations

(Rs. in Mn)



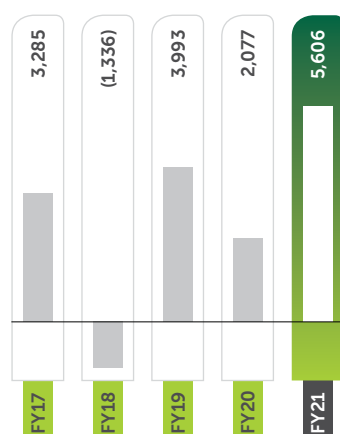
## Revenue mix in FY21

(%)



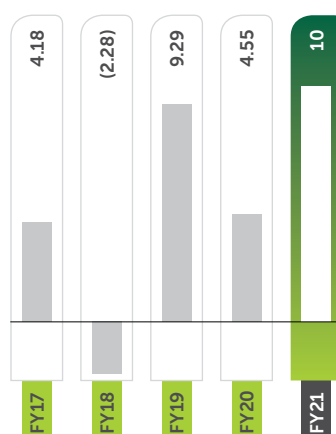
## EBITDA

(Rs. in Mn)



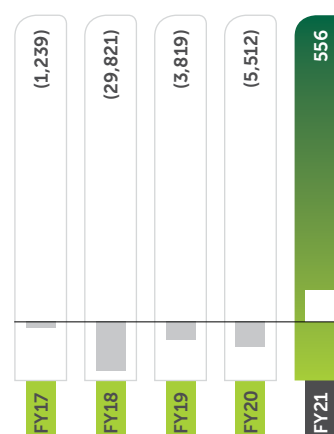
## EBITDA Margin

(%)



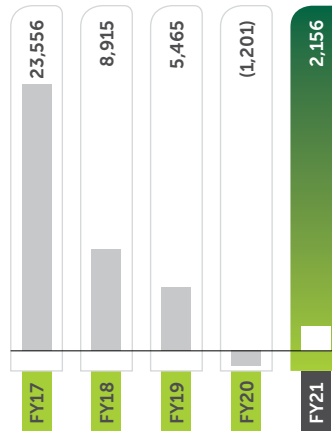
## PAT

(Rs. in Mn)



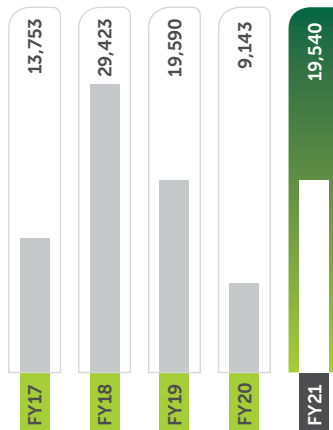
## Network

(Rs. in Mn)



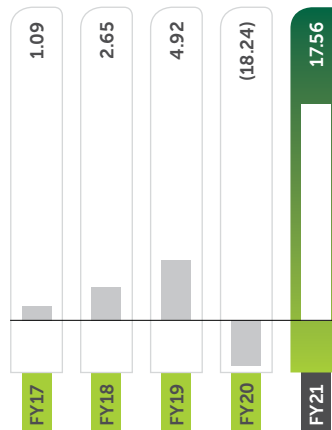
## Market capitalisation

(Rs. in Mn)



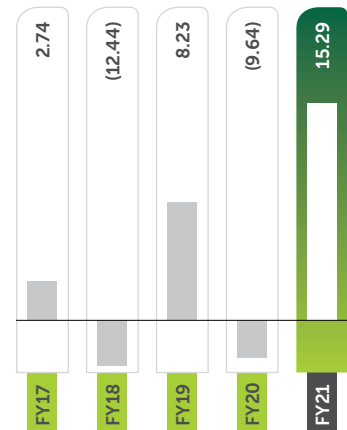
## Debt Equity Ratio

(in times)



## RoCE

(in %)



# Corporate Information

## Board of Directors

**Mr. Atul Chaturvedi**  
Executive Chairman

**Mr. Vijendra Singh**  
Executive Director

**Mr. Kuok Khoon Hong**  
Non-Executive Director

**Mr. Jean-Luc Bohbot**  
Non-Executive Director

**Mr. Charles Cheau Leong Loo**  
Non-Executive Director

**Mr. Madhu Rao**  
Independent Director

**Mr. Surender Kumar Tuteja**  
Independent Director

**Mr. Dorab Mistry**  
Independent Director

**Mr. Bhupatrai Premji**  
Independent Director

**Dr. Bharat Kumar Mehta**  
Independent Director

**Ms. Priyanka Mallick**  
Independent Director

**Mr. Tinniyan Kalyansundaram Kanan**  
Alternate Director  
(To Mr. Kuok Khoon Hong)  
(w.e.f. 18th December 2020)

**Mr. Rajeev Kumar Sinha**  
Non-Executive Director  
(Nominee of IDBI Bank Ltd.)  
(upto 21st January 2021)

## Chief Financial Officer

Mr. Sunil Ranka

## Company Secretary

Mr. Deepak Manerikar

## Auditors

S R B C & CO LLP  
Chartered Accountants

## Registered Office

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

## Corporate Office

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

## Bankers

Bank of America  
First Abu Dhabi Bank  
Standard Chartered Bank  
DBS Bank

## 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, Taluka: Afzalpur,  
Dist: Gulbarga, Karnataka

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

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

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

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

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

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

# Management Discussion and Analysis (MDA)

## Global Economy

The deadly Pandemic which has been furiously raging for the past year has the capacity to seriously alter the Economic landscape not only of India but of the whole world. The global economic output witnessed a contraction of 4.3% in 2020 and has wreaked havoc on the global economic activity and is likely to result in long-term socio-economic consequences.

The developed economies have been hit the hardest with the output decline of 5.6% due to the stringent lockdown measures that were imposed during the outbreak<sup>1</sup>. On the other hand, the impact was comparatively milder in the developing countries and least developed countries (LDCs) with output decline of 2.5 per cent and 1.3 per cent respectively in 2020<sup>1</sup>. Moreover, the pandemic has resulted in huge job losses because of absolute or partial lockdown measures impacting communities across the globe.

In response to the crisis, economies have resorted to fiscal as well as monetary interventions. To increase liquidity and maintain financial stability, many central banks undertook additional monetary and prudential measures. To neutralize financial market pressures caused by covid-19 pandemic, central banks in the Emerging Markets and Developing Economies (EMDEs) are considering purchasing assets including government bonds to support economic activity. Fostering education, sectoral reallocation, effective public investment, and improved governance can compensate the covid-19 pandemic's traumatizing effects and set the foundation for advanced long-term growth. Investment in green infrastructure plans can provide additional aid to sustainable growth in addition to promoting climate change alleviation. We hope all these measures should help in Economic recovery in the world going forward.

## Indian Economy

The Covid 19 outbreak impacted lives and livelihoods across the globe and India was no exception as GDP is expected to contract by over 8% in FY21.<sup>2</sup> The nationwide lockdown post the pandemic coupled with voluntary social distancing norms led to a prolonged pause in economic activities barring those declared as essential. The economy witnessed a phase wise

unlocking post Q1 while the threat of the virus still looming large. The mobility restrictions and safety and hygiene concerns led to unparalleled disruptions in supply chain and production networks along with consumer demand fallout.

The economy emerged out of pandemic induced recession during the second half of the fiscal year led by good monsoons and pent-up demand due to the festive season. The trend in high frequency indicators including GST collections, automobile and tractor sales, freight traffic, power demand and PMI indexes among others reinstall the confidence in the revival of the economy. The contact-based services sector, however, such as airline and travel continue to lag. The Agriculture sector remained comparatively unaffected by the pandemic induced economic crisis.

Despite the inflation breaching the 6% mark, the central bank continued to adopt accommodative monetary policy to keep the interest rates low and provide extra bandwidth for fiscal expansion by the Government besides.

The government resorted to increased consumption to propel the private investment, overall demand and consumer sentiments through the multiplier effect of fiscal stimulus and incentives. The economy is gearing towards a USD 5 trillion economy by 2025 under the overarching theme of Aatmanirbhar Bharat and vocal for local. Along with a slew of incentives such as PLI schemes for exports manufacturing and high capex for infrastructure creation, structural reforms in the agriculture sector such as new farm laws, amendments in Essential Commodities Act as well as INR 1 trillion Agri fund bodes well for the rural economy.<sup>[1]</sup>

With the rollout of a large-scale vaccination programme and normalisation in economic activities, the IMF expects a 12.5% growth rate of the Indian economy in FY22<sup>[2]</sup>. The inflation projection depends on the south-west monsoon season of CY2021, the incidence of domestic taxes of petroleum products and the high international commodity prices along with logistics costs that can build upward pressure on cost of input materials. The success of the rebound depends on strategy adopted against the second wave of infections along with shielding of discretionary spending from the cost pressures especially petrol and diesel..

## Global Sugar Industry overview

The global sugar production in marketing year (MY) 2020-21 is estimated to increase to 182 million metric tons (MMT) (raw value), registering an increase of 16 MMT from the previous year<sup>[3]</sup>. Brazil is one of the largest sugar producers in the world. India, the European Union (EU), China and Thailand are also among the leading sugar producing countries in the world.

The International Sugar Organization (ISO) has estimated an increase in the global sugar deficit to 3.5 MMT. The projected increase in sugar deficits can be attributed to lower production estimates (compared to forecasts) in the EU, Brazil and Thailand.

### Impact of Covid-19 pandemic

Barring minor disruptions in the production and transportation, the sugar industry in India remains largely unaffected by the Covid-19 pandemic.

With the easing of restrictions and normalization of economic activities, the demand from the associated industries has started picking up paving the way for recovery in the industry. Following a 1.5 percent drop in MY 2019-20 due to the Covid-19 pandemic, global sugar consumption is expected to rise at a rate of 1.9 percent in the MY 2020-21<sup>[4]</sup>.

With the gradual unlocking of global economies, the industry witnessed an improvement in international sugar demand stimulating the growth in sugar prices. In addition, expected lower sugar output in the European Union (the world's third largest sugar producer) and Thailand (the world's second largest sugar exporter), as

well as uncertainty over Brazil's cane crop diversion to sugar for the sugar season 2020-21, all contributed to the upward trend in the international sugar prices.

### Outlook

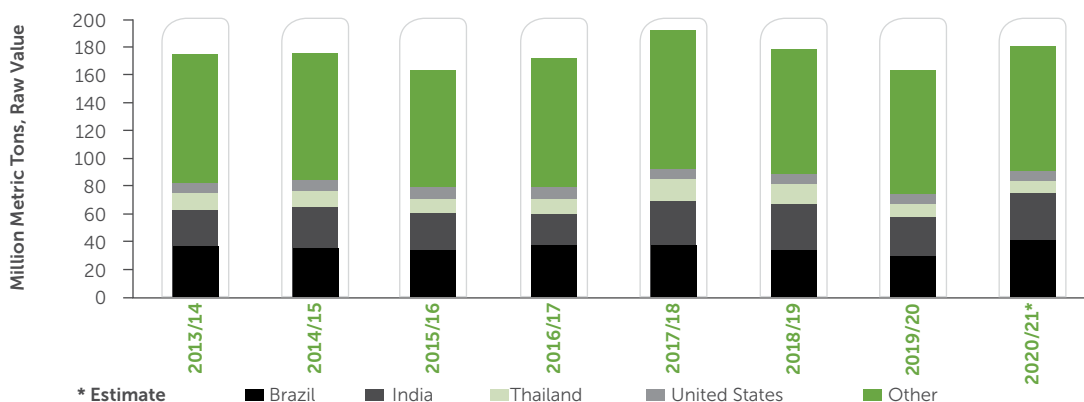
Global sugar production is expected to recover from its current low point and rise by 15% to 203 MMT by 2029, with developing countries accounting for 96% of the anticipated increase<sup>[3]</sup>. By 2029, Brazil is expected to keep its position as the world's largest sugar producer, accounting for about 18% of global sugar output<sup>5</sup>. India and Thailand are expected to gradually recover from their current low production season, with India approaching Brazil levels by 2029.

## Indian sugar industry overview

The sugar output in India is estimated to be 30.5 million tonnes during the sugar year starting 1<sup>st</sup> October 2020 to 30<sup>th</sup> September 2021, which is an increase of approximately 11% YoY against previous year output. The increase in output was due to improved weather conditions as well as increase in cane acreage in southern and western regions. The domestic consumption for the current year is estimated at 26 million tons along with 6 million tons for export under Government's MAEQ program. We expect the carry over of stock of sugar at the end of current year at around 9 million tons.

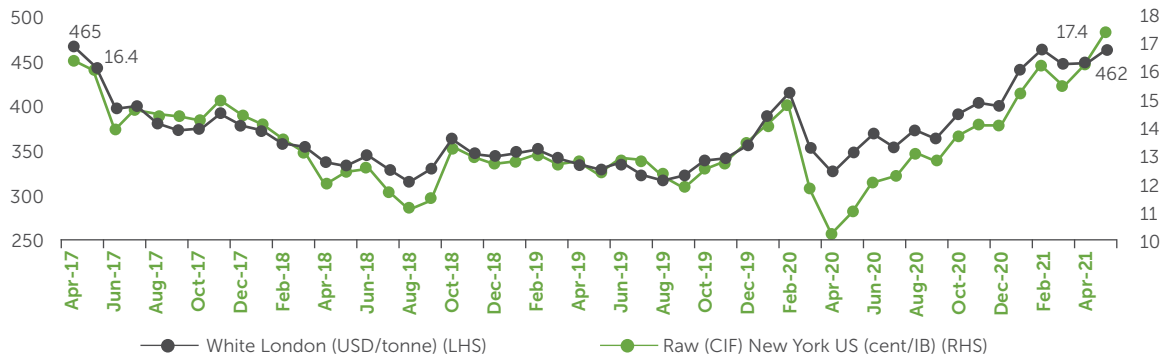
Government policies continued to play a pivotal role in the growth and development of the sugar industry in India. To ensure fair price of cane, satisfactory returns and availability of sugar to consumers at competitive rates, the government regulates certain aspects of the market.

### Global Sugar Production



Source: Sugar: World Markets and Trade Report by United States Department of Agriculture

**Chart 1: Trend in international sugar prices**



Source: CMIE

Note: The prices for April 2021 are considered up to 30th April 2021

However, the impact of the COVID-19 pandemic has not been severe on the domestic sugar prices. Since April 2019 till February 2021, India's average wholesale sugar prices have remained almost unchanged, hovering in the Rs.33-Rs.34 per kg range. Domestic sugar prices have remained stable in the range of Rs.33-Rs.34 per kg owing to the hike in the sugar Minimum Support Price (MSP) to Rs.31 per kg from Rs.29 per kg in 2019.

- ▶ Sugar exports are likely to reach 6.0 million tons during the current crop year. Firm international prices are helping India export aggressively. We feel if international prices continue to remain firm our export may happen even without sops from the Government.

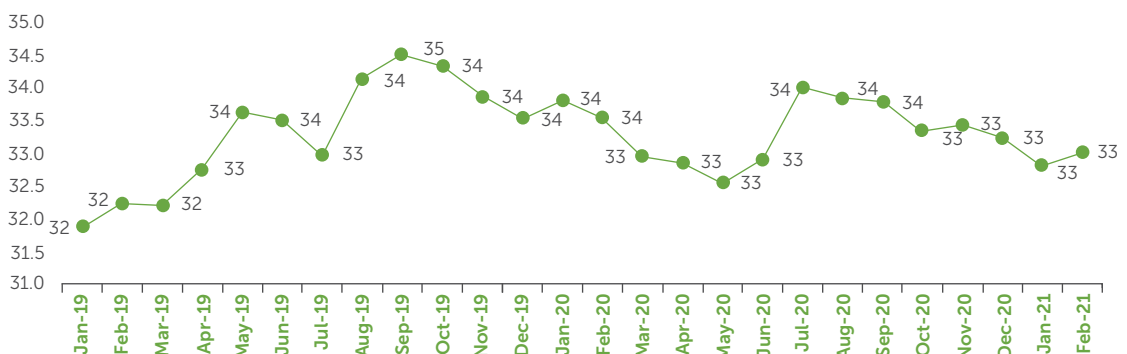
### Indian Ethanol Industry overview

For a growing nation like India, achieving energy security and the transitioning to a thriving low carbon economy is critical. To strengthen India's energy security, blending locally produced ethanol with petrol will help which will also enable local enterprises and farmers to participate in the energy economy and reduce vehicular emissions. Ethanol continues to be main focus of Government of India. The Government has increased the price of ethanol extracted from sugarcane juice from ₹ 59.48 per litre to ₹ 62.65 per litre. The rate for ethanol from C-heavy molasses has been increased from ₹ 43.75 per litre to ₹ 45.69 per litre and that of ethanol from B-heavy from ₹ 54.27 per litre to ₹ 57.61 per litre. The Centre has also set a target of 10% ethanol blending by 2022 and 20%

### Key highlights in the Indian sugar industry in Sugar Season (SS) 2020-21

- ▶ In Maharashtra, sugar production is likely to increase significantly from 61.6 lac tons to around 100.5 lac tons, while in Karnataka, sugar production increased from 34.9 lac tons to 41.3 lac tons, an increase of 63% and 18% respectively. Sugar production in Uttar Pradesh is expected to be similar as compared to previous year.
- ▶ Ethanol supplies to OMCs is likely to be approximately 325 Mn litres which translates to 8% of fuel blending.

**Chart 2: Trend in wholesale domestic sugar prices (Rs./kg)**



Source: CMIE

Note: The prices for February 2021 are considered up to 25th February 2021

ethanol blending by 2025 and is providing incentives to sugar mills to help achieve this goal<sup>1</sup>.

Against LOI quantity of 3,465 Mn litres<sup>4</sup>, the total contracted quantity stands at 3,212 Mn litres<sup>4</sup>. India expects to achieve a blending percentage of 8.5%, with states like Uttar Pradesh, Maharashtra, Karnataka, Uttarakhand, and Bihar achieving even higher blending percentages of up to 10%<sup>4</sup>. This policy of encouraging ethanol, which is a zero-emission fuel, is not only environment friendly, but is also friendly for the farmers and the industry.

The ethanol demand has been estimated around 10,160 Mn litres by 2025, based on expected growth in vehicle population. The current ethanol production capacity in India is of 4,500 Mn litres derived from molasses-based distilleries, and 2,600 Mn litres from grain based distilleries. The same is proposed to be increased to 7,600 Mn litres from molasses-based distilleries and 7,400 Mn litres from grain based distilleries. This will help to produce 10,160 Mn litres of ethanol which is required for EBP and rest for other uses<sup>2</sup>.

With the improvement in sugarcane production in SS 2020-21 and the increase in ethanol production capacity, the government has set a target of achieving 3,250 Mn litres of ethanol production in ESY 2020-21<sup>3</sup>.

Furthermore, the Department of Food and Public Distribution (DoFPD) has stated that it will offer financial assistance to project proponents to help them increase their ethanol distillation capability. This move is in line with the country's goal of increasing ethanol production capacity in India to reach 20% crude oil blending by 2025<sup>4</sup>. Financial assistance will be offered for setting up distilleries to manufacture 1<sup>st</sup> Generation (1G) ethanol from feedstocks such as cereals (rice, wheat, barley, corn, and sorghum); sugarcane; and sugar beet. Conversion of molasses-based distilleries to dual feedstock distilleries would also be supported.

The Government has approved a modified scheme to enhance ethanol distillation capacity in India. Under the new scheme, the government would bear interest

subvention for five years which will include a one-year moratorium against the loan availed by project proponents from banks at a rate of 6% per year or 50% interest, whichever is lower<sup>5</sup>. This new scheme is projected to bring about Rs 400 billion investments<sup>11</sup>. Further, OMCs have reduced security deposit and penalty amounts from 5% to 1%. With the increased blending rate, reliance on imported fossil fuel is expected to reduce, thereby resulting in lesser air pollution. Further, new job opportunities are anticipated in rural areas as a result of upcoming investment in capacity addition/new distilleries, to fulfil the vision of Atmanirbhar Bharat.

For the ethanol blending program a very strong foundation had been laid out by the following initiatives:

- ▶ Interest subvention scheme for molasses and grain-based distilleries (DFPD).
- ▶ Setting of standards for E5 (Ethanol 5%, Petrol 95%), E10, E20 and E100 blends of Ethanol blended petrol (Bureau of India Standards, BIS).
- ▶ MoRTH has notified for adoption of E20 fuel as automotive fuel and issued mass emission standards for it. MoRTH has also notified Safety standards for ethanol blended fuels. It lays down safety requirements for type approval of pure ethanol, flex-fuel & ethanol-gasoline blended vehicles in India.
- ▶ BS-VI Emission norms in effect since 1<sup>st</sup> April 2020 are applicable for E-20 Vehicles.

## Opportunities and Threats in the Indian Sugar Industry

### Opportunities

- ▶ *Exports: Low sugar production in the European Union and Thailand has created massive opportunities for Indian sugar export. Moreover, export subsidy from the government has also encouraged Indian sugar mills to increase export. India's sugar exports are likely to achieve the target 6 million tonnes.*

<sup>1</sup>[https://pib.gov.in/PressReleasePage.aspx?PRID=1668399#:~:text=\(i\)%20The%20price%20of%20ethanol,route%20be%20increased%20from%20Rs.](https://pib.gov.in/PressReleasePage.aspx?PRID=1668399#:~:text=(i)%20The%20price%20of%20ethanol,route%20be%20increased%20from%20Rs.)

<sup>2</sup>[https://niti.gov.in/sites/default/files/2021-06/EthanolBlendingInIndia\\_compressed.pdf](https://niti.gov.in/sites/default/files/2021-06/EthanolBlendingInIndia_compressed.pdf)

<sup>3</sup><https://economictimes.indiatimes.com/industry/energy/oil-gas/india-achieves-5-09-ethanol-blending-from-december-1-to-june-22-says-isma/articleshow/76689086.cms?from=mdr>

<sup>4</sup><https://mercomindia.com/government-financial-ethanol-production/>

<sup>5</sup><https://pib.gov.in/Pressreleaseshare.aspx?PRID=1684627>

- ▶ *Ethanol Blending: The increasing use of sugarcane for the production of ethanol opens up better avenues of growth for the sugar industry. India is currently aiming to achieve 20% ethanol blending targets by 2025.*
- ▶ *Power generation: Sugarcane primarily produces two types of biomass, sugarcane trash and bagasse. Bagasse is typically burned in furnaces to produce steam for generation of power. In addition to supplying steam and electricity to the sugar mills, the power generated from bagasse is now being supplied to the state grids in India.*
- ▶ *Government support: Government measures including export subsidies and Minimum Sales Prices (MSP) for industry continue to augur well for the industry..*

### Threats

- ▶ *Seasonal issues: Sugar production is seasonal in nature and is susceptible to vulnerabilities related to changes in weather conditions and other logistical hassles. India usually has a short crushing season, between 4 to 7 months in a year leaving the workers and the mills to remain idle for the remaining part of the year.*
- ▶ *Low yield of sugarcane: Even though India has the largest area under cultivation of sugarcane, the yield per hectare is relatively low which results in low overall production.*

### Outlook

In the last few years, India has hit a new production threshold. Sugar production in India is expected to remain above 30 MMT, unless it is impacted by extreme weather conditions<sup>6</sup>. In the days ahead, demand for ethanol is anticipated to rise on account of its importance to oil companies that require ethanol for blending purposes. Uttar Pradesh, Maharashtra and Karnataka are estimated to produce a major proportion of ethanol in India. The Government has also proposed to offer financial aid for production of first-generation ethanol from sources such as sugarcane and sugar beet to meet the ethanol blending target of 20% by 2025<sup>7</sup>.

### Company Overview

Shree Renuka Sugars is a leading agribusiness and bio-energy company in India. The Company is one of

the largest sugar producers and sugar refiners in the world. The company started operations in 1998 with one sugar mill in Karnataka. At present, it operates six sugar mills in India and two world class port-based refineries with total refining capacity of 1.7 million tons per annum (MTPA).

Shree Renuka Sugars Limited is one of the biggest producers of ethanol in India, and also produces power from bagasse for consumption and sale to the state grid. The Company constantly strives to meet market demands by developing better infrastructure and introducing advanced technology. In order to cater to new markets, the company aims to strategically enhance its operational capacities and improve its reach in growing sugar markets of Asia.

The Company is a market leader in the packaged sugar segment in India, marketing its products under the Madhur brand.

### Operational Overview

#### Refinery

The refinery business of Renuka Sugars is an export-oriented business. The company imports raw sugar and exports white sugar to different parts of the world. In the year 2020-21, the company relied on procuring raw sugar from the domestic market to substitute its imports. During FY 2020-21, the Kandla refinery continued to perform well and Haldia refinery restarted operations after being shut for about 2.5 years. The operational performance of the plants were commendable despite the sluggish business environment and they attained remarkable raw sugar processing capacity and export levels during the year.

#### Ethanol

The company produces 3 grades of Ethanol - 1) Rectified Spirit (RS) 2) Extra Neutral Alcohol (ENA) & 3) Absolute Alcohol (AA) Or Ethanol (used for fuel blending). With focus on production of fuel ethanol, the company is gradually moving towards becoming an energy company rather than purely being a sugar company. The initiatives taken by the government to increase ethanol blending resulted in more Ethanol production than the previous years. During the year under review it achieved record high production of ethanol, amounting to about 135.8 Mn liters which was 23% more than the previous year.

The favourable Government policies also provides vast opportunities for the company to expand its footprints in the segment. Better prices and increased demand

<sup>6</sup><http://sugar-asia.com/what-might-the-future-hold-for-indias-sugarcane-industry/>

<sup>7</sup><https://pib.gov.in/PressReleaseDetail.aspx?PRID=1684627>

for ethanol will ensure the long-term growth of the company. Keeping this in mind, the Board of Directors of the Company have approved capacity expansion of ethanol production from 720 Kilo Litre Per Day (KLPD) to 1400 KLPD, requiring an investment of around Rs. 6500 Mn. The additional capacity is expected to be added by October 2022.

### Power

During the year, the Company's Power Generation was at 529 Million Kwh, of which the Company exported 248 Million Kwh to the Grid.

### Consumer Pack

The brand Madhur was launched by Renuka Sugars in 2007 and is now the leading sugar brand in the country. It has always emphasized on providing pure and hygienic sugar to consumers. During the COVID-19 pandemic, Madhur made persistent efforts to increase awareness about unhygienic and impure sugar. It has promoted the brand as a reliable and trustworthy alternative to unpackaged sugar. Madhur's '5S Guarantee' (Shuddh, Samaan, Sulphur-free process, Safed and Surakshit) campaign intends to communicate the brand's safety and quality promise to its consumers.

Madhur was predominantly present in Southern and Western India for the past few years but, in FY 2020-21, its market share expanded in the Northern and Eastern markets as well. Besides, in the aftermath of the COVID-19 pandemic, Madhur has not only been a 'Digital First' company but a 'Digital Only' brand that has constantly expanded its geographical reach through several digital initiatives.

The Madhur brand is poised to increase capacity and production and add new products in this segment. Furthermore, it aims to sustain its position as a market leader by strengthening its customer base. Madhur is also looking forward to strengthen its association with e-commerce partners to further enhance its reach across the country.

### Combating COVID-19 Pandemic

The COVID-19 pandemic quickly escalated into a global crisis, prompting the Indian government to order a complete lockdown from the end of March 2020. However, being an essential commodity manufacturer, operations at the Company continued even during the nationwide lockdown. As a result, the Company avoided a significant impact on its business verticals.

The Company prioritised the safety of its employees and allowed its people to 'Work from Home'. However, the registered office continued to operate with minimum staff. The Company adhered to all government guidelines and regulations pertaining to social distancing, thermal screening, use of face mask, adequate sanitization of its offices, and sanitation of sites including factories.

The company's six sugar plants in Karnataka (4) and Maharashtra (2) completed crushing during the lockdown. The Company's 2 port based refineries in Gujarat and West Bengal and 7 power plants were also operational during the lockdown, ensuring crushing, power generation, distillery and sugar refining activities. Moreover, the 3 distilleries remained functional during the lockdown.

Despite the pandemic, Renuka Sugars increased production in refineries and expanded 2 of its distilleries by about 30%. The Company has also participated in the sugar export program organized by the Government of India, during the year.

### Financial Overview

#### Profit and Loss Statement

- ▶ The Company's operating revenue stood at ₹ 55,434 Mn vis-à-vis ₹ 45,679 Mn in FY 2019-20. This was mainly driven by increased sugar sale of ₹ 7,157 Mn with a value growth rate of 18% and increased ethanol sales of ₹ 2,302 mn with a value growth of 49% over last year.
- ▶ Operating expenses for the year stood at ₹ 5,814 Mn as against ₹ 5,195 Mn in FY 2019-20 majorly due to increase in expenses in line with the increase in volumes.
- ▶ Our Company generated EBITDA of ₹ 5,606 Mn vis-à-vis ₹ 2,077 Mn last year. The increase is largely on account of improved realisation in sugar and ethanol segment.
- ▶ After consecutive seven years of negative PAT, the Company recorded a positive PAT of ₹ 556 Mn for the year, driven mainly by improved operational performance and savings in interest costs.

#### Balance Sheet

- ▶ Net worth: Our net worth increased to ₹ 2,156 Mn in FY 2020-21 from negative Rs. (1,201) Mn in FY

2019- 20. This was due to improved profitability and equity infusion by the promoters during the year.

- ▶ Borrowings: Our borrowings comprise long-term borrowings (current and non-current) and short-term borrowings, as on 31<sup>st</sup> March 2021, and stood at ₹ 37,859 Mn vis-à-vis ₹ 21,912 Mn the previous year. The Company raised external commercial borrowings from the promoters to restructure its NPA classified financial instruments, term loans and working capital facilities, loan for ethanol expansion and fresh working capital facilities.

#### Working capital management

- ▶ Current assets: Current assets as on 31<sup>st</sup> March 2021 stood at ₹ 30,344 Mn. Current ratio is 0.72 as on 31<sup>st</sup> March 2021.
- ▶ Inventories: Inventories increased by 42% from ₹ 16,544 Mn in FY 2019-20 to ₹ 23,544 Mn in FY 2020-21, mainly due to increase in refinery stocks.

#### Risk Management

The Company continues to strategically expand its business in growing sugar markets of Asia. To ensure seamless operations and minimize risks, the Company relies on an effective risk management framework that enables it to mitigate threats and protect stakeholder interests. It continues to measure and evaluate risks at regular intervals to enhance productivity and improve business operations.

Some of the risks identified for Shree Renuka Sugars include:

- ▶ Strategic Risks: Flawed business strategy may affect the profitability of the business and financial health.
- ▶ Climate risks: Sugarcane production in most parts of India is largely dependent on monsoon. Factors like excessive or deficient rain or untimely rain impacts the quality and quantity of sugarcane crop, availability of sugarcane, which in turn affects the sugar production and profitability of the Company.
- ▶ Market Competition risks: Profitability can be severely impacted if market competition for Bulk Sugar & Consumer Pack (CP) is not properly managed.
- ▶ Business Cyclicity Risks: Revenue / Profitability may be dented as a result of subdued sugar prices in domestic and global markets due to cyclical trends resulting in supply overshooting demand.
- ▶ Technological Obsolescence Risks: Inefficient/ Outdated processes can lead to cost overruns and sub-optimum quality of finished product.
- ▶ Government Intervention Risk: Prices of sugar and cane are under the control and monitoring of government agencies which impacts the profitability of sugar segment.
- ▶ Credit Risks: Financial health of the Company can adversely be impacted due to leveraged balance sheet, lower debt service coverage ratio and/or diversion of working capital funds towards capex expansions.
- ▶ Interest Rate Risks: Sugar is produced over a period of 4/5 months and is required to be stored for sale over a period of 6 to 8 months, thereby resulting in very high requirement of Working Capital. Cost of funding depends on the overall fiscal environment in the country as well as the Company's credit worthiness /credit ratings. Failure to maintain credit rating can adversely affect the cost of funds.
- ▶ Receivables Risks: Receivables Risk arises on account of credit sales made to customers. It deals with management of payment terms with the customers. Non-payment by the customer will result in bad debts thus resulting in a financial loss to the Company.
- ▶ Commodity Price Risks: Agricultural commodity prices are very volatile and are affected by factors such as weather, government policies, availability and global volume of transactions etc., which eventually decides the pricing.
- ▶ Currency Risks: Currency risk is a financial risk that arises when a financial transaction is denominated in a currency other than the domestic currency of the company.
- ▶ Information and Cyber Security Risks: System incapability
  - ▶ Hardware vulnerability
  - ▶ Network security risks
  - ▶ Endpoint security risks
  - ▶ Data Integrity risks
  - ▶ Business disruption
  - ▶ Coordinating and interfacing risks

The Company has a strong governance framework and well-defined norms to minimize the impact of such risks. The Company conducts periodical risk analysis for timely identification of potential threats and adopts suitable measures to mitigate risks.

### Internal Controls and Adequacy

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

A comprehensive internal audit and control testing plan, spanning all factories and locations of the Company, is drafted, updated, approved and reviewed by the Audit Committee regularly.

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

### Audit Committee

The Audit Committee of the Board of Directors examine the observations made by internal auditors. Such observations relate to the adequacy of control mechanism, recommendations for corrective actions and implementation of compliance-related matters. The Company's operations and strict adherence to the laid down guidelines are also overseen by the Committee. The implementation of SAP at all its units has ensured effective IT security and systems, ensuring real-time availability of information at various locations.

### Human Resources

The Company strives to create conducive working environment for its employees and continues to offer

support despite the challenges posed by the pandemic. The Company's HR ensured implementation of safety protocols within the factories and offices to ensure business continuity. While office staff were allowed to 'work from home' to contain the spread of COVID-19, essential staff were called to the office and were provided necessary safety training to keep the workplace safe.

At manufacturing units, safety measures were followed and masks and sanitisers were made available for the staff. Sanitization tunnels were also installed at all entry and exit points to curb the risk of infection.

During the pandemic, our people developed a sanitiser, as per WHO guidelines. It acted as a blessing for the employees as well as the local community.

Certain innovative ideas were also implemented during the crisis and the staff helped to develop the following:

1. Non-touch sanitiser dispensers
2. Touch-free water dispenser in handwashing areas
3. Contactless light switches.
4. Fully covered thermal testing cabins for security.

Awareness programmes were also carried out during the pandemic to educate people about safety protocols and the need to contain Covid infections. COVID insurance policies were also offered to employees for managing medical expenses.

At the start of the season, the Company had implemented SOPs to ensure the safety of its people. A vaccination programme was also arranged for employees, to provide free vaccines to employees. Provisions for accommodation was also made for people engaged in cane harvesting. Along with it, blankets, masks and sanitisers were offered to workers. Special arrangements for distributing PPE kits, thermal testing guns and sanitisers were made for frontline workers.

Similar efforts were also undertaken for neighbouring villages around the factories. Isolation and Quarantine centres were also made for employees.

During the period, HR processes were digitally transformed with the introduction of new technology. In FY 2020-21, virtual recruitments were also conducted. Despite the pandemic, the Company continued its internal trainings, completing 4127 hours of training, as of 31<sup>st</sup> March 2021.

Employee welfare programs were also undertaken and festivals were celebrated in offices and factories to create a sense of unity and keep the employees motivated during a challenging period. The Company also undertook initiatives for employee health check-up. On National Safety Day, sports events and quiz competitions were also organised.

## Environment, Health and Safety

### Environment

The Company strives to be a responsible corporate entity. The Company, therefore, recognizes the impact of its operations on the environment and hence are committed to strictly adhere to the Environment, Health and Safety (EHS) norms and compliance standards set by the Government of India.

### Green initiatives

Sugar manufacturing is a water intensive industry and has a high dependence on energy. Sugar manufacturing also produces effluents that must be treated before its release into the environment. To reduce its environmental footprint, the Company undertook the following initiatives in FY 2020-21:

- ▶ Formed an inter-unit committee with the objective of minimising freshwater consumption. It is done by enhancing the use of recycled water, which automatically reduces the use of water.
- ▶ Set up a standard operating procedure (SOP) for managing hazardous waste at all units
- ▶ Installed incineration boilers at all distilleries as a step towards achieving better utilisation of spent wash

After extracting energy from spent wash, the potash rich fly ash generated from these incineration boilers can be used as a source of potash nutrition for agricultural green belt development.

### Green belt development

To reduce air pollution levels, the Company has planted a total of 10,267 trees during the year, across all its units. Besides, environmental awareness posters and banners have been put up at prominent locations, across units, to enhance awareness among employees. The Company also observes World Environment Day every year and plants trees to further the green cover in and around its operating areas.

### Environmental initiatives

The company continues to abide by all applicable environmental regulations for all its operations in India. From energy generation to energy consumption, water consumption to wastewater generation and its disposal, product manufacturing to waste generation and fuel consumption is reported on a monthly basis to the management. SPCC tank assessments have also been initiated at all sites to identify gaps in the system and prepare plans to take necessary steps for its implementation.

### Health and safety

During the year, the Company continued its efforts to strengthen the health and safety of its employees. All the sites of Shree Renuka Sugars have also increased visual safety awareness with the help of posters in different parts of the factory and office.

The organization actively conducted health and safety training sessions at all its sites. The following programs were :

- ▶ Implementation of Lock Out Tag Out (LOTO): This training enables employees to protect themselves from injuries caused by machines that are being serviced or repaired.
- ▶ Self-contained Breathing Apparatus (SCBA) Implementation: This apparatus aids the employees in breathing while performing work in a confined space.
- ▶ Implementation of Road safety measure: Several safety measures were undertaken for road safety which promoted wearing of crash helmets and car safety belts. Besides, a road safety week was also celebrated at the sites.
- ▶ Safety week celebration: Employees were encouraged to take a safety oath with a promise to abide by it. Several competitions were also organised during the celebrations to promote awareness. Winners also received awards for their performance in various events.
- ▶ Fall protection safety: Advanced fall protection systems were implemented in a phased manner at all sites to ensure better safety of employees.

# Board's Report

Dear Members,

The Board of Directors presents their Twenty-Fifth Annual Report and audited financial statements for the financial year ended 31<sup>st</sup> March 2021.

## Standalone Financial Results

The highlights of the standalone financial results are as under:

	(₹ in Mn)	
Particulars	FY 2020-21	FY 2019-20
Revenues	56,116	46,474
Profit /(loss) before financial expenses, depreciation and exceptional items	6,353	501
Financial expenses	3,686	4,858
Depreciation	2,013	2,028
Profit /(loss) before provision for tax and exceptional items	654	(6,385)
Exceptional Items	(1,499)	(2,989)
Provision for taxation:		
- Income Tax relating to earlier years	-	26
- Deferred Tax	1,596	2,090
Net Profit/(Loss)	556	(5,512)
Total comprehensive income/(loss)	117	(6,665)
Retained Earnings and Items of OCI brought forward from the previous year	(34,139)	(27,474)
Changes in Retained Earnings	1,247	(5,276)
Changes in Items of Other Comprehensive Income (OCI)	(203)	(1,389)
Closing Retained Earnings and Items of OCI	33,095	(34,139)

## Operating Highlights

The Company received total income of ₹ 56,116 million for the year ended 31<sup>st</sup> March 2021 as against ₹ 46,474 million for the previous year. The EBITDA for the year under review stood at ₹ 5,606 million as compared to ₹ 2,077 million for the previous year, while the Net Profit stood at ₹ 556 million as compared to Net Loss of ₹ 5,512 million for the previous year. Analysis of operating performance is covered under Management Discussion and Analysis which forms part of this Report.

There was no change in the nature of business of the Company during the year under review.

## Dividend & Dividend Distribution Policy

Since the Company has carried forward losses as on 31<sup>st</sup> March 2021, your Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March 2021.

The Company has complied with the requirement of formulation of the Dividend Distribution Policy of the Company which may be accessed on the Company's website at <https://renukasugars.com/pdf/corporate-governance/dividend-distribution-policy.pdf>.

## Transfer to Reserves

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

The Company has not transferred any amount to reserves during the financial year ended on 31<sup>st</sup> March 2021.

During the year under review, the Company redeemed 5,521 0.01% Non-Convertible Debentures (NCDs) of ₹ 10 lacs each, 4,28,08,858, 0.01% Optionally Convertible Preference Shares of ₹ 100 each and 7,43,88,207, 0.01% Redeemable Preference Shares of ₹ 100 each, which were allotted 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 2021 are given in the financial statements.

## Fixed Deposits

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

## Management Discussion and Analysis Report

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

## Subsidiary Companies and Consolidated Financial Statements

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

Pursuant to Section 129(3) of the Companies Act, 2013 ("the Act"), a statement containing the salient features of the financial statements of each subsidiary, joint venture and joint operations in the prescribed Form AOC-1 is provided in the financial statements forming part of this annual report.

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

part of this annual report. There was no material change in nature of the business of any of the subsidiaries during the year.

Pursuant to Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and accounts of each of the subsidiaries of the Company are available on the website of the Company at [www.renukasugars.com](http://www.renukasugars.com). These documents will be made available to the Members for inspection electronically, upon request, up to the date of the ensuing Annual General Meeting. The Company will make available the documents of the subsidiaries upon request by any member of the Company interested in obtaining the same.

During the year under review, no company became a subsidiary of the Company or Joint Venture or Associate Company.

During the year under review, the Company had filed an application with the Stock Exchanges i.e. BSE Limited (BSE) & National Stock Exchange of India Limited (NSE) on 28<sup>th</sup> January 2021 for seeking in-principle approval of merger of its subsidiary (93.64%), Gokak Sugars Limited, with the Company. BSE and NSE has forwarded the scheme to SEBI with their recommendation. SEBI has sought certain additional information from the Company and the Company is in the process of providing this information to SEBI. After SEBI approval the Company will seek NCLT approval for the proposed merger.

The Company's Policy for Determining Material Subsidiaries may be accessed on the Company's website at <https://renukasugars.com/pdf/corporate-governance/policy-on-determining-material-subsidaries.pdf>

## Share Capital

During the year under review, the Company had issued 21,16,70,481 (Twenty One Crore Sixteen Lakhs Seventy Thousand Four Hundred and Eighty One only) fully paid-up equity shares of face value of ₹ 1/- each of the company, for cash, at a price of ₹ 8.74 per equity share, aggregating to ₹ 185,00,00,004 (Rupees One Hundred and Eighty Five Crores and Four only) to Wilmar Sugar Holdings Pte. Ltd., promoter of the Company, on a preferential basis.

Further, during the year under review, the Company redeemed 4,28,08,858 0.01% Optionally Convertible Preference Shares (OCPS) of ₹ 100 each and 7,43,88,207 0.01% Redeemable Preference Shares (RPS) of ₹ 100 each which were allotted 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.

In view of the above, paid-up share capital of the Company as on 31<sup>st</sup> March 2021 stands at ₹ 212,84,89,773 comprising of 212,84,89,773 equity shares of ₹ 1 each fully paid-up. As on 31<sup>st</sup> March 2021, 99.83% of the total paid-up equity share capital of the Company stands in the dematerialized form.

## Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152 of the Act, Mr. Vijendra Singh (DIN: 03537522), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment at the forthcoming Annual General Meeting. Brief Resume of Mr. Singh is circulated to the members as part of the AGM Notice.

The members at its, previous Annual General Meeting, ratified the appointment of Mr. Charles Loo Cheau Leong (DIN: 08737827) and Mr. Kuok Khoon Hong (DIN: 06857132) as Non-Executive & Non-independent Directors of the Company.

The tenure of Mr. Atul Chaturvedi (DIN: 00175355), as Executive Chairman of the Company, expires on 29<sup>th</sup> October 2021. The Nomination & Remuneration / Compensation Committee considered and recommended re-appointment of Mr. Atul Chaturvedi as an Executive Chairman for a second term of five years which was approved by the Board of Directors at its meeting held on 25<sup>th</sup> June 2021. The proposal for re-appointment of Mr. Chaturvedi will be placed before the members for its approval in the next General Meeting. Brief Resume of Mr. Chaturvedi is circulated to the members as part of the AGM Notice.

The tenure of Ms. Priyanka Mallick (DIN: 06682955), as Independent Director of the Company, expires on 7<sup>th</sup> February 2022. The Nomination & Remuneration / Compensation Committee considered and recommended re-appointment of Ms. Priyanka Mallick as Independent Director for a second consecutive term of five years with effect from 7<sup>th</sup> February 2022, which was approved by the Board of Directors at its meeting held on 25<sup>th</sup> June 2021. The proposal for re-appointment of Ms. Priyanka Mallick will be placed before the Members for its approval in the next Annual General Meeting. Brief Resume of Ms. Priyanka Mallick is circulated to the members as part of the AGM Notice. Ms. Priyanka Mallick is a person of integrity, possesses

relevant proficiency and has adequate experience and expertise to serve as an Independent Director on the Board of the Company. She fulfils the conditions for independence specified in the Act, the Rules made thereunder and the Listing Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company.

The Board of Directors on recommendation of the Nomination & Remuneration/ Compensation Committee has approved the appointment of Mr. Tinniyan Kalyansundaram Kanan (DIN: 00020968) as an Alternate Director to Mr. Kuok Khoon Hong (Mr. Kuok) w.e.f. 18<sup>th</sup> December 2020 during the absence of Mr. Kuok from India for a period of not less than 3 months. Mr. Kanan shall hold the office as Alternate Director till the time Mr. Kuok arrives in India for any reason whatsoever, or as and when Mr. Kuok ceases to be a Director, whether by retirement by rotation or otherwise, whichever is earlier. Further, whenever Mr. Kanan ceases to be an Alternate Director due to Mr. Kuok's arrival in India for any reason, Mr. Kanan be and is hereby re-appointed as an Alternate Director to Mr. Kuok, on Mr. Kuok's departure from India for a period of not less than 3 months, subject to such compliances and disclosures as may be required to be done by the Company. Brief Resume of Mr. Kanan is circulated to the members as part of the AGM Notice.

Mr. Rajeev Kumar Sinha ceased to be the Nominee Director of the Company consequent to nomination withdrawn by IDBI Bank effective from 21<sup>st</sup> January 2021. Further, Mr. Stephen Ho Kiam Kong, Non-Executive Director, ceased to be Director of the Company consequent to his resignation effective from 31<sup>st</sup> May 2020. The Board places on record its sincere appreciation for the valuable contribution made by Mr. Sinha and Mr. Stephen Ho Kiam Kong during their tenure as Directors 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. The policy is available on the website of the Company <https://renukasugars.com/pdf/corporate-governance/nomination-remuneration-policy.pdf>

As on date of this report, Mr. Atul Chaturvedi, Executive Chairman, Mr. Vijendra Singh, Whole-time Director,

Mr. Sunil Ranka, Chief Financial Officer and Mr. Deepak Manerikar, Company Secretary, are the Key Managerial Personnel of the Company.

## Performance Evaluation

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

The meeting of Independent Directors of the Company was held on 29<sup>th</sup> March 2021 to discuss matters as per the provisions of Companies Act, 2013 and Listing Regulations.

The Board hereby confirms that the Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

## Meetings of the Board

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

The Company has complied with the requirements of SS-1 in respect of the meetings of the Board of Directors held during the year.

## Directors' Responsibility Statement

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

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with no material departures;
- (b) that the Directors have selected such accounting policies and applied them consistently and made

judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2021 and of the profit of the Company for the year ended on that date;

- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Auditors and Auditors' Report

M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) were appointed as Statutory Auditors of the Company at the 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.

During FY 2020-21, the Statutory Auditors had not reported any matter under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) of the Act.

## Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board had appointed M/s. DVD & Associates, Practising Company Secretary (Membership No. F6055/CP No. 6515), to conduct Secretarial Audit for the financial year

2020-21. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2021 is annexed herewith at **Annexure 2** to this Report.

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

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

## Cost Auditors

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. B. M. Sharma & Co, Cost Accountants, as the Cost Auditor to audit the cost records for the financial year ending 31<sup>st</sup> March 2022. Remuneration payable to the Cost Auditor is subject to ratification by the members of the Company. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s. B. M. Sharma & Co, Cost Accountants, forms part of Notice convening 25<sup>th</sup> AGM of the Company, along with relevant details, including the proposed remuneration.

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

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

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

## Corporate Governance

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

## Particulars of Employees

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended at **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 SRSI Employees Stock Option Plan-2011 ("Scheme") of the Company in accordance with applicable SEBI regulations.

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

## Contracts and Arrangement with Related Parties

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

The Company's Policy on Related Party Transactions may be accessed on the Company's website at <https://renukasugars.com/pdf/corporate-governance/tpt-policy-srsl.pdf>.

## 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. Since the formation of CSR Committee is not applicable to the Company, the Board of Directors, in its meeting held on 25<sup>th</sup> June 2021, have dissolved the CSR Committee with effect from 26<sup>th</sup> June 2021. The CSR Policy will now be administered by the Board of Directors. The CSR Policy of the Company may be accessed on the Company's website at <https://renukasugars.com/pdf/corporate-governance/policy-on-corporate-social-responsibility.pdf>.

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

## Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the IEPF Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF; established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred unclaimed and unpaid dividends of 2012-13 of ₹ 31,22,620 to IEPF. Further, 21,48,181 equity shares on which dividends were unclaimed for seven consecutive years were transferred to the IEPF, as per the requirement of the IEPF rules. The details of unclaimed/unpaid dividends and equity shares transferred to IEPF are available on the website of the Company at <https://renukasugars.com/pdf/shares-trfd-to-iefp.pdf>.

The contact details of Nodal Officer of the Company are available on the website of the Company at <https://renukasugars.com/en/contact-us.html>

## Annual Return

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules 2014, the Annual Return of the Company for FY 2020-21 is available on the website of the Company at <https://renukasugars.com/en/financial-results.html>.

## 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, identify steps to mitigate risks and to identify risk owners for all types of risks.

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.

Based on the market capitalization as on 31<sup>st</sup> March 2021, provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pertaining to Risk Management Committee is now applicable to the Company. In view of this, the Board of Directors, at its meeting held on 25<sup>th</sup> June 2021, has constituted a Risk Management Committee.

## Whistle Blower Policy

Pursuant to Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015, and the Act, the Company has in place a Whistleblower Policy/Vigil Mechanism to deal with unethical behaviour, victimisation, fraud and other grievances or concerns of directors, employees and stakeholders. The Whistleblower Policy may be accessed on the Company's website at <https://renukasugars.com/pdf/corporate-governance/whistle-blower-policy.pdf>.

During the year under review, no complaints were received by the Company under the policy.

## Prevention of Sexual Harassment at Workplace

The Company has complied with the requirement of constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("the Act") and Rules made thereunder. During the year under review, 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 the Company and to align the interest of employees with the long term organizational goals.

## Material Changes & Events after Balance Sheet Date

There are no material changes which have occurred after the date of the Balance Sheet and the date of this report.

## OTHER EVENTS

### Conversion of NCD into RPS

1,500 11.70% Non-Convertible Debentures (NCDs) of ₹ 10 Lakhs each and 1,000 11.30% Non-Convertible Debentures (NCDs) of ₹ 10 Lakhs each, aggregating to ₹ 250 Crores, are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited. The Company has received in-principle approval for conversion of 50% of listed NCDs into Redeemable Preference Shares, which is valid till 1<sup>st</sup> September 2021.

## Business Responsibility Report

The Business Responsibility Report for the year ended 31<sup>st</sup> March 2021 as stipulated under Regulation 34 of SEBI Listing Regulations is annexed which forms part of this Annual Report at **Annexure 7**.

## Other Disclosures/Reporting

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

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

## Appreciation & Acknowledgements

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

For and on behalf of the Board

**Atul Chaturvedi**

Executive Chairman

DIN: 00175355

**Date:** 02<sup>nd</sup> August 2021

**Place:** 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 Regulation 19 under the Listing Regulations 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 applicable listing regulations.
- 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 2021

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

To,

The Members

**SHREE RENUKA SUGARS LIMITED**

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

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

The Secretarial Audit was conducted for the period from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021 according to the provisions of the following list of laws and regulations. These documents were examined on computer using audio visual means

because of the restrictions on travel as well as work from home at Registered Office of the Company. The documents provided to us were treated as final for verification purposes as per the declaration given by the Management of the Company. The physical verification of certain documents was not possible due to lockdown condition in India during the Audit period. The following are our observations on the same:

- (i) **The Companies Act, 2013 (the Act) and the Rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review.
- (ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:** The Company has complied with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA').
- (iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:** The Company is a listed public company the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the period under review. **There was a submission of Form FC GPR for the allotment of securities during the year under review and the said form was submitted with Late Submission Fees according to the records available with the Company.**

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 **(Not applicable for the period under review)**;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable for the period under review)**;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable for the period under review)**;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015: The Company has satisfactorily complied with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as applicable to the Company.

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

I further report that, as per the opinion of the officers of the Company and information provided by them there are following specific applicable laws on the basis of

activities of the Company have been substantially complied with:

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

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

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

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

**We further report that:-**

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

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

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

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

- a) The Company on 21<sup>st</sup> September, 2020 has allotted 21,16,70,481 fully paid Equity Shares of face value ₹ 1/- each, at a premium of ₹ 7.74/- per share, aggregating to ₹ 185,00,00,004 (Rupees One Hundred and Eighty-Five Crores and Four Only) to Wilmar Sugar Holdings Pte. Ltd., on preferential basis. The said issue of shares was approved by members of the Company at the Annual General Meeting held on 7<sup>th</sup> September 2020.
- b) The shareholders of the Company at their Extra Ordinary General meeting held on 13<sup>th</sup> July 2020 have passed the following resolutions:
  - i. Increase in borrowing limits of the Company to ₹ 1000 Crores.
  - ii. Reappointment of whole-time Director
  - iii. Approval of Related Party Transactions
- c) Board of Directors of the Company, through a circular resolution dated 21<sup>st</sup> September 2020, has considered and approved the following:

- i. Redemption of 4,28,08,858 number of 0.01% Optionally Convertible Preference Shares (OCPS) having face value of ₹ 100/- each;
  - ii. Redemption of 7,43,88,207 number of 0.01% Redeemable Preference Shares (RPS) having face value of ₹ 100/- each.
- d) The Company has passed resolution for approval of related party transaction through postal ballot dated 09<sup>th</sup> February, 2021.
  - e) The company during the year under review ratified the Loan given to Monica Trading Pvt. Ltd.
  - f) The Company has passed a Board Resolution for the proposed Merger of the Company with Gokak Sugars Limited, a subsidiary Company.

FOR **DVD & ASSOCIATES**  
COMPANY SECRETARIES

**Devendra Deshpande**  
FCS No. 6099 CP No. 6515  
PR No. 1164/2021

**Place:** Pune

**Date:** 25<sup>th</sup> June 2021

**UDIN:** F006099C000512341

## Annexure A

To,

The Members

**Shree Renuka Sugars Limited**

2<sup>nd</sup> and 3<sup>rd</sup> Floor, Kanakashree Arcade,

CTS No. 10634, JNMC Road, Neharu Nagar,

Belagavi 590010

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

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

FOR **DVD & ASSOCIATES**  
COMPANY SECRETARIES

**DEVENDRA DESHPANDE**

FCS No. 6099

CP No. 6515

PR No. 1164/2021

**Place :** Pune

**Date :** 25<sup>th</sup> June 2021

**UDIN:** F006099C000512341

## Annexure 2A

### FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2021

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

To,

The Members

**Gokak Sugars Limited**

238, 263, Kolavi

Taluka Gokak, Karnataka 591344

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

Secretarial Audit was conducted for the period from April 1, 2020 to March 31, 2021, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of the following list of laws and regulations mentioned hereunder, virtually due to COVID 19 pandemic. The documents provided to us were treated as final for verification purposes as per the declaration given by the Management of the Company. The following are our observations on the same:

- (i) **The Companies Act, 2013 (the Act) and the rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review.
- (ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under:** The Company is an unlisted Company and therefore provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') are **not applicable**.
- (iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:** The company is a unlisted public company and around 93.59% of the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and there are no discrepancies observed by us during the period under review. There was no allotment of shares or the Company has not availed any External Commercial Borrowings during the year.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not Applicable**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**

- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; **Not Applicable**
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**

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

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

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

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

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India have been followed by the Company.
- ii. The Company being an unlisted Company the clauses of Listing agreement / SEBI (Listing Obligations and Disclosure Requirements), 2015 are not applicable.

**We further report that:-**

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

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

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

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

**FOR DVD & ASSOCIATES  
COMPANY SECRETARIES**

**Devendra Deshpande**  
FCS No. 6099  
CP No. 6515  
PR No. 1164/2021

**Place:** Pune

**Date:** 11<sup>th</sup> June 2021

**UDIN:** F006099C000468055

## Annexure A

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

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

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

FOR **DVD & ASSOCIATES**  
COMPANY SECRETARIES

**Devendra Deshpande**  
FCS No. 6099  
CP No. 6515

**Place:** Pune  
**Date:** 11<sup>th</sup> June 2021  
**UDIN:** F006099C000468055

## 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

###### Kandla Refinery

Steam is the major requirement of sugar refining process. In order to conserve energy, reduce fossil fuel (Coal) consumption, steam consumption to sugar refining process is reduced systematically by recovering waste heat from the process.

###### Havalga Distillery Plant

Used concentrated Spentwash for Incineration boiler for the steam generation, with this equivalent coal saved was 26,425 MT.

###### Athani Distillery Plant

- a) Reduced steam consumption by 96 Ton/Day by installing Flash tank with standby reboiler and Integrated Evaporation system in 120 KLPD plant.
- b) Reduced around 480 M3/day water consumption by installing recycle arrangement for vacuum pump, process pump & air blower sealing water (Installation of Sealing water tank, Pumps, PHEs, piping & fittings etc.).
- c) Reduced steam consumption by 40 Ton/Day by installing PHEs for preheating of weak alcohol in KBK both MSDH Plants. Now both the KBK MSDH plants are working on 3.5 Kg/cm<sup>2</sup> steam back pressure. Due to this modification, we have stopped high pressure steam extraction i.e. 6 Kg/cm<sup>2</sup> from turbine which helped to increase the power generation & export.
- d) Distillery runs on exhaust steam pressure.
- e) Used concentrated Spentwash for Incineration boiler for the steam generation,

with this equivalent coal saved was 17,850 MT.

##### (ii) Steps taken by the company for utilizing alternate sources of energy

The Company has taken various steps to save on coal use for power generation, due to which, the Company saved ₹ 911.6 Mn worth of coal in Athani and Havalga.

##### (iii) Capital investment on energy conservation equipment

Nil

#### B. Technology Absorption

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

###### Kandla Refinery

All waste heat recovery and alternative energy source has been explored and at Shree Renuka Sugars Ltd., Kandla unit following technology absorptions are made by:

- a) Use of Heat exchangers to recover heat from Pan Vapours
- b) Use of LPG in place of diesel
- c) Renewable source of energy solar power plant system benefits tapped.

###### Havalga Distillery Plant:

Conversion of continuous fermentation to Fed batch fermentation, avoid the usage of separators.

###### Athani Distillery Plant:

- a) Adopted online cleaning technology by adding condensers, reboilers PHEs etc. Due to this modification, we are now reduced down time of distillery and increase the overall production which is resulted in reduction in power and steam consumption.
- b) During the syrup to ethanol production, spent wash was recycled up to 60 % and reduced the fresh water consumption around 1100 M3/Day.
- c) Due to high spent wash recycle, SW generation was reduced significantly and accordingly the Old MEE plant has

been stopped which resulted in power saving around 20,000 KW/Day.

- d) Increased fermenter alcohol concentration up to 14% on Syrup mode by optimizing operational parameters which was resulted in reduction of effluent generation.
- e) Due to installation of UF unit, it was possible to maximize CPU/ Sugar ETP treated water recycle up to 2000 M3/ Day to distillery process and non-process application.

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

**Kandla Refinery**

- a) Benefit of reduced steam consumption of 0.56 Tons per ton of raws achieved which is 0.05 tons lower by previous year. This has impacted on reduction of fossil fuel from 13.37% to 12.78%.
- b) Cost for energy had got reduced from USD 9.26 per MT to USD 7.86 per MT.

**Havalga Distillery Plant:**

- a) Product quality improved

- b) Coal saved, as spent wash has been used as fuel in place of coal

**Athani Distillery Plant:**

- a) Steam saved- 136 MT/day
- b) Power Saved during syrup to ethanol production- 20,000 KW/day
- c) Fresh water saved during syrup to ethanol production -1100 m3/day
- d) Spent wash disposal cost reduced
- e) Coal saved, as spentwash has been used as fuel in place of coal

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

None

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

Nil

**C. Foreign Exchange Earnings and Outgo**

**Foreign Exchange Earned:** ₹ 23,109.39 Mn

**Outgo of Foreign Exchange:** ₹ 22,308.39 Mn

## Annexure 4

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

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director / KMP for FY 2020-21 (₹ in Million)#	% increase in Remuneration in FY 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Atul Chaturvedi Executive Chairman	32.50	-	112.07
2.	Mr. Vijendra Singh Executive Director	32.50	-	115.10
3.	Mr. Kuok Khoo Hong Non-Executive Director	-	-	-
4.	Mr. Jean-Luc Bohbot Non-Executive Director	-	-	-
5.	Mr. Stephen Ho Kiam Kong Non-Executive Director (up to 31.05.2020)	-	-	-
6.	Mr. Charles Cheau Leong Loo Non-Executive Director (w.e.f. 01.06.2020)	-	-	-
7.	Mr. Madhu Rao* Independent Director	0.65	NA	NA
8.	Mr. S. K. Tuteja* Independent Director	0.55	NA	NA
9.	Mr. Dorab Mistry* Independent Director	-	-	-
10.	Mr. Bhupatrai Premji* Independent Director	0.37	NA	NA
11.	Dr. Bharatkumar Mehta* Independent Director	0.35	NA	NA
12.	Ms. Priyanka Mallick* Independent Director	0.32	NA	NA
13.	Mr. Rajeev Kumar Sinha# Nominee Director (up to 19.01.2021)	0.05	NA	NA
14.	Mr. Tinniyan Kalyansundaram Kanan Alternate Director (w.e.f. 18.12.2020)	-	-	-
15.	Mr. Sunil Ranka	18.22	(10.90)	62.83
16.	Mr. Deepak Manerikar	2.73	(2.15)	9.41

\* Remuneration to Independent Directors consists only of sitting fees paid for FY 2020-21. The Board of Directors at their meeting held on 25<sup>th</sup> June 2021 have approved remuneration of ₹ 11,00,000 payable to every Independent Director for FY 2020-21 subject to approval of the shareholders at the forthcoming Annual General Meeting.

# Constitutes fees paid to IDBI Bank Ltd.

2. The median remuneration of employees of the Company during the financial year was ₹ 2,94,972/-.
3. In the financial year, there was an increase of **7.43%** in the median remuneration of employees.
4. The numbers of permanent employees on the rolls of Company as on 31<sup>st</sup> March 2021 were **1979**.
5. Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2020-2021 was **3%** and increase in the managerial remuneration was by **(1.02%)**. Increments in remuneration of employees are as per the appraisal / Remuneration Policy of the Company.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
7. Information relating to particulars of employees under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

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

Sr. No.	Name and Designation	Remuneration Received (₹ in Million)	Qualifications	Total Experience (No. of years)	Date of Commencement of Employment	Age in Years	Previous Employment
1.	Atul Chaturvedi (Executive Chairman)	32.50	Post graduate from St. Johns College (Agra University)	40	02-Jul-18	65	Adani Wilmar Ltd.
2.	Vijendra Singh (Executive Director)	32.50	B. Sc., PGD (SUGAR TECH)	37	15-Sep-10	61	Bajaj Hindustan Ltd.
3.	Sunil Ranka (Chief Financial Officer)	18.22	LLB, B.Com, CA, ICWA, CS	35	18-Apr-18	58	Suzlon Energy Ltd.
4.	Ravi Gupta (President -Corporate)	14.89	B.Com, PGDM	30	01-May-13	51	Noble Natural Resource India Pvt. Ltd.
5.	Satbir Singh Sindhu (President-Marketing & OD)	12.05	MBA	35	01-Jun-18	59	Adani Wilmar Ltd.
6.	Shripad Nerlikar (Executive Director-Cane)	10.53	B.Sc. (AGRI)	44	01-Oct-03	65	Halasidhanath SSK Ltd
7.	Jitendra Sharma (Senior Vice President-HR)	6.95	LLB, LLM, PGDM	24	07-Jan-19	46	NSL Group, Hyderabad
8.	Venkateshwarlu Yelisetty (Vice President-Accounts & MIS)	6.33	B.COM, CA	20	04-Oct-18	49	United Spirits Ltd.
9.	Lalit Garg (Head-Management Audit & Assurance System)	5.75	B.COM, CA	37	04-Jul-18	62	Adani Wilmar Ltd.
10.	Barun Kumar Sarangi (Vice President)	5.74	BE (MECH), PGD (SUGAR ENGG)	31	28-Jun-11	51	Saraya Industries Limited, Gorakhpur

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

Sr. No.	Name and Designation	Remuneration Received (₹ in Million)	Qualifications	Total Experience (No. of Years)	Date of commencement of Employment	Age in Year	Previous Employment
1.	Atul Chaturvedi (Executive Chairman)	32.50	Post graduate from St. Johns College (Agra University)	40	02-Jul-18	65	Adani Wilmar Ltd
2.	Vijendra Singh (Executive Director)	32.50	B. Sc., PGD (SUGAR TECH)	37	15-Sep-10	61	Bajaj Hindustan Ltd.
3.	Sunil Ranka (Chief Financial Officer)	18.22	LLB, B.Com, CA, ICWA, CS	35	18-Apr-18	58	Suzlon Energy Ltd
4.	Ravi Gupta (President -Corporate)	14.89	B.Com, PGDM	30	01-May-13	51	Noble Natural Resource India Pvt. Ltd.
5.	Satbir Singh Sindhu (President-Marketing & OD)	12.05	MBA	35	01-Jun-18	59	Adani Wilmar Ltd
6.	Shripad Nerlikar (Executive Director-Cane)	10.53	B.Sc. (AGRI)	44	01-Oct-03	65	Halasidhanath SSK Ltd

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

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
NA							

#### Notes:

- All the above Appointments are Contractual.
- None of the employees who are posted abroad are drawing remuneration of over ₹ 60 Lakhs per Financial Year or ₹ 5 Lakhs per month.
- Remuneration shown above comprises of salary, allowances, bonus, commission, perquisites, Leave encashment, contribution to Provident Fund, Superannuation Fund, Gratuity Fund etc., wherever applicable.
- Information regarding qualifications, experience and last employment held is based on particulars furnished to the Company, by the employees concerned.
- Mr. Atul Chaturvedi holds 5,00,000 equity shares whereas Mr. Vijendra Singh does not hold any shares of the Company as on 31<sup>st</sup> March, 2021.
- Mr. Atul Chaturvedi and Mr. Vijendra Singh are not related to any other Directors or to each other or to any employees of the Company.
- Mr. Atul Chaturvedi was re-appointed, by the Board of Directors at its meeting held on 25<sup>th</sup> June 2021, as Executive Chairman of the Company w.e.f. 30<sup>th</sup> October 2021 for a term of 5 years.
- None of the employees of the Company receives remuneration which is in excess of that drawn by the Executive Chairman and Executive Director, nor does any employee holds by himself or along with his spouse and dependent children, two percent or more of the equity shares of the company.

## Annexure 5

### Form No. AOC-2

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March 2021, which were not at arm's length basis.

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

Name of related party and Nature of relationship	Dates of Approval by the Board	Nature of Contract	Duration of contract	Salient terms*	Amount received as advance
Aalst Wilmar (India) Private Limited	9 <sup>th</sup> November 2020	Leave and license agreement for leasing of part of the office space admeasuring 117 sq. feet at Worli office	36 months from the date of commencement of the agreement, subject to a lock in of 12 months, and can be terminated by giving a notice of 2 months by either party.	a. Rent: ₹ 29,250/- per month to be paid in advance at the beginning of every year b. Security Deposit: ₹ 175,500/-	NA
Wilmar Sugar India Private Limited	9 <sup>th</sup> February 2021	Leasing of warehouse space at Kandla Refinery	3 years	a. Warehouse area leased (In Sq. feet) - 2,36,200 b. Office space leased (In Sq. feet) - 100 c. Rent for Warehouse (In ₹) - 1,00,000 per month d. Rent for Office (In ₹) - 10,000 per month e. Security Deposit (In ₹) - 1,10,000	NA
Wilmar Sugar India Private Limited	9 <sup>th</sup> February 2021	Leasing of warehouse space at Haldia Refinery	3 years	a. Warehouse area leased (In Sq. feet) - 1,65,000 b. Office space leased (In Sq. feet) - 100 c. Rent for Warehouse (In ₹) - 1,00,000 per month d. Rent for Office (In ₹) - 10,000 per month e. Security Deposit (In ₹) - 1,10,000	NA
Wilmar Sugar India Private Limited	9 <sup>th</sup> February 2021	Execution of management service agreement.	January 2021 to December 2021	Service fees: ₹ 100/- per tonne	NA

Name of related party and Nature of relationship	Dates of Approval by the Board	Nature of Contract	Duration of contract	Salient terms*	Amount received as advance
Wilmar International limited	9 <sup>th</sup> February 2021	Execution of Service agreement for services of Mr. Vijendra Singh for the Indonesia Project	-	Consultancy services by Mr. Vijendra Singh for Indonesia project for fee of US \$ 80,000/-.	NA
Gokak Sugars Limited	9 <sup>th</sup> February 2021	Ratification of loan given to Gokak Sugars Limited	15 years	Loan of ₹ 72 Crores given at an interest @ 11% per annum, repayable in 13 years after moratorium of 2 years.	NA
Monica Trading Private Limited	25 <sup>th</sup> June 2021	Ratification of loan given to Monica Trading Private Limited	132 months	Loan of ₹ 10 lakhs given at an interest @ 9% per annum, repayable in 120 months after moratorium of 12 months from the date of disbursal.	NA
Shree Renuka Tunaport Private Limited	25 <sup>th</sup> June 2021	Ratification of loan given to Shree Renuka Tunaport Private Limited	132 months	Loan of ₹ 5 lakhs given at an interest @ 9% per annum, repayable in 120 months after moratorium of 12 months from the date of disbursal.	NA

\*Appropriate approvals have been taken for related party transactions.

## Annexure 6

### Annual report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21

(Pursuant to Section 135 of the Companies Act, 2013)

#### 1. Brief outline on CSR Policy of the Company

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 the link <http://www.renukasugars.com/en/corporate-governance.html>

#### Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Surender Kumar Tuteja	Chairman	1	1
2.	Mr. Jean-Luc Bohbot	Member	1	1
3.	Mr. Atul Chaturvedi	Member	1	1

#### 2. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

<https://renukasugars.com/pdf/corporate-governance/policy-on-corporate-social-responsibility.pdf>

#### 3. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not applicable

#### 4. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Nil	

#### 5. Average net profit of the company as per Section 135(5)

Pursuant to Section 198 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was in negative.

6. (a) Two percent of average net profit of the company as per section 135(5): ₹ (289.73) Mn
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not applicable**
- (c) Amount required to be set off for the financial year, if any: **Not applicable**
- (d) Total CSR obligation for the financial year (7a+7b-7c): **Not applicable**

## 7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Not applicable					

## (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State District						Name CSR Registration number
Not applicable										

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
				State District			Name CSR registration number
Not applicable							

(d) Amount spent in Administrative Overheads: **Not applicable**(e) Amount spent on Impact Assessment, if applicable: **Not applicable**(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Not applicable**

## (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ Mn)
(i)	Two percent of average net profit of the company as per section 135(5)	(289.73)
(ii)	Total amount spent for the Financial Year	0
(iii)	Excess amount spent for the financial year [(ii) - (i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	0

## 8. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing

Not applicable

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)
  - a) Date of creation or acquisition of the capital asset(s): **Not applicable**
  - b) Amount of CSR spent for creation or acquisition of capital asset: **Not applicable**
  - c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not applicable**
  - d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not applicable**
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not applicable**

**Date:** 25<sup>th</sup> June 2021  
**Place:** Mumbai

**Surender Kumar Tuteja**  
 Chairman - CSR Committee  
 DIN: 00594076

**Atul Chaturvedi**  
 Member - CSR Committee  
 DIN: 00175355

## Annexure 7

### Business Responsibility Report

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

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details								
1	Corporate Identity Number (CIN) of the Company	L01542KA1995PLC019046								
2	Name of the Company	Shree Renuka Sugars Limited								
3	Registered address	2 <sup>nd</sup> and 3 <sup>rd</sup> Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Belagavi – 590010, Karnataka								
4	Website	www.renukasugars.com								
5	E-mail id	groupcs@renukasugars.com								
6	Financial Year reported	2020-2021								
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	<div>Shree Renuka Sugars Limited is engaged in manufacture of Sugar, Power and Ethanol.</div> <table><tr><th>*Industrial Group</th><th>Description</th></tr><tr><td>10721</td><td>Sugar</td></tr><tr><td>35106</td><td>Power</td></tr><tr><td>11019</td><td>Ethanol</td></tr></table> <div>*As per National Industrial Classification</div>	*Industrial Group	Description	10721	Sugar	35106	Power	11019	Ethanol
*Industrial Group	Description									
10721	Sugar									
35106	Power									
11019	Ethanol									
8	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	<table><tr><th>Industrial Group</th><th>Description</th></tr><tr><td>10721</td><td>Sugar</td></tr><tr><td>35106</td><td>Power</td></tr><tr><td>11019</td><td>Ethanol</td></tr></table>	Industrial Group	Description	10721	Sugar	35106	Power	11019	Ethanol
Industrial Group	Description									
10721	Sugar									
35106	Power									
11019	Ethanol									
9	Total number of locations where business activity is undertaken by the Company	<div>a) Number of International Locations (Provide details of major 5)</div> <div>Nil</div> <div>b) Number of National Locations - The Company has its Corporate Office in Mumbai and Registered Office in Belagavi. The Company has its plants located at Belagavi and Kalaburagi districts in Karnataka; Ichalkaranji and Parbhani in Maharashtra; Haldia, West Bengal; Kandla, Gujarat. Further, the Company has offices in New Delhi and Bengaluru.</div>								
10	Markets served by the Company – Local/State/ National/International	In addition to the Indian markets, the Company also exports to Sudan, Ethiopia, Somalia, Bahrain, China, Afghanistan, UAE, Saudi Arabia, Malaysia, Nepal, Myanmar, Sri Lanka, Indonesia etc.								

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR):** ₹ 2,128.48 Million
2. **Total Turnover (INR):** ₹ 56,116 Million
3. **Total profit after taxes (INR):** ₹ 556 Million
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

Pursuant to Section 198 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was in negative. Accordingly, the Company was not mandatorily required to spend on any CSR activities during the financial year 2020-21.

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

Since the Company is not required to spend an amount on CSR currently, any spending on CSR activities is not applicable. However, the Company continues to engage continuously with the sugarcane farmers to improve the sugarcane farming practices.

## SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

Yes, the Company has 5 (Five) direct subsidiary companies as on 31<sup>st</sup> March 2021. Further details in this respect are mentioned in the Annual Return which is available on the website of the Company at <https://renukasugars.com/en/annual-reports-subsidiaries-2021.html>

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

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

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

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

## SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

- (a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number - 03537522
2. Name – Mr. Vijendra Singh
3. Designation – Executive Director

- (b) Details of the BR head

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

## 2. Principle-wise (as per NVGs) BR Policy/policies

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

Sr. No.	Questions	Business Ethic	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	The policy is embedded in the Company's quality and environment policies which inter alia, relate to safe and sustainable products	Y	Y	The policy is embedded in the Company's Code of Business Conduct, HR policies and various other HR practices	-	-	Y	-
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to all applicable laws and in line with national & international standards, wherever applicable.								
4	Has the policy being approved by the Board? if yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	All mandatory Policies under the Indian laws and regulations have been adopted by the Board and signed by Executive Director. Other operational internal policies are approved by management and signed by the Executive Director.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to oversee the implementation of various policies.								
6	Indicate the link for the policy to be viewed online?	Mandatory Policies are available at <a href="https://renukasugars.com/en/corporate-governance.html">https://renukasugars.com/en/corporate-governance.html</a> . All other policies viz. employee related policies are available on Company's internal network.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies are communicated to internal stakeholders and the same is available on the Company's intranet. Wherever required, the Policies are also communicated to our external stakeholders and made available on Company's website.								
8	Does the company have in-house structure to implement the policy/ policies?	Yes, the Company has an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, each of the Policies formulated by the Company have an in-built grievance and redressal mechanism.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Quality, Safety & Health and Environmental Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through internal audit mechanism.								

### 3. Governance related to BR

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

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

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

The Company publishes a Business Responsibility Report as an Annexure to the Board's Report on an annual basis.

Business Responsibility Report of the Company is available at the website of the company viz. [www.renukasugars.com](http://www.renukasugars.com)

## SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

During the financial year 2020-21, the company has not received any stakeholder complaints.

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

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

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

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

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

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

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

The Company has undertaken various initiatives for efficient and optimal use of resources. The Consumption per unit varies as per the product mix and hence it is not possible to ascertain reduction achieved at each level. The details of conservation of energy are given as an Annexure to the Board's report for the financial year 2020-21.

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

The Company through continuous improvement and innovation in product

formulations tries to ensure lesser consumption of water and energy resources by using and continuous upgrading efficient equipments. Details of steps taken to conserve energy are detailed in Annexure 3 to the Report of the Board of Directors. The details of water saved are also available in the non-statutory portion of the Annual Report.

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

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

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

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

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

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

The Company also actively conducts numerous cane development activities such

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

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

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

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

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

1. Please indicate the Total number of employees – 1979 as on 31<sup>st</sup> March 2021
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis – 1493 as on 31<sup>st</sup> March 2021
3. Please indicate the Number of permanent women employees – 27 as on 31<sup>st</sup> March 2021

4. Please indicate the Number of permanent employees with disabilities – NIL as on 31<sup>st</sup> March 2021
5. Do you have an employee association that is recognized by management? - NO
6. What percentage of your permanent employees is members of this recognized employee association? - NIL
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
  - (a) Permanent Employees – 48%
  - (b) Permanent Women Employees – 7%
  - (c) Casual/Temporary/Contractual Employees – 55%
  - (d) Employees with Disabilities – NA

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

1. Has the company mapped its internal and external stakeholders?  
 Yes, the Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, business partners, government/regulatory authorities, etc.  
 The Company also engages with its identified stakeholders on an on-going basis through a

constructive process. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

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

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

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

The Company goes beyond its business activities to create social impact through its diverse initiatives, and is working towards improving lives of marginalised and vulnerable communities. The Company has taken initiatives in specific areas of social development that would include providing infrastructure facilities for primary & secondary education/schools, skills development, vocational training, health & hygiene, etc. which are mainly focused around communities, around our manufacturing locations spread across the country. For specific details, please refer to our Annual Report on the same.

**Principle 5 - Businesses should respect and promote human rights**

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

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

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

No stakeholder complaint pertaining to human rights was received in FY 2020-21.

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

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

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

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

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

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

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

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

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

The Company believes that it is only large-scale planting of trees that can help minimize air pollution and its concentration levels in the atmosphere. We have grown extensive green belts around our units. As an ongoing activity in developing the belts, we planted 10,119 plants in FY 2019-20 and 10,267 plants in FY 2020-21.

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

No, currently, the Company is not undertaking any project related to Clean Development Mechanism.

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

We are committed to adhering strictly to the norms and compliance standards of environment set by the Government of India. We comply with mandatory standards and are particularly mindful of the impact of our operations on the environment. All our mills run on bagasse based power which is renewable energy. We produced 529 Million Kwh of power, 53% of which is consumed for captive consumption which powers all our plants and the remaining power is sold to the state electricity grid. Most of our cogeneration process is based on renewable energy, which provides a significant reduction in GHG emissions. Our cogeneration activities testifies our drive towards ensuring a sustainable future for our Company.

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

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

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

There is no show cause/ legal notices received from CPCB/SPCB which are pending as on end of 31<sup>st</sup> March 2021.

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - a. Indian Sugar Mills Association (ISMA)
  - b. All India Sugar Trade Association (AISTA)
  - c. London Sugar Market Association (LSMA)

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

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

**Principle 8 - Businesses should support inclusive growth and equitable development**

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

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

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

These activities are undertaken through the Shree Renuka Sugars Development Foundation (SRSDF) and Shree Renuka Institute for Rural Development and Research (SRIRDR) that are dedicated towards

achieving the Company's social objectives and missions.

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

At SRSL, CSR programmes will be undertaken in accordance with the CSR policy of the Company either through the in-house team or through an eligible external agency.

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

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

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

During the financial year 2020-21, the Company was not required to mandatorily spend on CSR activities under Section 135 of the Companies Act, 2013. However, the Company has undertaken a few CSR projects voluntarily

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

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

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

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

No customer/consumer complaints are pending as on the end of the financial year. At SRSL

integrity is a given and not negotiable. It is essential to be honest with customers, treat them with respect and dignity and promise only what can be delivered. Satisfied customers are the key to SRSL's success. SRSL aims to earn customers' continued loyalty every day by treating them fairly, delivering the products they want and exceeding their expectations.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)

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

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

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

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

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

# Corporate Governance Report

## 1. Philosophy

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Shree Renuka Sugars Limited is committed to good governance practices that create long term sustainable shareholder value. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its shareholders, employees, the Government and the lenders. The Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company ensures to comply with the requirements of Corporate Governance listed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations').

## 2. Board of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. As on 31<sup>st</sup> March 2021, Company's Board has a strength of 11 (Eleven) Directors, comprising of 2 (Two) Executive Directors, 3 (Three) Non-Executive Directors and 6 (Six) Independent Directors. The Chairman of the Board is an Executive Director. The Company also has 1 (One) Alternate Director (Non-Executive Non Independent) on its Board of Directors.

The Board has held six meetings during the year and the gap between any two meetings did not exceed four months. The Board meetings were held on 3<sup>rd</sup> June 2020, 7<sup>th</sup> July 2020, 7<sup>th</sup> August 2020, 31<sup>st</sup> August 2020, 9<sup>th</sup> November 2020 and 9<sup>th</sup> February 2021.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies and number of shares held by them as on 31<sup>st</sup> March 2021, are given herein below:

Name	Nature of Directorship	Board Meetings Attended		Whether attended last AGM	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies		No. of Shares held
		Held	Attended			Member	Chairman	
Mr. Atul Chaturvedi DIN: 00175355	Executive Director (Executive Chairman)	6	6	Yes	3	-	-	5,00,000
Mr. Vijendra Singh DIN: 03537522	Executive Director	6	6	Yes	3	-	-	-
Mr. Kuok Khoon Hong DIN: 00021957	Non-Executive Director	6	2	NA	1	1	-	-
Mr. Jean-Luc Bohbot DIN: 06857132	Non-Executive Director	6	6	No	-	-	-	-
Mr. Charles Cheau Leong Loo % DIN: 08737827	Non-Executive Director	6	6	No	-	-	-	-
Mr. Madhu Rao DIN: 02683483	Independent Director	6	6	Yes	2	-	1	-
Dr. Bharatkumar Mehta DIN: 00895163	Independent Director	6	6	Yes	3	1	-	68,000
Mr. Dorab Mistry DIN: 07245114	Independent Director	6	6	No	-	-	-	-
Mr. Bhupatrai Premji DIN: 07223590	Independent Director	6	6	No	-	-	-	-
Mr. S. K. Tuteja DIN: 00594076	Independent Director	6	6	No	9	4	5	-
Ms. Priyanka Mallick DIN: 06682955	Independent Director	6	6	No	-	-	-	-

Name	Nature of Directorship	Board Meetings Attended		Whether attended last AGM	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies		No. of Shares held
		Held	Attended			Member	Chairman	
Mr. Rajeev Kumar Sinha <sup>^</sup> DIN: 01334549	Nominee Director	5	1	No	1	-	-	-
Mr. Stephen Ho Kiam Kong \$ DIN: 07584449	Non-Executive Director	0	0	No	-	-	-	-
Mr. Tinniyan Kalyansundaram Kanan # DIN: 00020968	Alternate Director	1	0	No	1	-	1	-

% Appointed as Non-executive director w.e.f 1<sup>st</sup> June 2020

<sup>^</sup> Resigned w.e.f. 19<sup>th</sup> January 2021

\$ Resigned w.e.f. 31<sup>st</sup> May 2020

# Appointed as an Alternate Director to Mr. Kuok Khoon Hong w.e.f. 18<sup>th</sup> December 2020

- Other directorships include 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 Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered. None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than five Committees across all listed entities in which they are Director.

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

Sr. No.	Name & DIN of Director	Name of the Listed Entity	Designation	Category
1	Mr. Atul Chaturvedi DIN: 00175355	-	-	-
2	Mr. Vijendra Singh DIN: 03537522	-	-	-
3	Mr. Kuok Khoon Hong DIN: 00021957	-	-	-
4	Mr. Jean-Luc Bohbot DIN: 06857132	-	-	-
5	Mr. Charles Cheau Leong Loo DIN: 08737827	-	-	-
6	Mr. S. K. Tuteja DIN: 00594076	<ul style="list-style-type: none"> <li>A2Z Infra Engineering Limited</li> <li>SML Isuzu Limited</li> </ul>	<ul style="list-style-type: none"> <li>Chairman</li> <li>Chairman</li> </ul>	<ul style="list-style-type: none"> <li>Independent, Non-Executive Director</li> <li>Independent, Non-Executive Director</li> </ul>
7	Mr. Dorab Mistry DIN: 07245114	-	-	-
8	Mr. Bhupatrai Premji DIN: 07223590	-	-	-
9	Mr. Madhu Rao DIN: 02683483	-	-	-
10	Dr. Bharatkumar Mehta DIN: 00895163	-	-	-
11	Ms. Priyanka Mallick DIN: 06682955	-	-	-
12	Mr. Tinniyan Kalyansundaram Kanan DIN: 00020968	-	-	-

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

The Company has familiarized its Independent Directors regarding the Company, their roles, rights,

responsibilities and liabilities in the Company. During the year, the Directors were also familiarized with key changes in corporate laws and other relevant laws. The details of programs for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at <https://renukasugars.com/en/corporate-governance.html>.

**Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 (hereinafter referred to as the Act) and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 29<sup>th</sup> March 2021.

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

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

The Board of Directors have identified the following core skills/expertise/competencies of the Directors of the Company, as required in the context of its business and sector for it to function effectively, and the Members of the Board possess the requisite skills as mentioned below:

[illegible]

## 4. Committees of the Board

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

### A. Audit Committee

- i. The Audit Committee of the Company is constituted in line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- ii. The terms of reference & Powers of the Audit Committee are broadly as under:
  - a. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
  - b. Recommending to the Board, the appointment/re-appointment, remuneration and terms of appointment of Auditors of the company and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - c. Reviewing with the management the quarterly, half-yearly and annual financial statements before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the 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. Evaluation of Risk Management systems;
  - s. Monitoring the end use of funds raised through public offers and related matters;
  - t. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  - u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be required by the Board.
- iii. The Audit Committee invites such of the executives, as it considers appropriate, representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.
  - iv. The previous Annual General Meeting (AGM) of the Company was held on 7th September 2020 and was attended by Mr. Madhu Rao, Chairman of the Audit Committee.
  - v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	No. of meetings attended	
		Held	Attended
Mr. Madhu Rao (Chairman)	Independent Director	6	6
Mr. Dorab Mistry	Independent Director	6	6
Mr. S. K. Tuteja	Independent Director	6	6
Mr. Charles Loo Cheau Leong @	Non-Executive Director	6	6
Mr. Stephen Ho Kiam Kong #	Non-Executive Director	6	-

@ With effect from 1<sup>st</sup> June 2020  
# Upto 31<sup>st</sup> May 2020

The Audit Committee has held six meetings during the year and the gap between any two meetings did not exceed four months. The Audit Committee meetings were held on 3<sup>rd</sup> June 2020, 7<sup>th</sup> July 2020, 31<sup>st</sup> August 2020, 9<sup>th</sup> November 2020, 6<sup>th</sup> January 2021 and 9<sup>th</sup> February 2021.

## B. Nomination and Remuneration / Compensation Committee

- i. The Board has constituted a Nomination and Remuneration/Compensation Committee under Section 178 of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. The broad terms of reference of the said Committee are as under:
  - a. To identify persons who are qualified to become directors and who may be appointed in senior management of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal;
  - b. To carry out the performance evaluation of individual 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 longterm performance, objectives appropriate to the working of the company and its goals.
  - e. To take into account financial position of the company, trend in the industry, appointees qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders;
  - f. Devising a policy on Board diversity
  - g. To undertake specific duties as may be prescribed by the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and or as may be prescribed by the Board of Directors of the Company, from time to time;
  - h. To obtain outside legal or other professional advice to assist in connection with its functions, if necessary;
  - i. Employee Stock Option Plan (ESOPs):
    - To formulate Employee Stock Option Plan and from time to time to grant options to eligible employees;
    - To decide the quantum of options to be granted to any employee and in aggregate under any of the Employee Stock Option Plans that may be formulated by the Committee;
    - To decide the conditions under which the options granted to employees may lapse;
    - To determine Exercise Price of the options to be granted under Employee Stock Option Plan;

- To determine and specify the vesting period and the Exercise Period in any of the Employee Stock Option Plans;
  - To dispose of, at its sole discretion and in the interest of the Company, the options not applied for, by the employees offered under various ESOPs;
  - To decide the procedure for making fair and reasonable adjustment to the number of options and to the exercise price in case of right issue / bonus issue, other corporate actions or otherwise;
  - To determine the terms and conditions of ESOP and to do any other related or incidental matter thereto
- j. To recommend to the board, all remuneration, in whatever form, payable to senior management

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

Name	Category	No. of meetings attended	
		Held	Attended
Mr. Surender Kumar Tuteja (Chairman)	Independent Director	2	2
Mr. Bhupatrai Premji	Independent Director	2	2
Mr. Madhu Rao	Independent Director	2	2

The Nomination & Remuneration/Compensation Committee has held two meetings during the year on 7<sup>th</sup> July 2020 and 9<sup>th</sup> February 2021.

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 2021:

(₹ in Mn)

Name	Salary / Perquisites	Retirement Benefits	Bonus / Ex-Gratia	Commission	Performance Incentive	Sitting Fee	Total	Service Contract/ Stock options granted / Notice period / Severance Fees
Mr. Atul Chaturvedi@ (Executive Chairman)	28.21	-	1.29	-	3.00	-	32.50	Term of office valid upto 29 <sup>th</sup> October 2026, subject to the approval of shareholders of the Company.  3 months Notice period and severance fees equal to 3 months remuneration in case the Company waives the notice period of Mr. Chaturvedi.
Mr. Vijendra Singh (Executive Director)	26.53	1.72	1.19	-	3.00	-	32.44	Term of office valid upto 9 <sup>th</sup> May 2023.  3 months Notice period and severance fees equal to 3 months remuneration in case the Company waives the notice period of Mr. Singh.
Mr. Kuok Khoon Hong (Non-Executive Director)	-	-	-	-	-	-	-	-

Name	Salary / Perquisites	Retirement Benefits	Bonus / Ex-Gratia	Commission	Performance Incentive	Sitting Fee	Total	Service Contract/ Stock options granted / Notice period / Severance Fees
Mr. Jean-Luc Bohbot (Non-Executive Director)	-	-	-	-	-	-	-	-
Mr. Charles Cheau Leong Loo % (Non-Executive Director)	-	-	-	-	-	-	-	-
Mr. S. K. Tuteja (Independent Director)	-	-	-	-	-	0.55	<b>0.55</b>	-
Mr. Dorab Mistry (Independent Director)	-	-	-	-	-	-	-	-
Mr. Bhupatrai Premji (Independent Director)	-	-	-	-	-	0.37	<b>0.37</b>	-
Mr. Madhu Rao (Independent Director)	-	-	-	-	-	0.65	<b>0.65</b>	-
Dr. Bharatkumar Mehta (Independent Director)	-	-	-	-	-	0.35	<b>0.35</b>	-
Ms. Priyanka Mallick (Independent Director)	-	-	-	-	-	0.32	<b>0.32</b>	-
Mr. Rajeev Kumar Sinha ^ (Nominee Director)	-	-	-	-	-	0.05	<b>0.05</b>	-
Mr. Stephen Ho Kiam Kong \$ (Non-Executive Director)	-	-	-	-	-	-	-	-
Mr. Tinniyan Kalyansundaram Kanan # (Alternate Director)	-	-	-	-	-	-	-	-

% Appointed as Additional Director w.e.f 1<sup>st</sup> June 2020

^ Resigned w.e.f. 19<sup>th</sup> January, 2021

\$ Resigned w.e.f. 31<sup>st</sup> May, 2020

# Appointed as Alternate Director to Mr. Kuok Khoon Hong w.e.f. 18<sup>th</sup> December 2020

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. The Board of Directors at their meeting held on 25<sup>th</sup> June 2021 have approved remuneration of ₹ 11,00,000 payable to every Independent Director for FY 2020-21 subject to approval of the shareholders at the forthcoming Annual General Meeting.

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

#### Performance Evaluation

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

### C. Stakeholders' Relationship Committee

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

- b. To look into matters that can facilitate better investor services and relations;
- c. Review of measures taken for effective exercise of voting rights by shareholders;
- d. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- e. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

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

Name	Category	No. of meetings attended	
		Held	Attended
Mr. Madhu Rao (Chairman)	Independent Director	4	4
Mr. Jean-Luc Bohbot	Non-Executive Director	4	4
Mr. Atul Chaturvedi	Executive Director	4	4

The Stakeholders' Relationship Committee has held four meetings during the year on 7<sup>th</sup> July 2020, 31<sup>st</sup> August 2020, 9<sup>th</sup> November 2020 and 9<sup>th</sup> February 2021.

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

- iv. Details of investor complaints received and redressed during the year 2020-21 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	339	339	0

There was no complaint which was not solved to the satisfaction of shareholders.

#### D. Corporate Social Responsibility Committee

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

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

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

During the year under review, the Committee met on 7<sup>th</sup> July 2020.

- 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. Risk Management Committee

In terms of Regulation 21 of Listing Regulations read with SEBI (LODR) (Second Amendment) Regulations, 2021 and based on the market capitalization of the Company as on 31<sup>st</sup> March 2021, the Board of Directors of the Company in its meeting held on 25<sup>th</sup> June 2021 has constituted a Risk Management Committee.

The composition of the Risk Management Committee is given below:

Name	Category
Mr. Atul Chaturvedi (Chairman)	Executive Chairman
Mr. Madhu Rao	Independent Director
Mr. Sunil Ranka	Chief Financial Officer

- i. The terms of reference/roles of the Committee are as follows:
  - 1) To formulate a detailed risk management policy which shall include:
    - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    - Measures for risk mitigation including systems and processes for internal control of identified risks.
    - Business continuity plan.
  - 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
  - 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject

to review by the Risk Management Committee;

#### F. Other committees

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

- Allotment Committee
- Share Transfer Committee
- Finance Committee

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

Sr. No.	Particulars	Regulations	Brief Description of Regulations	Compliance Status (Yes/No/NA)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	NA
		21(4)	Role of the Committee	NA
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employees	Yes

Sr. No.	Particulars	Regulations	Brief Description of Regulations	Compliance Status (Yes/No/NA)
7	Related Party Transaction	23(1), (5), (6), (7) & (8)	Policy for Related Party Transactions	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all Related Party Transaction and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	Yes
		24(2), (3), (4), (5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	Yes
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by Independent Directors	Yes
		25(7)	Familiarization of Independent Directors	Yes
10	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance of code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflict of Interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiary	Yes
		46(2)(i)	Details of familiarization programs imparted to Independent Directors	Yes

## 6. General Body Meetings

### A. Annual General Meetings (AGMs):

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

AGM	Financial Year	Date	Time	Venue of AGM
24 <sup>th</sup> AGM	2019-20	7 <sup>th</sup> September 2020	11:00 a.m.	Through Video Conferencing (VC)
23 <sup>rd</sup> AGM	2018-19	30 <sup>th</sup> September 2019	12:30 p.m.	KPTCL Samudhay Bhavan, Opp. JNMC, Smart City Road, Shivabasav Nagar, Belagavi – 590010
22 <sup>nd</sup> AGM	2017-18	29 <sup>th</sup> September 2018	1.30 p.m.	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belagavi 590006

### Special Resolutions:

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

Date	Summary of Special Resolutions Passed
7 <sup>th</sup> September 2020	<ol style="list-style-type: none"> <li>Re-appointment of Dr. B V Mehta (DIN: 00895163) as an Independent Director of the Company;</li> <li>Issue of Redeemable Preference Shares (RPS) by conversion of Non-Convertible Debentures (NCDs);</li> <li>Issuance of Equity shares on preferential basis</li> </ol>
30 <sup>th</sup> September 2019	-
29 <sup>th</sup> September 2018	<ol style="list-style-type: none"> <li>Approval for increase in borrowing limit under Section 180(1)(c) of the Companies Act, 2013;</li> <li>Approval for authority to create charge, mortgage etc. as per Section 180(1)(a) of the Companies Act, 2013</li> </ol>

The Company has not passed any Special Resolution during the year under review by Postal Ballot. Further, the Company as on the date of the report does not propose to pass any resolution by Postal Ballot.

### B. Other Disclosures

- Related party transactions: During the year under review, there were no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- There were no instances of non-compliance by the Company and no penalties / strictures were imposed on the Company by stock exchanges / SEBI / any statutory authority on any matter related to capital markets, during the last 3 years except as mentioned below:
  - The composition of Board of Directors of the Company was not in compliance with Regulation 17
- Whistle blower policy / vigil mechanism: Whistleblower Mechanism has been established for the employees to report to the management about unethical behaviour, mismanagement, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy, that could adversely impact the Company's operations and business performance. The Whistleblower Policy is overseen by the Audit Committee of the Board. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

of Listing Regulations, 2015 with reference to one woman director on the Board of Directors of the Company, for the period from 1<sup>st</sup> July 2018 to 8<sup>th</sup> February 2019. The Company has paid the requisite penalties to the stock exchanges for the same.

- d. Compliance with mandatory and non-mandatory requirements: All mandatory requirements relating to corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been appropriately complied with except as mentioned in point B above and the status of non-mandatory (discretionary) requirements is given below:

- (i) **The Board:** Since the Company has an Executive Chairman, the requirement regarding non-executive Chairman is not applicable;
- (ii) **Shareholder Rights:** The quarterly, half-yearly and annual financial results are published in newspapers, uploaded on Company's website;
- (iii) **Modified Opinion(s) in Audit Report:** The Auditor's opinion on the Financial Statements is unmodified;
- (iv) **Separate posts of Chairperson and CEO:** Since the Company does not have CEO, the requirement regarding separate posts of the Chairperson and CEO is not applicable; and
- (v) **Reporting of Internal Auditor:** The Internal Auditor of the Company reports directly to the Audit Committee.

- e. The Company's policy for determining material subsidiaries may be accessed on the Company's website at <https://renukasugars.com/pdf/corporate-governance/policy-on-determining-material-subsidiaries.pdf>
- f. The Company's policy on related party transactions may be accessed on the Company's website at <https://renukasugars.com/pdf/corporate-governance/tpt-policy-srsl.pdf>
- g. Disclosure on Commodity Price Risk/ Foreign Exchange Risk and Hedging Activities

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

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

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

- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of LODR Regulations: During the period under review, the Company had issued 2,11,670,481 Equity Shares of Re. 1/- per share for cash at a price of ₹ 8.74 per share aggregating to ₹ 185 Crores (Rupees One Hundred and Eighty Five Crores only) on preferential basis to the Promoter, Wilmar Sugar Holdings Pte Ltd.

The main objects of the issue are as follows:

1. Redemption of Preference Shares issued by the Company.
2. General Corporate Purposes

The details of utilization of funds are given below:

₹ In Million

Sr. No.	Objects	Projected utilization	Actual utilization	Balance amount
1.	Redemption of OCPS	896.00	896.00	-
2.	Redemption of RPS	754.00	741.46	12.54
3.	General Corporate Purpose (GCP)	200.00	200.00	-
<b>Total</b>		<b>1,850.00</b>	<b>1,837.46</b>	<b>12.54</b>

- i. The Executive Chairman and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, as required under Regulation 17(8) of the Listing Regulations for the financial year ended 31<sup>st</sup> March 2021.
- j. The Company has obtained a Certificate pursuant to Regulation 34(3) read with Schedule V of Listing Regulations from M/s. T. F. Khatri & Associates., Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority. The said certificate has been annexed with this Report.
- k. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable
- l. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory

auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Details relating to fees paid to the statutory auditors are given in Note 35 to the Standalone Financial Statements.

- m. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. Number of complaints filed during the financial year 2020-21: Nil
  - b. Number of complaints disposed off during the financial year 2020-21: N.A.
  - c. Number of complaints pending as on end of the financial year 2020-21: N.A.

## 7. Code of Conduct

Pursuant to Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has laid down a 'Code of Conduct' for all the Board and Senior Management Members and they have affirmed compliance with the said Code of Conduct of the Company for the Financial Year 2020-21.

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 2021 is annexed to this Report.

The Code of conduct is also placed on the Company's website at <https://renukasugars.com/pdf/code-of-business-conduct-and-ethics.pdf>.

## 8. Code of Conduct for Prevention of Insider Trading Practices

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated, adopted and implemented "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Insiders" and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive

Information" (The Code) in the securities of the Company. In line with the latest amendment in the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to further strengthen the mechanism for prevention of insider trading, the company had updated the code during the period under review.

The Code of conduct is also placed on the Company's website at <https://renukasugars.com/pdf/corporate-governance/srsl-pit-code-of-conduct.pdf>.

## 9. Compliance Officer

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

## 10. Means of Communication

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

## 11. General Shareholder's Information

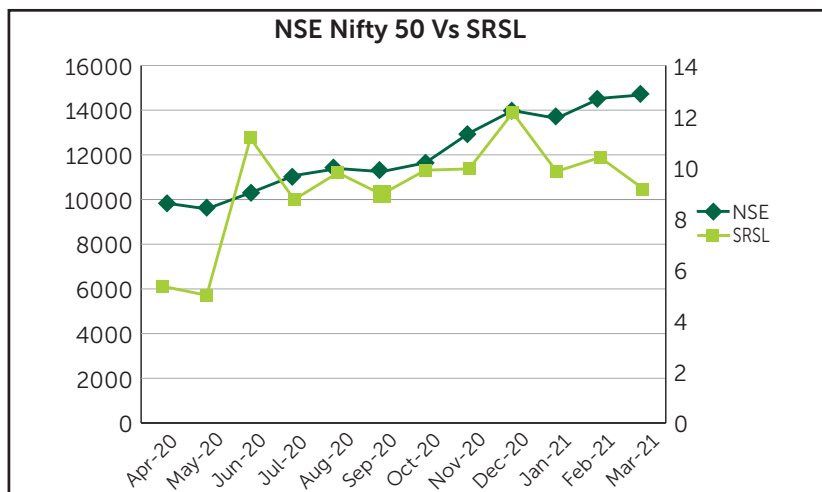
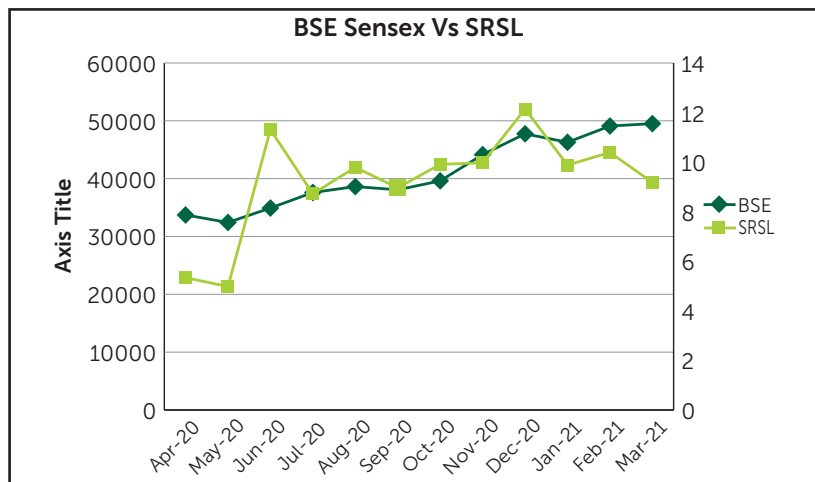
a. Annual General Meeting (AGM)	Date: 2 <sup>nd</sup> September, 2021 Time: 11:00 A.M. Venue: Video Conferencing
b. Financial Year	The Financial Year of the Company is from 1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021
c. Tentative Financial Calendar 2021-22	1 <sup>st</sup> Quarterly results declared on 2 <sup>nd</sup> August 2021 2 <sup>nd</sup> Quarterly results on or before 14 <sup>th</sup> November 2021 3 <sup>rd</sup> Quarterly results on or before 14 <sup>th</sup> February 2022 4 <sup>th</sup> Quarterly results on or before 30 <sup>th</sup> May 2022
d. Date of Book Closure	-
e. Dividend Payment Date	No Dividend has been recommended by the Board for the year ended 31 <sup>st</sup> March, 2021
f. Corporate Identification Number (CIN) of the Company	L01542KA1995PLC019046
g. ISINs	Equity shares INE087H01022 0.01% Optionally Convertible Preference Shares INE087H03036 * 0.01% Redeemable Preference Shares INE087H04018 * 11.70% Non-Convertible Debentures INE087H07060 11.30% Non-Convertible Debentures INE087H07078 0.01% Non-Convertible Debentures INE087H07086 * * The Company has fully redeemed the Preference Shares/0.01% Debentures
h. Unclaimed Shares	Nil
i. Listing on Stock Exchanges	The Company's equity shares are listed on the Stock Exchanges as mentioned hereunder: National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 The Company has paid the listing fees for the financial year 2021-22.
j. Stock Code:	NSE - RENUKA BSE - 532670

**k. Market Price Data**

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

Month	BSE			NSE		
	Share Price in ₹			Share Price in ₹		
	High	Low	Closing	High	Low	Closing
Apr-20	6.05	4.90	5.34	6.05	4.25	5.35
May-20	5.50	4.20	4.98	5.15	4.20	5.00
Jun-20	11.31	5.08	11.31	11.15	5.05	11.15
Jul-20	12.45	8.05	8.72	12.25	8.10	8.75
Aug-20	11.34	8.65	9.79	11.25	8.60	9.80
Sep-20	10.72	8.36	8.96	10.75	8.60	8.95
Oct-20	10.90	8.84	9.91	10.85	8.85	9.90
Nov-20	10.38	9.25	9.97	10.35	9.50	9.95
Dec-20	14.72	9.75	12.14	14.70	9.80	12.15
Jan-21	12.90	8.73	9.88	12.90	8.70	9.85
Feb-21	10.73	9.00	10.39	10.75	9.10	10.40
Mar-21	11.89	9.00	9.18	11.90	9.10	9.15

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



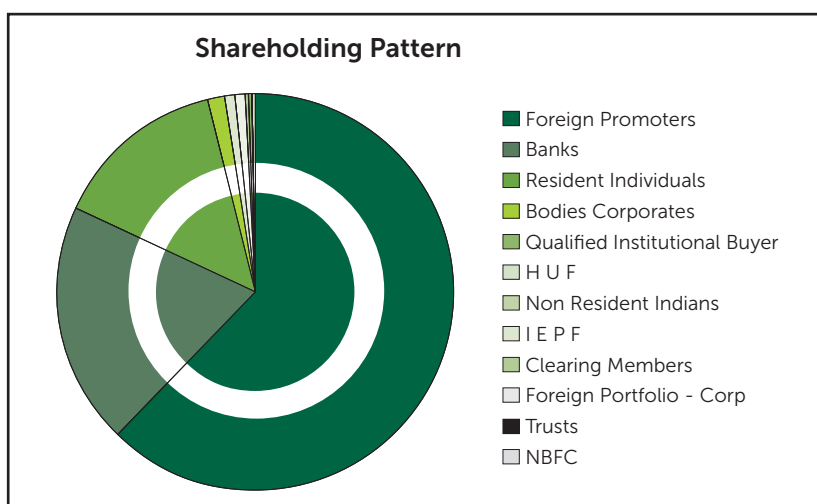
<b>m. Registrar &amp; Transfer Agent</b>	Kfin Technologies Private Limited; Unit: Shree Renuka Sugars Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India Tel No.: +91 40 6716 1524 E-mail id: rajeev.kr@kfintech.com Website: www.kfintech.com
<b>n. Share Transfer System</b>	The Company's shares are traded on the stock exchanges compulsorily in demat mode. Shares in physical mode, which are lodged for transfer, are processed and returned within the stipulated time period.

**o. Distribution of equity shareholding as on 31<sup>st</sup> March, 2021**

Particulars	No. of shareholders	% of total shareholders	No. of equity shares	Amount in ₹	% of total equity shares
1-5,000	1,59,520	94.42	9,77,36,726	9,77,36,726	4.59
5,001- 10,000	4,987	2.95	3,95,55,268	3,95,55,268	1.86
10,001- 20,000	2,271	1.34	3,37,13,775	3,37,13,775	1.58
20,001- 30,000	781	0.46	1,98,14,942	1,98,14,942	0.93
30,001- 40,000	334	0.20	1,19,24,673	1,19,24,673	0.56
40,001- 50,000	293	0.17	1,37,50,442	1,37,50,442	0.65
50,001- 1,00,000	433	0.26	3,15,16,445	3,15,16,445	1.48
1,00,001 & Above	325	0.19	1,88,04,77,502	1,88,04,77,502	88.35
<b>Total</b>	<b>1,68,944</b>	<b>100.00</b>	<b>2,12,84,89,773</b>	<b>2,12,84,89,773</b>	<b>100.00</b>

**p. Shareholding pattern as on 31<sup>st</sup> March 2021**

Category	No. of equity shares	% of total equity shares
Foreign Promoters	1,32,98,75,232	62.48
Banks	41,82,79,423	19.65
Resident Individuals	30,32,70,822	14.25
Bodies Corporates	2,43,58,608	1.14
Qualified Institutional Buyer	1,90,80,122	0.90
H U F	1,70,41,968	0.80
Non Resident Indians	83,84,502	0.39
I E P F	38,00,210	0.18
Clearing Members	33,40,825	0.16
Foreign Portfolio - Corp	8,90,848	0.04
Trusts	1,25,220	0.01
NBFC	41,993	0.00
<b>Total</b>	<b>2,12,84,89,773</b>	<b>100</b>



**q. Dematerialization of shares and liquidity**

As on 31<sup>st</sup> March 2021, 212,49,13,813 equity shares of the Company (99.83% of the total issued equity capital) were held in dematerialized form and 35,75,960 equity shares (0.17% of the total issued equity capital) were held in physical form. Registrar and Transfer Agent are appointed for transfer of shares in dematerialization mode and in physical mode.

**r. Outstanding GDRs/ADRs/Warrants or any convertible instrument –**

**s. Address for Correspondence**

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

**KFin Technologies Private Limited**

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

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

**Shree Renuka Sugars Limited**

2<sup>nd</sup> & 3<sup>rd</sup> Floor, Kanakashree Arcade,  
CTS No. 10634, JNMC Road, Nehru Nagar,  
Belagavi – 590010  
Tel No.: 0831 2404000  
E-mail: groupcs@renukasugars.com

**t. Plant locations**

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

#### u. Details of credit rating obtained by the Company

During the year, India Ratings and Research (Ind-Ra) has revised the Rating Watch status of Shree Renuka Sugars Limited's (SRSL) 'IND BBB+' Long-Term Issuer Rating to Rating Watch Positive (RWP) from Rating Watch Negative (RWN). The instrument-wise rating actions are as follows:

Instrument Type	Size of Issue (₹ Crore)	Rating	Rating Action
Non-convertible debentures (NCDs)	250	IND BBB+/RWP	Rating Watch revised to Positive from Negative
Non-convertible debentures (NCDs) Note: Redeemed during the year	552.1	IND BBB+/RWP	Rating Watch revised to Positive from Negative
Term loan	1,032.1	IND BBB+/RWP	Rating Watch revised to Positive from Negative
Term loan	300.0	IND BBB+/RWP	Assigned and Rating Watch revised to Positive from Negative
Fund based limit	181.0	IND BBB+/RWP	Rating Watch revised to Positive from Negative
Short-term loan	400.0	IND A2+/RWP	Rating Watch revised to Positive from Negative
Non-fund based limit	1,124.2	IND A2+/RWP	Rating Watch revised to Positive from Negative

Further, ICRA Limited has continued to keep the long-term rating of [ICRA]BBB+ (pronounced ICRA triple B plus) and the short-term rating of [ICRA]A2 (pronounced ICRA A two) on watch with developing implications for the following Line of Credit (LOC).

Instrument Type	Size of Issue (₹ Crore)	Rating	Rating Action
Line of credit (Long term)	133.99	[ICRA] BBB+ &	Reaffirmed
Line of credit (Short term)	400.0	[ICRA] A2 &	Reaffirmed
Non-convertible debentures (NCDs) (Long term)	26.50	(ICRA) BBB+ &	Reaffirmed

& indicates rating on watch with developing implications

#### v. Listed Debt Securities

1,500 11.70% Non-Convertible Debentures (NCDs) of ₹ 10 Lakhs each and 100 11.30% Non-Convertible Debentures (NCDs) of ₹ 10Lakhs each aggregating to 250 Crores of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited. The Company has filed an application with BSE Limited for in-principle approval for conversion of 50% of listed NCDs into Redeemable Preference Shares, which is valid till 1<sup>st</sup> September 2021.

##### 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: deepakkumar@idbitrustee.com

Website: www.idbitrustee.com

### Declaration in respect of code of conduct

In accordance with the Listing Regulations, I hereby confirm and declare that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors & Senior Managerial Personnel of the Company laid down for them for the financial year ended 31<sup>st</sup> March 2021.

**Place:** Mumbai

**Date:** 25<sup>th</sup> June 2021

**Atul Chaturvedi**

Executive Chairman

### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

**SHREE RENUKA SUGARS LIMITED**

I have examined the Compliance of the conditions of Corporate Governance by SHREE RENUKA SUGARS LIMITED ('the Company') for the year ended March 31 2021 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing regulations").

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

On the basis of my findings from the examination of the records produced and explanations and information furnished to me and the representation made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

For **T.F Khatri & Associates,**

Practicing Company Secretary

**Tehseen Fatima Khatri**

(Proprietor)

FCS: 9093

COP No. 10417

UDIN: F009093C000432769

**Place:** Mumbai

**Date:** 08<sup>th</sup> June 2021

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members of  
**Shree Renuka Sugars Limited**

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31<sup>st</sup> March 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

Sr.	Name of Directors	DIN	Date of appointment
1	Mr. Atul Chaturvedi	00175355	24.06.2015
2	Mr. Vijendra Singh	03537522	10.05.2011
3	Mr. Kuok Khoon Hong	00021957	25.10.2019
4	Mr. Jean-Luc Robert Bohbot	06857132	24.06.2015
5	Mr. Madhu Ramachandra Rao	02683483	27.06.2018
6	Mr. Surender Kumar Tuteja	00594076	25.01.2007
7	Mr. Bhupatrai Mansukhlal Premji	07223590	22.08.2016
8	Mr. Dorab Erach Mistry	07245114	22.08.2016
9	Mr. Bharat Vallabhdas Mehta	00895163	13.11.2017
10	Ms. Priyanka Ashit Mallick	06682955	08.02.2019
11	Mr. Tinniyan Kalyansundaram Kanan	00020968	18.12.2020
12	Mr. Cheau Leong Loo	08737827	01.06.2020
13	Mr. Rajeev Kumar Sinha*	01334549	06.08.2019
14	Mr. Stephen Ho Kiam Kong**	07584449	22.08.2016

\* Resigned with effect from 21<sup>st</sup> January, 2021

\*\* Resigned with effect from 31<sup>st</sup> May, 2020

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

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

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

Place: Mumbai

Date: 30<sup>th</sup> July 2021

UDIN: F009093C000711080

# INDEPENDENT AUDITOR'S REPORT

To the Members of **Shree Renuka Sugars Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Shree Renuka Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<b>Measurement of deferred taxes</b> (as described in Note 2.2(2) and 9 of the standalone Ind AS financial statements) During the year, the Company has charged INR 1,596.38 million (net) of deferred tax assets to the statement of profit and loss and other comprehensive income. Accordingly, at March 31, 2021, deferred tax assets (net) recognised in the standalone financial statements amounted to INR Nil.	Our audit procedures included the following: <ul style="list-style-type: none"> <li>We evaluated the accounting policies with respect to income taxes.</li> <li>We obtained from the management the projections for taxable profits and compared it with business plan approved by the Board of Directors of the Company.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.</p> <p>The valuation of deferred taxes is based on significant estimates and assumptions by management regarding availability of sufficient future taxable profits and accordingly, we have considered this to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>We evaluated key assumptions used in the financial projections, including quantity of sugar sales and its realisation in the domestic market, recovery rate of sugar/ethanol from sugar cane, margin on sugar exported and sales price of ethanol by comparing them with historical trends and external data, where available.</li> <li>We tested the arithmetical accuracy of the tax computations and future projections of taxable profits.</li> <li>We assessed the disclosures in the standalone financial statement for compliance with the requirements of Ind AS.</li> </ul>
<b>Impairment of Assets</b> (as described in Notes 2.2(3), 2.2(4), 3(D) and 5(b) of the standalone Ind AS financial statements)	
<p>As per the requirements of Ind AS 36, the Company tests at the end of every reporting period, whether there is any indication that the property, plant and equipment and investments in subsidiaries may be impaired and also tests recoverability of the loans given to such subsidiaries in accordance with Ind AS 109. If any such indication exists, the Company estimates the recoverable amount of the property, plant and equipment or investments.</p> <p>The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections.</p> <p>During the current year, as indication exists for impairment in one of the CGU's and also for Company's investments in certain specific subsidiaries, the Company has performed impairment assessment with respect to that specific CGU and these investment in subsidiaries along with loans given to such subsidiaries.</p> <p>Impairment of assets is a key audit matter considering the significance of the carrying value, long term estimation and the significant judgments involved in the impairment assessment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We obtained an understanding of management process for identification of impairment indicators and managements process for determination of the recoverable value of assets for which impairment indicators exists.</li> <li>We obtained from the management the assessment of recoverable amount in respect of units for which indicators of impairment have been identified.</li> <li>We assessed the competence and the objectivity of the external specialists engaged by the management to determine the recoverable amount of the specific CGU.</li> <li>We assessed management's projections used in the assessment of recoverable amount by comparing the same with the business plan approved by the Board of Directors of the Company.</li> <li>We assessed the key assumptions used by the management in the assessment of recoverable amount including sugar realisation in the domestic market, margin on sugar exported, the Earnings Before Interest Tax and Depreciation (EBITD) by comparing them with historical trends and external data, where available.</li> <li>We involved valuation specialists to assist us in evaluating the reasonableness of the assumptions used.</li> <li>We assessed the disclosures in the standalone financial statement for compliance with the requirements of Ind AS.</li> </ul>

### Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibilities of Management for the Standalone financial statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as

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

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 paid by the Company to the Chairman and the Executive Director are in accordance with the provisions of section 197 read with Schedule V to the Act. Managerial remuneration provided by the Company to its Independent Directors is subject to approval from the shareholders in the ensuing general meeting;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38(c) to the standalone financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24 to the standalone financial statements;
  - iii. There has been an instance of delay of 56 days in transferring amounts of INR 2.90 million in respect of unclaimed dividend required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Membership No.: 049237

UDIN: 21049237AAAABD7267

Place: Mumbai

Date: June 25, 2021

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

Re: **Shree Renuka Sugars Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except for the following cases where original title deeds were not available with the Company:

(INR in millions)

Sr. No.	Type	No. of cases	Gross carrying amount	Net carrying amount	Remarks
1.	Building	1	1.76	1.39	As represented, title deeds are submitted to the debenture trustee. The same has not been independently confirmed by the debenture trustee.
2.	Freehold land	2	22.62	22.62	Title deeds were not available with the Company.
3.	Leasehold land	1	372.02	338.63	Only copy of the lease agreement is available with the Company.

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loans to two subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. According to the information and explanations given to us, in respect of loans given to both the subsidiaries, interest for these loans are not due upto the year 2021-22 and accordingly, in our opinion, the terms and conditions of the loan are prejudicial to the interest of the Company.
- (b) In respect of loans granted to two subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013, the schedule of repayment of principal and payment of interest has been stipulated. Accordingly, in respect of loans granted to both the subsidiaries, interest for these loans are not due upto the year 2021-22. Further, in respect of loan granted to one of these subsidiaries amounting to INR 136.27 million as at March 31, 2021, interest accrued has been provided for by the Company.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, during the year the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of sugar, industrial alcohol and generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. As informed to us the provisions related to sales-tax, service tax and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount in INR Million**	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1960	Customs Duty	249.03	2003-2004	Supreme Court
		1,415.23	2006-2007 to 2016-2017	CESTAT
		0.37	2017-2018	Commissioner, Central Tax
Central Excise Act, 1944	Excise duty	723.84	2004-2005 to 2013-2014	CESTAT
		109.75	2013-2013 to 2015-2016	Commissioner (Appeals)
		3.65	2003-04	Supreme Court
Finance Act, 1994	Service Tax	11.04	2004-05 to 2010-11	Commissioner (Appeals)
		32.78	2009-10	CESTAT
Goods and Service Tax, 2007	GST	44.50	2017-2018 to 2018-2019	Joint Commissioner
Income Tax Act, 1961	Income Tax	33.65	A.Y.-2008-09	CIT (Appeals)
Maharashtra Value Added Tax, 2002	Sales Tax	11.28	2009-2010 and 2010-2011	Sales Tax Tribunal, Mumbai
West Bengal Value Added Tax Act, 2003	Sales Tax	3.82	2016-2017	Additional Commissioner

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

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank. The Company did not have any outstanding loans or borrowing dues to government during the year. In case of listed non-convertible debentures ('NCD') of the Company, the Company has made payments to the debenture holder on the basis of restructured balances as per the letter of intent received from the debenture holder and the Company is in the process of finalizing documentation with debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilised the monies raised by way of term loans for the purpose for which they were raised. Further, in our opinion and according to information and

explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and hence reporting under clause 3(ix) so far as it relates to initial public offer / further public offer / debt instruments 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 and audit procedures performed by us, 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. Managerial remuneration provided by the Company to its Independent Directors is subject to approval from the shareholders in the ensuing general meeting;
- (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 and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment of 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. There has been no preferential allotment or private placement of fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Membership No.: 049237

UDIN: 21049237AAAABD7267

Place: Mumbai

Date: June 25, 2021

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

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

We have audited the internal financial controls with reference to financial statements of Shree Renuka Sugars Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls With Reference to these Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls With Reference to Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with

reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

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

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Membership No.: 049237

UDIN: 21049237AAAABD7267

Place: Mumbai

Date: June 25, 2021

# Balance Sheet

as at 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

Particulars	Notes	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment (including right to use assets)	3	36,037.47	36,943.04
Capital work-in-progress	3	91.58	1,518.88
Other intangible assets	4	13.32	10.21
<b>Financial assets</b>			
Investments	5	1,375.89	1,039.29
Loans	6	1,781.21	1,918.37
Other non-current financial assets	7	61.30	54.52
Other non-current assets	8	649.84	415.66
Income tax receivable		47.64	238.05
Deferred tax assets (net)	9	-	1,580.93
<b>Total non-current assets</b>		<b>40,058.25</b>	<b>43,718.95</b>
<b>Current assets</b>			
Inventories	10	23,543.80	16,544.26
<b>Financial assets</b>			
Trade receivables	11	2,883.85	1,527.06
Cash and cash equivalents	12	221.61	349.93
Other bank balances	13	400.40	36.99
Loans	14	137.16	0.33
Other current financial assets	15	1,093.63	922.21
Other current assets	16	2,063.44	1,718.70
<b>Total current assets</b>		<b>30,343.89</b>	<b>21,099.48</b>
<b>Total assets</b>		<b>70,402.14</b>	<b>64,818.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17a	2,128.49	1,916.82
Other equity	17b	27.61	(3,117.60)
<b>Total Equity</b>		<b>2,156.10</b>	<b>(1,200.78)</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	25,658.57	16,685.11
Other non-current financial liabilities	19	143.32	123.86
Net employee benefit liabilities	20	217.15	227.74
Government grants	21	203.45	3.35
<b>Total non-current liabilities</b>		<b>26,222.49</b>	<b>17,040.06</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	11,231.92	3,737.79
Trade payables	23		
Total outstanding dues of micro and small enterprises		52.13	10.07
Total outstanding dues of creditors other than micro and small enterprises		26,256.73	26,582.83
Other current financial liabilities	24	3,852.01	17,820.10
Government grants	21	53.90	27.13
Other current liabilities	25	494.60	733.54
Net employee benefit liabilities	26	82.26	67.69
<b>Total current liabilities</b>		<b>42,023.55</b>	<b>48,979.15</b>
<b>Total liabilities</b>		<b>68,246.04</b>	<b>66,019.21</b>
<b>Total equity and liabilities</b>		<b>70,402.14</b>	<b>64,818.43</b>

Significant accounting policies

2.1

Accompanying notes 1 to 50 form an integral part of these financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

For and on behalf of the Board of directors of

**Shree Renuka Sugars Limited**per **Shyamsundar Pachisia**

Partner

Membership No. 49237

**Atul Chaturvedi**

Executive Chairman

DIN: 00175355

Date : 25<sup>th</sup> June 2021

Place: Ahmedabad

**Sunil Ranka**

Chief Financial Officer

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Vijendra Singh**

Executive Director

DIN: 03537522

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Deepak Manerikar**

Company Secretary

FCS No:F-6801

Date : 25<sup>th</sup> June 2021

Place: Mumbai

Date : 25<sup>th</sup> June 2021

Place: Mumbai

# Statement of profit and loss

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

	Notes	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>INCOME</b>			
Revenue from operations	27	54,615.25	44,387.23
Income from incentive to sugar mills		818.35	1,292.13
Other income	28	682.55	794.85
<b>Total income</b>		<b>56,116.15</b>	<b>46,474.21</b>
<b>EXPENSES</b>			
Cost of raw materials consumed	29	45,890.64	36,759.92
Purchase of traded goods	30	1,832.94	2,676.02
Increase in inventories of finished goods, work-in-progress and traded goods	31	(4,155.33)	(1,317.60)
Employee benefit expenses	32	1,128.91	1,084.53
Depreciation and amortisation expenses	33	2,012.64	2,027.84
Foreign exchange loss/(gain) (net)		(747.49)	1,575.61
Finance costs	34	3,686.43	4,858.30
Other expenses	35	5,813.61	5,194.57
<b>Total expenses</b>		<b>55,462.35</b>	<b>52,859.19</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>653.80</b>	<b>(6,384.98)</b>
Exceptional items - income	36	(1,499.01)	(2,989.25)
<b>Profit/(loss) before tax</b>		<b>2,152.81</b>	<b>(3,395.73)</b>
<b>Tax expense</b>			
Current tax		-	-
Income tax relating to earlier years	9	-	26.12
Deferred tax	9	1,596.38	2,090.18
<b>Income tax expense</b>		<b>1,596.38</b>	<b>2,116.30</b>
<b>Profit/(loss) for the year</b>		<b>556.43</b>	<b>(5,512.03)</b>
<b>Other comprehensive income</b>			
<b>A) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Reversal of revaluation reserve on disposal / impairment of property, plant and equipment		(48.77)	(1,644.46)
Income tax effect		15.21	513.07
Loss on remeasurements of defined benefit plans	39	(0.77)	(31.76)
Income tax effect		0.24	9.91
Unrealised gain/(loss) on FVTOCI equity securities		420.39	-
<b>B) Other comprehensive income that will be reclassified to profit or loss in subsequent periods:</b>			
Net loss on cash flow hedges	42	(352.24)	-
Net change in costs of hedging	42	(473.59)	-
<b>Total comprehensive income for the year (net of tax)</b>		<b>116.90</b>	<b>(6,665.27)</b>
<b>Earnings per share</b>			
Basic	37	0.27	(2.88)
[Face value of equity share INR 1/- each]			
Diluted	37	0.27	(2.88)
[Face value of equity share INR 1/- each]			

Significant accounting policies

2.1

Accompanying notes 1 to 50 form an integral part of these financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

**per Shyamsundar Pachisia**

Partner

Membership No. 49237

Date : 25<sup>th</sup> June 2021

Place: Mumbai

For and on behalf of the Board of directors of

**Shree Renuka Sugars Limited**

**Atul Chaturvedi**

Executive Chairman

**DIN: 00175355**

Date : 25<sup>th</sup> June 2021

Place: Ahmedabad

**Sunil Ranka**

Chief Financial Officer

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Vijendra Singh**

Executive Director

**DIN: 03537522**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Deepak Manerikar**

Company Secretary

**FCS No:F-6801**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

# Statement of changes in equity

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated										
	Reserves and Surplus					Items of OCI			Total equity	
	Equity share capital	Securities premium	Debt redemption reserve	Equity Contribution from Parent	Retained earnings	Cash flow hedge reserve	Cost of hedging reserve	Revaluation reserve on PPE		Changes in equity instrument and others
As at 1 <sup>st</sup> April 2019	1,916.82	30,396.51	625.00	-	(38,112.81)	-	-	10,759.28	(120.31)	5,464.49
Loss for the year	-	-	-	-	(5,512.03)	-	-	-	-	(5,512.03)
Other comprehensive income	-	-	-	-	(21.85)	-	-	(1,131.39)	-	(1,153.24)
Total comprehensive income	-	-	-	-	(5,533.88)	-	-	(1,131.39)	-	(6,665.27)
Depreciation of revalued assets	-	-	-	-	257.37	-	-	(257.37)	-	-
As at 31 <sup>st</sup> March 2020	1,916.82	30,396.51	625.00	-	(43,389.32)	-	-	9,370.52	(120.31)	(1,200.78)
Profit for the year	-	-	-	-	556.43	-	-	-	-	556.43
Other comprehensive income	-	-	-	-	(0.53)	(352.24)	(473.59)	(33.56)	420.39	(439.53)
Total Comprehensive Income	-	-	-	-	555.90	(352.24)	(473.59)	(33.56)	420.39	116.90
Transferred to P&L	-	-	-	-	-	352.24	574.42	-	-	926.66
Equity shares issued during the year	211.67	1,638.33	-	-	-	-	-	-	-	1,850.00
Interest waiver from parent	-	-	-	463.32	-	-	-	-	-	463.32
Depreciation of revalued assets	-	-	-	-	690.91	-	-	(690.91)	-	-
As at 31 <sup>st</sup> March 2021	2,128.49	32,034.84	625.00	463.32	(42,142.51)	-	100.83	8,646.05	300.08	2,156.10

Accompanying notes 1 to 50 form an integral part of these financial statements

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

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

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

**Atul Chaturvedi**  
 Executive Chairman  
**DIN: 00175355**  
 Date : 25<sup>th</sup> June 2021  
 Place: Ahmedabad

**Vijendra Singh**  
 Executive Director  
**DIN: 03537522**  
 Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

**Sunil Ranka**  
 Chief Financial Officer  
 Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

**Deepak Manerikar**  
 Company Secretary  
**FCS No:F-6801**  
 Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

# Statement of cash flows

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Operating activities</b>		
Profit/(loss) before tax and after exceptional items	2,152.81	(3,395.73)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Depreciation of property, plant and equipment	2,008.76	2,026.99
Amortisation of intangible assets	3.88	0.85
Unrealised gain/(loss) on derivatives	28.30	(8.67)
Government assistance	(44.80)	(27.51)
Finance costs	3,686.43	4,858.30
Finance income	(246.90)	(200.99)
Loss on disposal of property, plant and equipment	-	0.28
Gain on discounting of OCPs	-	(2,888.63)
Exceptional items	(1,499.01)	-
Dividend income	(1.17)	(1.27)
Gain from disposal of investments	-	(1.49)
Write back of provision	(109.77)	(98.48)
Net foreign exchange differences	(330.12)	1,611.69
Impairment of other assets	115.71	99.99
Property, plant and equipment written off	174.28	53.90
Impairment of investment in subsidiaries	83.79	47.00
Expected credit loss on trade receivable	216.27	423.67
<b>Working capital adjustments</b>		
Decrease in employee benefit expenses	25.58	(1.86)
Decrease/(increase) in trade receivables	(140.76)	47.79
Decrease/(increase) in other receivables and prepayments	(718.38)	315.76
Increase in inventories	(7,021.57)	(174.10)
Increase/(decrease) in trade and other payables	(13,888.46)	5,530.96
Income tax refunded/(paid)	(15,505.13)	8,218.45
	190.41	(31.56)
<b>Net cash flows from operating activities</b>	<b>(15,314.72)</b>	<b>8,186.89</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,064.68)	(1,935.65)
Loans given during the year to subsidiaries	(640.00)	(8.70)
Repayment of loan from subsidiaries	415.00	172.20
Proceeds from sale of property, plant and equipment	1.99	1.85
Proceeds from sale of investments	-	1.49
Investment in fixed deposit	(366.38)	-
Interest received (finance income)	72.66	308.42
Dividend received	1.17	1.27
<b>Net cash flows used in investing activities</b>	<b>(1,580.24)</b>	<b>(1,459.12)</b>
<b>Financing activities</b>		
Proceeds from issue of equity shares	1,850.00	-
Proceeds/(repayment) short term borrowings (net)	7,494.13	(1,740.39)
Repayment of long-term borrowings	(14,143.35)	(1,496.91)
Proceeds from long term borrowings	3,000.00	-
Proceeds from External Commercial Borrowings	22,413.57	-
Finance cost and processing charges paid	(3,834.93)	(3,333.90)
Payment of Lease Liability	(12.78)	(8.66)
<b>Net cash flows used in financing activities</b>	<b>16,766.64</b>	<b>(6,579.86)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(128.32)</b>	<b>147.91</b>
Opening cash and cash equivalents (refer note 12)	349.93	202.02
<b>Closing cash and cash equivalents (refer note 12)</b>	<b>221.61</b>	<b>349.93</b>

Accompanying notes 1 to 50 form an integral part of these financial statements

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

As per our report of even date

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

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

**per Shyamsundar Pachisia**

Partner

**Membership No.49237**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

For and on behalf of the Board of directors of

**Shree Renuka Sugars Limited**

**Atul Chaturvedi**

Executive Chairman

**DIN: 00175355**

Date : 25<sup>th</sup> June 2021

Place: Ahmedabad

**Sunil Ranka**

Chief Financial Officer

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Vijendra Singh**

Executive Director

**DIN: 03537522**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Deepak Manerikar**

Company Secretary

**FCS No:F-6801**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

### 1. Corporate information

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

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

The financial statements for the year ended 31<sup>st</sup> March 2021 were authorised for issue by the Board of Directors of the Company on 25<sup>th</sup> June 2021.

### 2.1 Significant accounting policies

#### I. Basis of Preparation:

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

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

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

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

#### Going concern

As at 31<sup>st</sup> March 2021 the current liabilities of the Company exceed its current assets by INR 11,679.66 million. During the year Company has received INR 22,413.57 million (USD 300 million) by way of External Commercial Borrowings for redemption of Non-Convertible debentures (NCDs), repayment of term loans, to meet the

working capital requirements and for general corporate purposes. Further, the Company has received INR 1,850.00 million from preferential issue of equity shares to Wilmar Sugar Holdings Pte. Ltd. (Promoter of the Company). Furthermore, the Board of Directors of Wilmar Sugar Holdings Pte. Ltd., have provided letter of support to the Company, to meet shortfall in its normal trade related working capital requirements up to the year ending 31<sup>st</sup> March 2022. Also, remaining term loans and working capital loans availed by the Company from Banks are secured by corporate guarantee provided by the ultimate Promoter Company (Wilmar International Limited).

Further, for the year ended 31<sup>st</sup> March 2021 the Company has profit before exceptional items and tax of INR 653.80 million. The Company has positive net worth of INR 2,156.10 million as at 31<sup>st</sup> March 2021.

Accordingly, the Company management believes it will be able to meet all its financial obligations, on a timely basis and hence, the Company has prepared the financial results on going concern basis.

#### 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 other assets are classified as non-current.

A liability is treated as current when:

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

- 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 Company classifies all other liabilities as non-current.

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

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

### b. Foreign currencies

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

#### Transactions and balances

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of

the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### c. Fair value measurement

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

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

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

The principal or the most advantageous market must be accessible by the 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

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

level input that is significant to the fair value measurement as a whole:

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

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

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

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

- o Disclosures for valuation methods, significant estimates and assumptions (note 2.2 and 43)
- o Quantitative disclosures of fair value measurement hierarchy (note 43)
- 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 43)

### d. Revenue recognition

#### Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services

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

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

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

#### Contract balances

#### Trade receivables

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

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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

### Interest income

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

### Dividends

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

#### e. Government grants

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

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

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

The Government announced Minimum Indicative Export Quota (MIEQ) scheme for the season year 2018-19 and Maximum Allowable Export Quota (MAEQ) for season year 2019-20 and 2020-21 to boost exports of sugar. Under these schemes, the Company can export sugar under its own quota and the quota of the third parties. The Company has availed benefits under both the schemes for exports made by the Company under its own quota. The company has also availed benefit under Buffer Stock Subsidy Scheme announced by Government of India.

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

#### f. Taxes

##### Current income tax

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

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

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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

### Deferred tax

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

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

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

### g. Property, plant and equipment

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

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

loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria are met.

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

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

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

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

Category	Useful life
Buildings	5 - 60 Years
Plant and Equipment's	1 - 40 Years
Furniture and Fixtures	1 - 10 Years
Vehicles	7 - 8 Years

The Company, based on technical assessment made by management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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 Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

#### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### k. Inventories

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

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

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

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

#### l. Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

## Notes to financial statements

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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.

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

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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
- 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

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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

### Debt instrument at FVTOCI

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

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

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

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

### Debt instrument at FVTPL

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

In addition, the Company may elect to

designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

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

### 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

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

cash flows in full without material delay to a third party under a 'pass-through' arrangement' and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

### Impairment of financial assets

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

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Trade receivables or any contractual right to receive cash or another financial asset that

result from transactions that are within the scope of Ind AS 115 (referred to as 'Trade receivables')

- d. Loan commitments which are not measured as at FVTPL
- e. Financial guarantee contracts which are not measured as at FVTPL

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

- o Trade receivables or contract revenue receivables; and
- o Loans and other financial assets

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

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

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

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

enable significant increases in credit risk to be identified on a timely basis.

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

### (b) Financial liabilities

#### Initial recognition and measurement

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

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

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

#### Subsequent measurement

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

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

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

as effective hedging instruments.

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

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

#### Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer note 18.

#### Other financial liabilities

The Company enters into deferred payment arrangements (letter of credit acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of materials. The banks and financial institutions are subsequently repaid by the Company at

## Notes to financial statements

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a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements are recognized as acceptances under trade payables. Interest borne by the company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

### Financial guarantee contracts

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

### De-recognition

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

### (c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently

enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### p. Compounding financial instruments

The company had issued compound financial instruments (redeemable preference shares, optionally convertible preference shares and redeemable non-convertible debentures) as part of its restructuring of debts with lenders. On issuance of compounding financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The difference between value of Compound financial instruments so determined and the non-sustainable part of borrowing is recognised as income on de-recognition of financial liability in the statement of profit and loss.

### q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### r. Earnings per share

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

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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

### s. Derivative financial instruments

The Company uses derivative financial instruments, such as foreign currency forward 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.

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.

For the purpose of hedge accounting, hedges are classified as cash flow hedges (hedging the exposure to variability in cash flows that is attributable to foreign currency risk associated with External Commercial Borrowings).

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.

- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in respect of principal portion of the External Commercial Borrowings.

The Company designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

### 2.2 Significant accounting judgments estimates and assumptions

The preparation of the Company's financial statements requires management to make

## Notes to financial statements

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judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 1. Revaluation of property, plant and equipment

The Company measures land, buildings, plant and machinery classified as property, plant and equipment at revalued amounts with changes in fair value being recognised in OCI. The Company had engaged an independent valuation specialist to assess fair value as at 31<sup>st</sup> March 2019 for revaluation of land, buildings, plant and equipment. Fair value of land was determined by using the market approach and building and plant & equipment was determined by using depreciated replacement cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 3.

#### 2. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax

assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Company has unabsorbed depreciation of INR 14,818.48 million (31<sup>st</sup> March 2020: INR 12,302.14 million), unabsorbed tax losses of INR 6,896.68 million (31<sup>st</sup> March 2020: INR 12,728.07 million) on which deferred tax asset has been created; in addition, the Company has MAT credit entitlement of INR 196.78 million (31<sup>st</sup> March 2020: INR 457.43 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

#### 3. Impairment of non-financial assets

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

#### 4. Valuation of investments

Investments in subsidiaries are carried at cost in the financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. On disposal of investments

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

The recoverable amount calculation is based on a DCF (Discounted Cash Flow) model. The cash flows are based on projections approved by the Board of Directors of the Company and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### 5. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan is 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.

Further details about gratuity obligations are given in Note 39.

### 2.3 Standards issued but not yet effective

Paragraph 30 of Ind AS 8 requires disclosure of standards that have been issued but are not yet effective. There are no standards issued but not effective up to the date of issuance of the Company financial statements.

### 2.4 The Code on Social Security 2020 has been notified in the Official Gazette on 29<sup>th</sup> September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.

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for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 3: Property, plant and equipment

	leasehold land	Freehold land	Buildings	Plant, machinery and equipment	Furniture and fixtures	Vehicles	Right-of-use assets*	Total for property, plant and equipment (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross block</b>										
As at 1 <sup>st</sup> April 2019	999.39	2,040.45	8,102.35	35,153.73	97.56	21.47	-	46,414.95	1,003.53	47,418.48
Right of use assets recognised as on 1 <sup>st</sup> April 2019	-	-	-	-	-	-	1,384.68	1,384.68	-	1,384.68
Transfer to ROU assets	(999.39)	-	-	-	-	-	999.39	-	-	-
Additions	-	15.51	5.31	1,163.38	49.42	0.08	24.96	1,258.66	526.75	1,785.41
Disposals	-	-	(20.30)	(133.42)	(8.69)	-	-	(162.41)	-	(162.41)
As at 31 <sup>st</sup> March 2020	-	2,055.96	8,087.36	36,183.69	138.29	21.55	2,409.03	48,895.88	1,530.28	50,426.16
Additions	-	0.70	252.16	2,132.53	31.88	10.13	32.94	2,460.34	(1,427.30)	1,033.04
Disposals	-	(5.01)	(141.95)	(201.45)	(4.21)	(0.84)	(0.42)	(353.88)	-	(353.88)
As at 31 <sup>st</sup> March 2021	-	2,051.65	8,197.57	38,114.77	165.96	30.84	2,441.55	51,002.34	102.98	51,105.32
<b>Depreciation and impairment</b>										
As at 1 <sup>st</sup> April 2019	8.72	-	1,104.99	7,223.65	59.69	2.14	-	8,399.19	-	8,399.19
Depreciation charge for the year (refer note 33)	-	-	340.24	1,542.24	16.74	4.82	122.95	2,026.99	-	2,026.99
Transfer to ROU assets	(8.72)	-	-	-	-	-	8.72	-	-	-
Disposals	-	-	(16.95)	(53.96)	(8.68)	-	-	(79.59)	-	(79.59)
Impairment	-	-	438.32	856.01	-	-	311.92	1,606.25	11.40	1,617.65
As at 31 <sup>st</sup> March 2020	-	-	1,866.60	9,567.94	67.75	6.96	443.59	11,952.84	11.40	11,964.24
Depreciation charge for the year (refer note 33)	-	-	313.63	1,549.68	19.12	4.13	122.20	2,008.76	-	2,008.76
Disposals	-	-	(43.39)	(125.59)	(4.21)	(0.84)	-	(174.03)	-	(174.03)
Impairment	-	-	369.32	807.98	-	-	-	1,177.30	-	1,177.30
As at 31 <sup>st</sup> March 2021	-	-	2,506.16	11,800.01	82.66	10.25	565.79	14,964.87	11.40	14,976.27
<b>Net book value</b>										
As at 31 <sup>st</sup> March 2021	-	2,051.65	5,691.41	26,314.76	83.30	20.59	1,875.76	36,037.47	91.58	36,129.05
As at 31 <sup>st</sup> March 2020	-	2,055.96	6,220.76	26,615.75	70.54	14.59	1,965.44	36,943.04	1,518.88	38,461.92

\* For further information refer note 47

#### A. Assets under construction

Capital work in progress as at 31<sup>st</sup> March, 2021 comprises expenditure for the plant and building in the course of construction including material procured for ethanol expansion projects. Additions during the current year and previous year are net of capitalisation.

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

In the year ended 31<sup>st</sup> March 2019, the Company had appointed an independent valuer to determine the fair value of freehold and leasehold land, building and plant and machineries. As an outcome of this process, the Company has recognised increase in the gross block of land (free and lease hold) of Rs. 773.37 million, building of Rs. 694.78 million and decrease in plant and machineries of Rs. 648.46 million. The company recognised this increase within the revaluation reserve and statement of comprehensive income.

The Company determined these fair values after considering physical condition of the asset, technical usability / capacity, salvage value, quotes from independent vendors. The fair value of land is determined using market approach and building, plant, machinery and equipment using Depreciated Replacement Cost (DRC). The DRC is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation. The fair value measurement will be classified under level 3 fair value hierarchy.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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### Significant unobservable valuation input:

Asset	Valuation technique	Significant unobservable inputs
<b>Freehold land/ Leasehold land</b>	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.
<b>Building</b>	Depreciated Replacement Cost (DRC)	Building/structural sheds were measured considering the DRC cost method for the constructed area depending on utility and design of building structures condition, actual physical condition and state of repairs and maintenance, type of general and special specifications of construction, remaining useful economic life of the structures, demand for the structures, cost of building materials and related construction supplies in the surrounding area, latest trends in the building construction technology, present day replacement cost of comparable building structures, depreciation for physical wears and tear.
<b>Plant, machinery and equipment</b> Sugar Plant Co-Generation Plant Ethanol Plant	Depreciated Replacement Cost (DRC)	The valuation of plant & machinery has been estimated by DRC method under cost approach of valuation. The DRC is adjusted towards the obsolescence, potential profitability and service potential in order to estimate the market value 'In-Situ' of the plant & machinery.

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

	Amount
<b>As at 1<sup>st</sup> April 2019</b>	<b>16,839.38</b>
Measurement recognised in reserves	-
Purchases	-
Depreciation	(769.84)
Disposed/impairment off	(1,644.74)
<b>As at 31<sup>st</sup> March 2020</b>	<b>14,424.80</b>
Measurement recognised in reserves	-
Purchases	-
Depreciation	(690.99)
Disposed/impairment off	(48.77)
<b>As at 31<sup>st</sup> March 2021</b>	<b>13,685.04</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

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

Net book value	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Cost</b>		
Freehold land	495.09	499.41
Leasehold land	197.17	193.30
Buildings	5,615.20	5,735.82
Plant, machinery and equipment	31,470.21	30,369.62
	<b>37,777.67</b>	<b>36,798.15</b>
<b>Accumulated depreciation</b>		
Freehold land	-	-
Leasehold land	19.66	14.80
Buildings	2,165.54	2,011.42
Plant, machinery and equipment	13,343.93	12,338.82
	<b>15,529.13</b>	<b>14,365.04</b>
<b>Net carrying amount</b>		
Freehold land	495.09	499.41
Leasehold land	177.51	178.50
Buildings	3,449.66	3,724.40
Plant, machinery and equipment	18,126.28	18,030.80
	<b>22,248.54</b>	<b>22,433.11</b>

### C. Loss due to cyclone

During the year, one of the refineries of the Company was affected by super cyclone Amphan and few assets was damaged. The Company has lodged a claim with Insurance company to recover the losses incurred. However, on prudent basis and in compliance with Ind AS 16, company has accounted for loss of INR 148.70 million for damaged assets and the same has been charged to the statement of profit and loss and grouped under other expenses. The Company has filed insurance claim and is under evaluation by insurance Company.

### D. Impairment assessment of CGU

One of the refineries of the Company which was not operational since mid of 2018 has started its operations from 16<sup>th</sup> October 2020. The said plant has a refining capacity of 75,000 MT per month and produced 11,505 MT of white sugar for the quarter and 111,987 MT for year ended 31<sup>st</sup> March 2021.

As per the requirements of Ind AS 36, the Company tests at the end of every reporting period, whether there is any indication that the property, plant and equipment may be impaired. If any such indication exists, the Company estimates the recoverable amount of the property, plant and equipment. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

During the current year, as indication exists, the Company performed impairment assessment with respect to the certain specific Cash Generating Unit (CGU) of refinery segment. The recoverable amount has been determined using value in use approach based on cashflow projections which are discounted to their present value using a pre-tax discount rate 11.17%. As a result of this analysis, management has identified and has recognized an impairment allowance of INR 1,152.00 million during the year ended 31<sup>st</sup> March 2021. An amount of INR 24.05 million against previously recognized revaluation reserve for this CGU and has been considered in the Other Comprehensive Income (OCI) and balance INR 1,127.95 million grouped under exceptional item (refer note 36).

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for the year ended 31<sup>st</sup> March 2021

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### E. Capitalisation of borrowing cost.

The Company enhanced its ethanol capacities in two manufacturing units Athani and Havalga. The project was commenced in May 2019 and all the assets put to use in December 2020. The capex was financed by the Bank. The amount of borrowing cost capitalised during the year is INR 41.38 million (31<sup>st</sup> March 2020: INR 102.60 million). The rate used to determine amount of borrowing costs eligible for capitalisation 8.75%, which is the EIR of specific borrowings.

### Note 4: Other intangible assets

	Computer software
<b>Gross block</b>	
<b>As at 1<sup>st</sup> April 2019</b>	20.33
Additions	10.66
Disposals	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>30.99</b>
Additions	6.99
Disposals	(0.11)
<b>As at 31<sup>st</sup> March 2021</b>	<b>37.87</b>
<b>Depreciation and impairment</b>	
<b>As at 1<sup>st</sup> April 2019</b>	<b>19.93</b>
Amortisation for the year	0.85
Disposals	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>20.78</b>
Amortisation for the year	3.88
Disposals	(0.11)
<b>As at 31<sup>st</sup> March 2021</b>	<b>24.55</b>
<b>Net book value</b>	
<b>As at 31<sup>st</sup> March 2021</b>	<b>13.32</b>
<b>As at 31<sup>st</sup> March 2020</b>	<b>10.21</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 5: Investments

	Currency	Face value	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
			Number of units	INR Million	Number of units	INR Million
<b>Non Current:</b>						
<b>Unquoted equity shares: At cost</b>						
<b>In Subsidiary Companies</b>						
KBK Chem-Engineering Private Limited (refer note 5 (b) below).	INR	100	169,143	547.92	169,143	547.92
Gokak Sugars Limited (GSL).(refer note 5 (a) below)	INR	10	32,937,140	187.26	32,937,140	187.26
Less: Impairment allowance (refer note 5 (b) below)				(70.99)		-
				116.27		187.26
Monica Trading Private Limited (Monica)	INR	10	10,000	171.52	10,000	171.52
Less: Impairment allowance (refer note 5 (c) below)				(59.80)		(47.00)
				111.72		124.52
Renuka Commodities DMCC	AED	10000	40	4.97	40	4.97
Less: Impairment allowance				(4.97)		(4.97)
				-		-
Shree Renuka Agri Ventures Limited	INR	10	250,000	2.50	250,000	2.50
Less: Impairment allowance				(2.50)		(2.50)
				-		-
Shree Renuka East Africa Agriventures PLC	Birr	180	9,999	5.19	9,999	5.19
Less: Impairment allowance				(5.19)		(5.19)
				-		-
Shree Renuka Tunaport Private Limited	INR	10	10,000	0.10	10,000	0.10
Less: Impairment allowance				(0.10)		(0.10)
				-		-
<b>In other companies</b>						
<b>Unquoted equity shares: At fair value through other comprehensive income (fully paid)</b>						
National Commodity & Derivatives Exchange Ltd. (NCDEX) (refer note 43)	INR	10	2,533,700	599.98	2,533,700	179.59
<b>Aggregate value of total Investment</b>				<b>1,375.89</b>		<b>1,039.29</b>
<b>Aggregate value of unquoted investment</b>				<b>1,519.44</b>		<b>1,099.05</b>
<b>Aggregate amount of impairment allowance in value of investments</b>				<b>(143.55)</b>		<b>(59.76)</b>

**Note 5 (a):** The Board of Directors of the Company at its meeting held on November 09, 2020 has approved the scheme of Merger of Gokak Sugars Limited, a subsidiary of the Company, with the Company. SRSL, being the listed Company, needs approval of Stock Exchanges and Securities and Exchange Board of India (SEBI). Accordingly, the Company has made an application to Bombay Stock Exchange Ltd (BSE) and National Stock Exchanges of India (NSE) on January 21, 2021 seeking their approval. BSE and NSE has forwarded the scheme to SEBI with their recommendation. After SEBI approval the Company will seek NCLT approval for the proposed merger.

**Note 5 (b):** Investment in subsidiaries are carried at cost in financial statements. Where any indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The recoverable amount calculation is based on a DCF (Discounted Cash Flow) model. Value in use is calculated using cash flow projections covering a five-year forecast considering growth rate of 2%, applying a discount rate of 9.30% - 11.08% to the cash flow projections. During the year Company recognised an impairment allowance of INR 70.99 million in respect of its investment in GSL.

**Note 5 (c):** In respect of Monica Trading Private Limited (MTPL), the company has determined the recoverable amount of the investment based on the market value of the underlying asset of MTPL. Accordingly, an impairment allowance of INR 12.80 million has been recognised in the statement of profit and loss during the year.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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### Note 6: Loans

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Loans to subsidiary companies (refer note 41 (C))	3,843.56	3,979.20
Less: Impairment allowance (refer note 41 (C))	(2,062.35)	(2,060.83)
	<b>1,781.21</b>	<b>1,918.37</b>
<b>Break-up for security details</b>		
Unsecured, considered good	1,781.21	1,918.37
Unsecured, credit impaired	2,062.35	2,060.83
(A)	<b>3,843.56</b>	<b>3,979.20</b>
<b>Impairment allowance*</b>		
Unsecured, considered good	-	-
Unsecured, credit impaired (refer note 41 (C))	(2,062.35)	(2,060.83)
(B)	<b>(2,062.35)</b>	<b>(2,060.83)</b>
(A-B)	<b>1,781.21</b>	<b>1,918.37</b>

\*The Company has recognised impairment allowance on life time expected credit loss basis towards loan given to its subsidiaries. During the year the Company advanced an amount of INR 1.00 million (31<sup>st</sup> March 2020: INR 8.70 million) to its subsidiary, Monica Trading Private Limited(MTPL) to meet their payment obligations. The total amount outstanding is INR 136.27 million (31<sup>st</sup> March 2020: INR 135.27 million) .

### Note 7: Other non-current financial assets

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Deposits	132.86	126.08
Less: Impairment allowance	(71.56)	(71.56)
	<b>61.30</b>	<b>54.52</b>
<b>Break-up for security details</b>		
Unsecured, considered good	61.30	54.52
Doubtful	71.56	71.56
(A)	<b>132.86</b>	<b>126.08</b>
<b>Impairment allowance</b>		
Unsecured, considered good	-	-
Doubtful	(71.56)	(71.56)
(B)	<b>(71.56)</b>	<b>(71.56)</b>
(A-B)	<b>61.30</b>	<b>54.52</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 8: Other non-current assets

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Incentives receivable	-	197.43
Capital advances*	76.34	29.34
Amount paid under protest to government authorities	403.50	386.32
Balances with government authorities	187.20	-
	<b>667.04</b>	<b>613.09</b>
<b>Break-up for security details</b>		
Unsecured, considered good	649.84	415.66
Unsecured, considered doubtful	17.20	197.43
(A)	<b>667.04</b>	<b>613.09</b>
<b>Impairment allowance</b>		
Unsecured, considered good	-	-
Unsecured, considered doubtful	(17.20)	(197.43)
(B)	<b>(17.20)</b>	<b>(197.43)</b>
(A-B)	<b>649.84</b>	<b>415.66</b>

\* Includes capital advance given to subsidiaries INR 59.78 million (31<sup>st</sup> March 2020 : INR 23.55 million) (refer note 41 (C))

### Note 9: Income tax

The major components of income tax expenses for period ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 are:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Profit and loss section</b>		
Current income tax	-	-
Income tax relating to earlier years	-	26.12
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences and write-down of deferred tax asset	1,596.38	2,090.18
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,596.38</b>	<b>2,116.30</b>

### OCI Section

#### Deferred tax related to items recognised in OCI during the year

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Net loss/(gain) on remeasurements of defined benefit plans	0.24	9.91
Revaluation reserve on property, plant and equipment's	15.21	513.07
<b>Income tax expenses/(income) charged to OCI</b>	<b>15.45</b>	<b>522.98</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Reconciliation of tax expenses and the accounting profit multiplied by the India's domestic tax rate for year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Accounting profit/(loss) before tax</b>	<b>2,152.81</b>	<b>(3,395.73)</b>
At India's statutory income tax rate of 31.2% (31 <sup>st</sup> March 2020: 31.2%)	671.68	(1,059.47)
Unwinding Interest not deductible	64.22	260.47
Loss on which no DTA created	-	1,270.07
Losses on which DTA created during the year to off set existing DTL	(1,015.68)	-
Taxable Gain on Redemption of Financial Instruments	3,578.98	-
Previous year losses on which DTA was considered to be not recoverable during the year	-	1,189.40
Carry forward losses utilised during the year on which no DTA recognised earlier	(1,890.77)	-
MAT credit written off	260.65	-
Income tax related to earlier year litigation	-	26.12
Others	(72.70)	429.71
<b>Income tax expense/(income) in the statement of profit and loss</b>	<b>1,596.38</b>	<b>2,116.30</b>

### Deferred tax

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Difference between carrying value of PPE and WDV as per the income tax act	(7,454.67)	(8,242.25)
Deferred tax on financial instruments (net)	-	947.87
Expenses claimed on payment basis	482.76	608.46
Losses available for offsetting against future taxable income	6,775.13	7,809.42
MAT credit entitlement	196.78	457.43
<b>Net deferred tax assets</b>	<b>-</b>	<b>1,580.93</b>

### Presented in the balance sheet as follows:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Deferred Tax Assets (DTA)	-	1,580.93
Deferred Tax Liabilities (DTL)	-	-
<b>Deferred tax assets</b>	<b>-</b>	<b>1,580.93</b>

### Reconciliation of deferred assets/(liabilities):

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Opening balance as at 1 <sup>st</sup> April	1,580.93	3,148.13
Tax (expense)/income during the period recognised in profit and loss	(1,596.38)	(2,090.18)
Tax income/(expense) during the period recognised in OCI	15.45	522.98
<b>Closing balance</b>	<b>-</b>	<b>1,580.93</b>

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 and has been restricted to the extent of deferred tax liability. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

The Company has unabsorbed depreciation of INR.14,818.48 million (31<sup>st</sup> March 2020: INR. 12,302.14 million), unabsorbed business losses of INR. 6,896.68 million (31<sup>st</sup> March 2020: INR. 12,728.07 million) on which deferred tax asset has been created; in addition, the Company has MAT credit entitlement of INR. 196.78 million (31<sup>st</sup> March 2020: INR. 457.43 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed business losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

The Company has unabsorbed depreciation of Nil (31<sup>st</sup> March 2020: INR. 2,534.25 million), unabsorbed tax losses of INR. 2,190.43 million (31<sup>st</sup> March 2020: INR. 11,198.63 million) on which deferred tax asset has not been created. The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses can be carried forward for 8 years and will expire between financial year 2025-26 to 2027-28.

### Note 10: Inventories

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Raw materials, components and material in transit (at cost) (includes transit stock INR 596.75 million (31 <sup>st</sup> March 2020: INR 4.58 million))	5,840.57	3,158.76
Stores and spares (at cost)* (includes transit stock Nil (31 <sup>st</sup> March 2020: INR 4.02 million))	520.43	358.03
Intermediate products (at net realisable value)	1,556.66	1,620.58
Finished goods: (at lower of cost or net realisable value)		
Manufactured	15,519.44	11,406.89
Traded	106.70	-
	<b>23,543.80</b>	<b>16,544.26</b>

\* Includes packing material and consumables

### Note 11: Trade receivables

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, considered good</b>		
Receivables from third parties	1,317.13	1,171.66
Receivables from related parties (refer note 41 (C))	1,566.72	355.40
	<b>2,883.85</b>	<b>1,527.06</b>
<b>Break-up for security details:</b>		
<b>Unsecured, considered good</b>		
Receivables from third parties	1,317.13	1,171.66
Receivables from related parties (refer note 41 (C))	1,566.72	355.40
<b>Unsecured, considered doubtful</b>		
Receivables from third parties	179.92	190.44
Receivables from related parties (refer note 41 (C))	2,513.94	3,769.72
(A)	<b>5,577.71</b>	<b>5,487.22</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Doubtful	(2,693.86)	(3,960.16)
(B)	<b>(2,693.86)</b>	<b>(3,960.16)</b>
(A-B)	<b>2,883.85</b>	<b>1,527.06</b>

During the year, the Company has recognised impairment allowance on lifetime expected credit loss model amounting to INR 209.26 million (31<sup>st</sup> March 2020: INR 423.67 million).

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 7 to 30 days.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 12: Cash and cash equivalents

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Cash and cash equivalents:		
Cash on hand	0.44	0.83
Balances with banks:		
On current accounts	221.17	349.10
	<b>221.61</b>	<b>349.93</b>

### Changes in liabilities arising from financing activities

Particulars	Long term borrowings	Short term borrowings	Non-Current lease liabilities	Current lease liabilities
<b>As at 1<sup>st</sup> April 2019</b>	<b>21,391.28</b>	<b>5,478.18</b>	-	-
Cash flows	(1,496.91)	(1,740.39)	-	(8.66)
Other	(1,719.95)	-	123.86	14.97
<b>As at 31<sup>st</sup> March 2020</b>	<b>18,174.42</b>	<b>3,737.79</b>	<b>123.86</b>	<b>6.31</b>
Proceeds from External Commercial Borrowings	22,413.57	-	-	-
Proceeds from borrowings	3,000.00	7,494.13	-	-
Repayment of long-term borrowings	(14,143.35)	-	-	-
Cash flows	-	-	-	(12.78)
Other	(2,817.88)	-	19.46	16.97
<b>As at 31<sup>st</sup> March 2021</b>	<b>26,626.76</b>	<b>11,231.92</b>	<b>143.32</b>	<b>10.51</b>

### Note 13: Other bank balances

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Other bank balances:		
Earmarked balances		
Unpaid dividend accounts	0.02	2.99
Fixed deposit pledged with bank/deposited with government authorities*	400.38	34.00
	<b>400.40</b>	<b>36.99</b>

\*Fixed deposit with banks include amounts that have been provided as margin money and those that have been pledged with government authorities towards guarantee.

### Note 14: Loans

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured and considered good:</b>		
<b>Loans to related parties</b>		
To subsidiary companies (refer note 41 (C))	14,890.79	14,753.62
Less: Impairment allowance (refer note 41 (C))	(14,753.63)	(14,753.29)
	<b>137.16</b>	<b>0.33</b>
<b>Break-up for security details</b>		
Unsecured, considered good	137.16	0.32
Unsecured, credit impaired	14,753.63	14,753.30
(A)	<b>14,890.79</b>	<b>14,753.62</b>
<b>Impairment allowance</b>		
Unsecured, considered good	-	-
Unsecured, credit impaired (refer note 41 (C))	(14,753.63)	(14,753.29)
(B)	<b>(14,753.63)</b>	<b>(14,753.29)</b>
(A-B)	<b>137.16</b>	<b>0.33</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 15: Other current financial assets

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Derivative instruments at fair value through profit or loss	-	56.93
Export incentives receivable	3.02	3.06
Interest receivable*	176.96	2.73
Other receivables**	930.80	861.85
Less: Impairment allowance	(17.15)	(2.36)
	<b>1,093.63</b>	<b>922.21</b>
<b>Break-up for security details</b>		
Unsecured, considered good	1,093.63	922.21
Unsecured, credit impaired	17.15	2.36
(A)	<b>1,110.78</b>	<b>924.57</b>
<b>Impairment allowance</b>		
Unsecured, considered good	-	-
Unsecured, credit impaired	(17.15)	(2.36)
(B)	<b>(17.15)</b>	<b>(2.36)</b>
(A-B)	<b>1,093.63</b>	<b>922.21</b>

\* Includes due from subsidiaries INR 125.30 million (31<sup>st</sup> March 2020 : INR 2.36 million) (refer note 41 (C))

\*\* Includes due from related INR 235.40 million (31<sup>st</sup> March 2020 : INR 51.00 million) (refer note 41 (C))

### Note 16: Other current assets

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Prepayments	190.09	88.94
Balances with government authorities	1,110.27	1,408.92
Related parties (refer note 41 (C))	418.34	91.81
Advance to suppliers	748.23	594.98
Others	461.25	477.22
Less: Impairment allowance	(864.74)	(943.17)
	<b>2,063.44</b>	<b>1,718.70</b>
<b>Break-up for security details</b>		
Unsecured, considered good	2,063.44	1,718.70
Unsecured, considered doubtful	864.74	943.17
(A)	<b>2,928.18</b>	<b>2,661.87</b>
<b>Impairment allowance</b>		
Unsecured, considered good	-	-
Unsecured, credit impaired*	(864.74)	(943.17)
(B)	<b>(864.74)</b>	<b>(943.17)</b>
(A-B)	<b>2,063.44</b>	<b>1,718.70</b>

\* Includes subsidiaries and affiliate INR 91.24 million (31<sup>st</sup> March 2020: INR 91.24 million ) (refer note 41 (C))

### Note 17a: Equity share capital

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>a) Authorised share capital</b>		
8,000,000,000 Equity shares of INR 1 each	8,000.00	8,000.00
171,500,000 Preference shares of INR 100 each	17,150.00	17,150.00
	<b>25,150.00</b>	<b>25,150.00</b>
<b>b) Issued, subscribed and paid up</b>		
2,128,489,773 Equity shares of INR 1 each fully paid*	2,128.49	1,916.82
(31 <sup>st</sup> March 2020: 1,916,819,292 Equity shares of INR 1 each fully paid)		
	<b>2,128.49</b>	<b>1,916.82</b>

\* During the year the Company has received INR 1,850 million as proceeds of preferential issue of 211,670,481 equity shares to Wilmar Sugar Holdings Pte Ltd (Promoter Company) at a cash price of Rs. 8.74 per share having a face value of Re 1 per share.

#### Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend if any in Indian rupees.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Issued equity capital

	Number of equity shares
<b>As at 1<sup>st</sup> April 2019</b>	<b>1,916,819,292</b>
Shares issued during the year	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>1,916,819,292</b>
Shares issued during the year	211,670,481
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128,489,773</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 2021		As at 31 <sup>st</sup> March 2020	
	No. of Shares	% holding	No. of Shares	% holding
Wilmar Sugar Holdings Pte. Ltd#	1,329,875,232	62.48%	1,118,204,751	58.34%
ICICI Bank Limited	190,846,571	8.97%	194,984,067	10.17%
IDBI Bank Limited	130,445,129	6.13%	181,554,441	9.47%

# Subsequent to the Preferential allotment, the promoter shareholding in the Company has increased from 58.34% (pre-Issue Equity Share Capital) to 62.48% (Post Issue Equity Share Capital).

### Note 17b: Other equity

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Securities premium account (refer note a below)	32,034.84	30,396.51
Debenture Redemption Reserve (DRR) (refer note b below)	625.00	625.00
Equity Contribution from Parent	463.32	-
Changes in equity instruments (refer note c below)	300.08	(120.31)
Revaluation reserve (refer note c below)	8,646.05	9,370.52
Retained earnings	(42,142.51)	(43,389.32)
Cost of Hedging Reserve	100.83	-
	<b>27.61</b>	<b>(3,117.60)</b>

#### a. Securities premium account:

	INR million
<b>As at 1<sup>st</sup> April 2019</b>	<b>30,396.51</b>
Increase /(decrease) during the period	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>30,396.51</b>
Shares issued during the year	1,638.33
<b>As at 31<sup>st</sup> March 2021</b>	<b>32,034.84</b>

Securities premium reserve is credited when shares are issued at premium. The reserve is utilised in accordance with the provisions of the Companies Act 2013 (the Act).

#### b. Debenture Redemption Reserve (DRR) :

	INR million
<b>As at 1<sup>st</sup> April 2019</b>	<b>625.00</b>
Transfer to/(from) retained earnings	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>625.00</b>
Transfer to/(from) retained earnings	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>625.00</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued over the life of debentures.

### c. Other reserves

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Changes in equity instruments	300.08	(120.31)
Revaluation reserve	8,646.05	9,370.52
<b>Total other reserves</b>	<b>8,946.13</b>	<b>9,250.21</b>

### Changes in equity instruments

Changes in equity instrument, represents reserves created in respect of investment in unquoted equity shares carried at Fair Value Through Other Comprehensive Income.

### Revaluation reserve:

Revaluation reserve is credited when property, plant and equipment's are revalued at fair value. The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the Company recognised impairment of property, plant and equipment's through revaluation reserve amounting to INR 16.55 million (31<sup>st</sup> March 2020: INR 1,105.36 million) (net of deferred tax) and recognised amount of INR 17.01 million (31<sup>st</sup> March 2020: INR 31.47 million) (net of deferred tax) as reversal of revaluation reserve on disposal of assets.

### Equity Contribution from Parents:

During the year, the Company has received waiver in respect of interest accrued on trade payables for purchase of raw sugar and advances for sale of white sugar received from its parent Company Wilmar Sugar Holdings Pte. Ltd. and its fellow subsidiary Wilmar Sugar Pte. Ltd. amounting to INR 463.32 million. The Company has accounted for these waivers as equity contribution from the parent and has presented the same as a separate component of equity under other equity as per Ind AS 109 - Financial instruments.

## Note 18: Borrowings (non-current)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Secured</b>		
<b>a) Non-convertible debentures (refer note B below)</b>		
1,500 Redeemable non-convertible debentures (11.70%) of INR 1,000,000 each	1,327.48	1,379.98
1,000 Redeemable non-convertible debentures (11.30%) of INR 1,000,000 each	884.98	919.98
Redeemable non-convertible debentures (0.01%) of INR 1,000,000 each (31 <sup>st</sup> March 2021: Nil; 31 <sup>st</sup> March 2020: 5,521 Redeemable non-convertible debentures (0.01%) of INR 1,000,000 each)	-	2,721.50
<b>b) Term Loans (refer note B below)</b>		
From Banks and financial institutions	2,823.86	10,131.20
<b>From others (refer note B below)</b>		
IFCI Limited (Sugar Development Fund)	30.70	179.65
<b>From Holding Company - Wilmar Sugar Holdings Pte. Ltd. (refer note A(a))</b>		
External Commercial Borrowings (refer note 41 (D))	21,559.74	-
<b>Unsecured</b>		
<b>Financial instruments</b>		
Redeemable preference shares (0.01%) of INR 100 each (31 <sup>st</sup> March 2021: Nil; 31 <sup>st</sup> March 2020: 74,388,207 Redeemable preference shares (0.01%) of INR 100 each)	-	1,365.07
Optionally convertible redeemable preference shares (0.01%) of INR 100 each (31 <sup>st</sup> March 2021: Nil; 31 <sup>st</sup> March 2020: 42,808,858 Optionally convertible redeemable preference shares (0.01%) of INR 100 each)	-	1,477.04
	<b>26,626.76</b>	<b>18,174.42</b>
Less: Current maturity of long-term borrowings transferred to other current financial liabilities (refer note 24)	(968.19)	(1,489.31)
	<b>25,658.57</b>	<b>16,685.11</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Terms of repayment for the loan outstanding as on 31<sup>st</sup> March 2021

Particulars	Maturity	Effective rate of interest	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Non-convertible debentures</b>				
Non-convertible debentures -LIC*	31 <sup>st</sup> March 2024	11.70%	1,327.48	1,379.98
Non-convertible debentures -LIC*	31 <sup>st</sup> March 2024	11.30%	884.98	919.98
0.01% Non-convertible debentures issued to lenders	31 <sup>st</sup> March 2027	12.90% ##	-	2,721.50
<b>Term loans</b>				
<b>From Banks and financial institutions</b>				
Indian Renewable Energy Development Authority (IREDA)	31 <sup>st</sup> December 2020	9.85%	-	60.38
Indian Renewable Energy Development Authority (IREDA)	31 <sup>st</sup> March 2022	11.75%	65.61	131.25
First Abu Dhabi Bank	12 <sup>th</sup> May 2026	9.70%	2,758.25	-
Exim Bank	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	427.39
ICICI Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	3,738.65
State Bank of India Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	293.54
IDBI Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	3,754.80
Axis Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	108.70
Kotak Mahindra Bank Limited	31 <sup>st</sup> March 2029	KMBL 1 year MCLR rate+1.1%	-	587.92
Ratnakar Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	45.36
Yes Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	372.71
SEFASU loan from banks	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	610.50
<b>From others:</b>				
IFCI Limited (SDF)	30 <sup>th</sup> September 2021	12.00%	30.70	179.65
<b>From Holding Company - Wilmar Sugar Holdings Pte. Ltd.:</b>				
External Commercial borrowings (ECB)	20 <sup>th</sup> July 2025	3.70% #	21,559.74	-
<b>Financial instruments:</b>				
0.01% Redeemable Preference Shares (RPS)	31 <sup>st</sup> March 2037	12.90% ##	-	1,365.07
0.01% Optionally Convertible Preference Shares (OCPS) (refer note A)	31 <sup>st</sup> March 2029	12.00% ##	-	1,477.04

# ECB carry the interest @ 6 months LIBOR + 3%. The EIR is calculated including applicable taxes, but excluding hedging cost.

## The NCD's and RPS issued to lenders was recorded at NPV using discounting factor of 12.90% and OCPS issued to lenders has been recorded at NPV using discounting factor of 12.00% .

\*The Company is in the process of restructuring its 11.70% non-convertible debentures (NCD) amounting to INR 1,500 million and 11.30% non-convertible debentures (NCD) amounting to INR 1,000 million, for which the Company has received a letter of intent from Life Insurance Corporation of India (debenture holders) on 11<sup>th</sup> October 2018. This letter was accepted by the Company on 16<sup>th</sup> October 2018 and quarterly repayment are made as per the letter of intent. The Company has obtained approval from the shareholders for the aforesaid transaction in the Annual General Meeting held on 7<sup>th</sup> September 2020. The Company has received approval from BSE Ltd. for the proposed restructuring on 2<sup>nd</sup> June 2021, which is valid for 3 months. The Company is in the process of finalizing documentation with debenture holders.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note A: Repayment schedule of financial instrument is as follows:

- The Company has received INR 22,413.57 million (USD 300 million) during the year ended 31<sup>st</sup> March 2021 through External Commercial Borrowings (ECB) from Wilmar Sugars Holdings Pte Ltd. (Promoter Company). The proceeds have been utilized for repayment of Non-Convertible debentures (NCDs) issued to the banks amounting to INR 2,064 million, repayment of term loans amounting to INR 9,298 million and balance to meet the working capital requirements and for general corporate purposes and repayable on maturity (i.e after 60 months from the date of last utilisation).
- During the year ended 31<sup>st</sup> March 2021 the Company has received INR 1,850 million as proceeds of preferential issue of 211,670,481 equity shares to Wilmar Sugar Holdings Pte Ltd (Promoter Company) at a cash price of Rs. 8.74 per share. The main object of the issue was to redeem 42,808,858 0.01% Optionally Convertible Preference Shares (OCPS) of Rs. 100 each fully paid-up and 74,388,207 0.01% Redeemable Preference Shares (RPS) of Rs. 100 each fully paid-up, both having a nominal value amounting to INR 11,720 million (having a book value of INR 2,930 million as on 30<sup>th</sup> June 2020) issued to the lenders of the Company as part of the Debt Restructuring arrangements and for other general corporate purposes. Accordingly, during the year ended, the proceeds of INR 1,637 million have been utilized for redemption of OCPS and RPS, and Rs 200 million for General Corporate Purpose.
- Term loans availed from First Abu Dhabi Bank having maturity date of 12<sup>th</sup> May 2026 are repayable in 20 structured quarterly instalments commencing from 12<sup>th</sup> August 2021.
- NCD issued to LIC are repayable in 20 structured quarterly instalments commencing from 30<sup>th</sup> June 2019.
- Term loans from IREDA having maturity date of 31<sup>st</sup> March 2022 are repayable in 16 structured quarterly instalments.
- Term loans from IFCI Limited (Sugar Development Fund) having maturity date of 30<sup>th</sup> September 2021 are repayable in one half yearly instalment.

### Note B: Nature of Security/guarantees

#### Non-convertible debentures, ECB and SDF Loans

- First pari-passu charge by way of mortgage / hypothecation on all immovable / movable properties of the Company both present & future except assets at Panchaganga and Ajinkyatara which are exclusively charged to IREDA.
- First pari-passu charge for ECB Lender and Second pari-passu charge for SDF on all the current assets of the company both present and future.

#### Corporate guarantee

Corporate Guarantee of Wilmar International Ltd. towards term loan extended by First Abu Dhabi Bank and working capital loans (refer note 22) extended by Bank of America, Standard Chartered Bank and DBS Bank India Limited aggregating to INR 14,400 million (31<sup>st</sup> March 2020: INR 31,130 million).

#### IREDA Loan

Exclusive charge on plant, property and equipment at Panchaganga and Ajinkyatara (co-generation plants).

### Note 19: Other non-current financial liabilities

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Lease liabilities	143.32	123.86
	<b>143.32</b>	<b>123.86</b>

### Note 20: Net employee benefit liabilities (non-current)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 39)	148.12	150.93
Provision for leave encashment	69.03	76.81
	<b>217.15</b>	<b>227.74</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 21: Government grants

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current	53.90	27.13
Non- current	203.45	3.35
	<b>257.35</b>	<b>30.48</b>

### Note 22: Borrowings (current)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Secured</b>		
Working Capital from banks:		
Rupee borrowings	11,231.92	3,737.79
	<b>11,231.92</b>	<b>3,737.79</b>

Refer note B of note 18 for details of security

### Note 23: Trade payables

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Trade payables#*	6,160.32	14,405.27
Trade payables to related parties (refer note 41 (D))	20,148.54	12,187.63
	<b>26,308.86</b>	<b>26,592.90</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.

Trade payables includes acceptances amounting to Nil (31<sup>st</sup> March 2020: INR 6,150.62 million) in respect of Letter of credits issued by the Company to the suppliers for purchase of materials. The arrangement is interest bearing and are payable within one year.

For terms and conditions with related parties, refer note 41 (B).

For explanations on the company liquidity risk management processes, refer note 44.

Trade payable includes liabilities in relation to H&T payables for which SRSL has provided corporate guarantee to RBL Bank Limited.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

\*The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	52.13	10.06
- Interest due on above**	0.00	0.01
<b>Total</b>	<b>52.13</b>	<b>10.07</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year**	0.00	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.**	0.00	0.01

\*\* The amount is below INR 0.01 million

### Note 24: Other current financial liabilities

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current maturity of long-term borrowings (refer note 18)	968.19	1,489.31
Interest accrued but not due on borrowings	1,052.45	1,323.63
Unclaimed dividend	0.02	2.99
Other payables*	964.49	14,605.13
Lease liabilities	10.52	6.31
Commodity agent payable	-	354.55
Derivative liabilities	797.34	-
Salaries payable	59.00	38.18
	<b>3,852.01</b>	<b>17,820.10</b>

\* Includes advance from holding company and affiliates INR 610.75 million (31<sup>st</sup> March 2020: INR 14,259.45 million) (refer note 41 (D)).

### Note 25: Other current liabilities

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Advance from customers	211.34	357.01
Statutory dues payable	119.82	193.00
Other payables*	163.44	183.53
	<b>494.60</b>	<b>733.54</b>

\* Represents due to subsidiaries INR 69.18 million (31<sup>st</sup> March 2020 : INR 102.64 million) (refer note 41 (D))

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 26: Net employee benefit liabilities (current)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 39)	69.58	58.78
Provision for leave encashment	12.68	8.91
	<b>82.26</b>	<b>67.69</b>

### Note 27: Revenue from operations

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Sale of products (gross)</b>		
Sale of manufactured sugar	43,851.84	35,210.89
Sale of ethanol and allied products	7,014.13	4,712.35
Sale of power	1,347.57	1,204.15
Sale of traded sugar and ethanol	1,806.26	2,815.99
Sale of by-products and others	595.45	443.85
	<b>54,615.25</b>	<b>44,387.23</b>

#### Contract balances

Contract liability as at 31<sup>st</sup> March, 2021 is INR 211.34 million (31<sup>st</sup> March 2020: INR 357.01 million)

#### Performance obligation

The performance obligation is satisfied upon delivery of the goods to customers

#### Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Revenue as per contracted price</b>	54,723.77	44,461.69
Less: Discount	(58.44)	(54.96)
Less: Trade promotion expenses	(50.08)	(19.50)
<b>Revenue from contract with customers</b>	<b>54,615.25</b>	<b>44,387.23</b>

### Note 28: Other income

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Other non-operating income</b>		
Sugar export benefits from third party licences	113.12	398.63
Excess provision of earlier years written back	109.77	98.48
Government assistance	44.80	27.51
Dividend on investments	1.17	1.27
Miscellaneous income	166.79	67.97
<b>Finance income</b>		
Interest on financial assets carried at amortized cost and others	246.90	200.99
	<b>682.55</b>	<b>794.85</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 29: Cost of raw materials consumed

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Raw-sugar and white sugar	29,372.66	24,345.71
Sugar-cane	14,549.92	10,085.43
Coal and Bagasse	1,057.73	1,237.66
Molasses, DNA, MGA and Rectified Spirit	905.21	1,086.02
Others	5.12	5.10
	<b>45,890.64</b>	<b>36,759.92</b>

### Note 30: Purchase of traded goods

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Raw-sugar	1,591.92	2,429.40
White-sugar	225.98	245.46
Coal and others	15.04	1.16
	<b>1,832.94</b>	<b>2,676.02</b>

### Note 31: Increase in inventories of finished goods, work-in-progress and traded goods

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Opening stock	13,027.47	11,709.87
Less: Closing stock	(17,182.80)	(13,027.47)
<b>Net Increase in stock</b>	<b>(4,155.33)</b>	<b>(1,317.60)</b>

### Note 32: Employee benefit expenses

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Salaries, wages and bonus	990.95	946.23
Gratuity expenses (refer note 39)	33.37	29.08
Contribution to provident and other funds	65.08	65.67
Staff welfare expenses	39.51	43.55
	<b>1,128.91</b>	<b>1,084.53</b>

### Note 33: Depreciation and amortisation expenses

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Depreciation of tangible assets (refer note 3)	2,008.76	2,026.99
Amortisation of intangible assets (refer note 4)	3.88	0.85
	<b>2,012.64</b>	<b>2,027.84</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 34: Finance costs

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Liabilities measured at amortised cost:</b>		
On term loans	1,045.22	1,107.92
On external commercial borrowings	511.87	-
On working capital	1,527.57	2,533.36
On debentures	262.51	274.83
<b>Others:</b>		
Interest expenses on discounted securities	205.83	834.85
Interest expenses on right to use liabilities	14.49	12.77
Bank and other borrowing costs	78.65	80.96
	<b>3,646.14</b>	<b>4,844.69</b>
Unwinding of interest on borrowing at concessional rate	40.29	13.61
<b>Total interest</b>	<b>3,686.43</b>	<b>4,858.30</b>

### Note 35: Other expenses

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Consumption of stores and spares	514.38	528.51
Consumption of chemicals, consumables, oil and lubricants	490.91	358.48
Outsourced service cost	295.78	225.12
Sugar house loading, un-loading and handling charges	238.59	204.50
Packing materials	824.67	673.97
Power and fuel	309.49	248.46
Rent	3.18	6.40
Repairs and maintenance:		
Plant and machinery	238.00	193.55
Buildings	3.23	1.63
Others	115.18	56.09
Rates and taxes	34.24	31.76
Insurance	93.17	50.48
Travelling and conveyance	-	14.37
Printing and stationery	9.04	9.71
Communication expenses	6.93	10.88
Legal and professional fees	114.89	118.12
Directors' sitting fees	8.50	1.40
Payment to auditors (refer note a below)	18.44	17.30
Fixed asset written off	174.28	53.90
Safety and security expenses	54.16	51.64
Impairment for advances to vendors and others	115.71	99.99
Impairment of investment in subsidiary	83.79	47.00
Impairment for trade receivables	216.27	423.67
Donations and contributions	0.76	1.30
CSR Expenditure (refer note b below)	15.10	0.51
Loss on sale of fixed assets(net)	-	0.28
Premium paid on option contracts	-	13.58
Loss on derivatives and option contracts	360.75	407.95
Freight and forwarding charges	1,133.75	840.61
Advertisement and sales promotion	169.96	153.22
Brokerage and discounts	39.18	47.12
Commission and market development expenses	-	35.42
Miscellaneous expenses	131.28	267.65
	<b>5,813.61</b>	<b>5,194.57</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### a. Payment to Auditors

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>As auditor</b>		
Audit fee	8.80	8.00
Limited review	3.45	3.15
<b>In other capacity:</b>		
Other services (certification fees)	1.43	0.38
Reimbursement of expenses	0.47	0.67
Others	4.29	5.10
	<b>18.44</b>	<b>17.30</b>

**b. CSR expenditure:** Since Company has incurred continuous losses in past 3 years, CSR is not applicable to the Company.

### Note 36: Exceptional items - expense/(income)

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Gain on sale of investments#	-	(1.49)
Gain on redemption of securities*	(1,925.41)	-
Impairment of property, plant and equipment's (refer note 3(D))	1,127.95	-
Lumpsum one time payment to the bank for settlement of outstanding facilities of the Company	437.43	-
Lumpsum one time payment to bank for settlement of dues relating to erstwhile subsidiary of the company	325.78	-
Reversal of impairment allowance of trade receivables	(1,464.75)	-
Recovery of previously written off advances	-	(99.13)
Gain on modification of terms of financial instruments	-	(2,888.63)
	<b>(1,499.01)</b>	<b>(2,989.25)</b>

\* Gain on redemption of Non-convertible debentures (NCD), Redeemable preference shares (RPS) and Optionally convertible preference shares (OCPS).

# During the previous year, the Company, after receiving approval from lenders and shareholders, on 6<sup>th</sup> August 2019, entered into an investment agreement with Freeway Trading Limited (FTL) for acquisition of controlling interest by FTL in SRGVL by way of subscription to ordinary shares of SRGVL. Further as Mauritius law necessitated a change to the foregoing, such that FTL agreed to acquire such controlling interest in SRGVL through purchase of shares held by the Company in SRGVL. In connection with this and in compliance with the terms of approval of shareholders dated 19<sup>th</sup> July 2019, the Company has entered into a Letter of Purchase and Undertaking with inter alia FTL dated 24<sup>th</sup> September 2019 and with effect from 25<sup>th</sup> September 2019, sold its entire stake in SRGVL i.e., 395,674,975 shares, representing a shareholding of 82.9% held by the Company, to FTL for consideration of USD 21,000 (equivalent to INR 1 million). As a consequence of this sale, SRGVL and its step down subsidiaries ceased to be subsidiaries of the Company with effect from 25<sup>th</sup> September 2019. The Company had created impairment allowance in previous years of INR 18,245.25 million for the entire value of these investments. Accordingly, the Company has recognized a gain on sale of investment of INR 1.49 million in the previous year and has disclosed the same as exceptional items .

### Note 37: Earnings Per Share [EPS]

Basic EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Profit/(loss) attributable to equity holders for basic earnings	556.43	(5,512.03)
Weighted average number of equity shares for basic EPS	2,028,163,764	1,916,819,292
<b>Earnings Per Share</b>		
Basic, computed on the basis of profit/(loss) from operations attributable to equity holders of the Company	0.27	(2.88)
Diluted, computed on the basis of profit/(loss) from operations attributable to equity holders of the Company	0.27	(2.88)

### Note 38. Commitment and contingencies

#### a) Other commitments

As at 31<sup>st</sup> March, 2021, the Company had the following outstanding commitments

Outstanding Commitments	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Estimated value of contract pending for execution	1,932.94	257.10

#### b) Guarantees

As at 31<sup>st</sup> March, 2021, the Company had the following guarantees

Guarantees	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Bank Guarantee	393.35	504.93
Corporate Guarantee	130.00	130.00

#### c) Contingent Liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Income Tax Demands	90.12	90.12
Excise and Service Tax Demands	938.96	938.96
Sales Tax/VAT Demands	19.86	19.32
GST	124.47	101.72
Customs Demands	1,883.26	1,883.00
Civil Cases	15.20	17.65
<b>Total</b>	<b>3,071.87</b>	<b>3,050.77</b>

### Note 39. Defined Benefit plans

The Company has a defined benefit gratuity plan. The companies defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Risk to the plan

#### Following risks associated with the plan:

##### A. Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

##### B. Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

##### C. Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

##### D. Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

##### E. Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

#### Actuarial Assumptions

**Key actuarial assumptions are given below:**

##### Discount Rate:

The rate used to discount other long term employee benefit obligation (both funded and unfunded) will be determined by reference to market yield at the balance sheet date on high quality corporate bonds.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Salary Growth Rate:

This is Management's estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases should take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### Rate of Return on Plan Assets:

This assumption is required only in case of funded plans. Interest income on plan assets is calculated using the rate used to discount the defined benefit obligation.

### Mortality:

This assumption is based on the standard published in mortality table without any adjustment.

Sr. No.	Particulars	Gratuity plan	
		31 <sup>st</sup> March 2021	31 <sup>st</sup> March, 2020
<b>1</b>	<b>Change in defined benefit obligation</b>		
	Opening defined benefit obligation	304.64	266.90
	Current service cost	22.10	18.83
	Interest cost	17.90	17.47
	Actuarial loss/(gain) due to change in financial assumptions	(0.40)	16.26
	Actuarial loss/(gain) due to change in demographic assumption	-	(0.14)
	Actuarial loss/(gain) due to experience adjustments	(4.00)	15.35
	Benefits paid	(30.89)	(30.03)
	<b>Closing defined benefit obligation</b>	<b>309.35</b>	<b>304.64</b>
<b>2</b>	<b>Change in plan assets</b>		
	Opening value of plan assets	94.93	93.77
	Interest income	6.63	7.22
	Return on plan assets excluding amounts included interest income	(5.17)	(0.29)
	Contributions by employer	-	0.90
	Benefits paid	(4.74)	(6.67)
	<b>Closing value of plan assets</b>	<b>91.65</b>	<b>94.93</b>
<b>3</b>	<b>Fund status of plan assets</b>		
	Present value unfunded obligations	174.63	175.01
	Present value funded obligations	134.72	129.63
	Fair value of plan assets	(91.65)	(94.93)
	<b>Net liability (assets) (refer note 20 and 26)</b>	<b>217.70</b>	<b>209.71</b>
<b>4</b>	<b>Other comprehensive income for the current period</b>		
	Due to change in financial assumptions	(0.40)	16.26
	Due to change in demographic assumption	-	(0.14)
	Due to experience adjustments	(4.00)	15.35
	Return on plan assets excluding amounts included in interest income	5.17	0.29
	<b>Expense recognized in other comprehensive income</b>	<b>0.77</b>	<b>31.76</b>
<b>5</b>	<b>Expenses for the current period</b>		
	Current service cost	22.10	18.83
	Interest cost	11.27	10.25
	<b>Amount recognized in expenses (refer note 32)</b>	<b>33.37</b>	<b>29.08</b>
<b>6</b>	<b>Defined benefit liability</b>		
	Net opening provision in books of accounts	209.71	173.13
	Employee benefit expense	33.37	29.08
	Amounts recognized in other comprehensive income	0.77	31.76

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

Sr. No.	Particulars	Gratuity plan	
		31 <sup>st</sup> March 2021	31 <sup>st</sup> March, 2020
	Contributions to plan assets	-	(0.90)
	Benefits paid by the Company	(26.15)	(23.36)
	<b>Closing provision in books of accounts</b>	<b>217.70</b>	<b>209.71</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 for employees (other than leased unit)	6.82%	6.75%
	Discount rate for employees of leased unit	6.16% - 6.21%	6.22% - 6.33%
	Salary growth rate	5%	5%
	Withdrawal rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
<b>9</b>	<b>Maturity Profile of Defined Benefit Obligation</b>		
	<b>Expected Future Cash flows</b>		
	Year 1	79.85	65.18
	Year 2	24.70	31.84
	Year 3	26.67	25.85
	Year 4	26.61	25.01
	Year 5	24.39	25.13
	Year 6 to 10	119.90	113.59
	Above 10 Years	200.87	236.14
	Average Expected Future Working Life (Years)	7.50	7.71
<b>10</b>	<b>Sensitivity to key assumptions*</b>		
	<b>Discount rate sensitivity</b>		
	Increase by 0.5%	144.66	294.42
	(% change)	(5.16%)	(3.83%)
	Decrease by 0.5%	128.28	314.61
	(% change)	4.78%	3.41%
	<b>Salary growth rate sensitivity</b>		
	Increase by 0.5%	128.75	314.45
	(% change)	4.43%	3.36%
	Decrease by 0.5%	141.02	294.53
	(% change)	(4.68%)	(3.19%)
<b>11</b>	<b>Expected contributions to the defined benefit plan in next year</b>	<b>10.26</b>	<b>6.04</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.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 40. 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, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Renuka Commodities DMCC	14,530.71	14,530.71	14,530.71	14,530.71
Shree Renuka Agri Ventures Limited	222.92	222.91	222.92	222.91
KBK Chem-Engineering Private Limited	1,348.06	1,348.05	1,348.06	1,348.05
Shree Renuka East Africa Agriventures PLC	0.04	0.04	0.04	0.04
Monica Trading Private Limited	136.27	135.27	136.27	266.98
Shree Renuka Tunaport Private Limited	8.41	7.90	8.41	7.90
Gokak Sugars Limited	1,783.10	1,783.10	2,293.10	1,815.29

- Loans were given to subsidiaries to meet its working capital requirements.

### Note 41. Related party transactions

#### A) Related parties

##### (a) Ultimate Holding Company:

- 1 Wilmar International Limited

##### (b) Holding Company:

- 1 Wilmar Sugar Holdings Pte. Ltd.

##### (c) Subsidiary companies:

- 1 Gokak Sugars Limited
- 2 KBK Chem-Engineering Private Limited
- 3 Monica Trading Private Limited
- 4 Shree Renuka Tunaport Private Limited
- 5 Shree Renuka Agri Ventures Limited
- 6 Renuka Commodities DMCC, Dubai
- 7 Shree Renuka East Africa Agriventures PLC, Ethiopia#

##### (d) Affiliate companies:

- 1 Ravindra Energy Limited (till 25<sup>th</sup> October, 2019)
- 2 Adani Wilmar Limited
- 3 Wilmar Sugar Pte. Ltd.
- 4 Wilmar Sugar India Private Limited

##### (e) Associate companies:

- 1 Shree Renuka Global Ventures Limited, Mauritius
- 2 Renuka vale do Ivai S/A
- 3 Renuka do Brasil S/A
- 4 Lanka Sugar Refinery Company (Private) Limited

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

**(f) The Trustees Shree Renuka Sugars Limited**

**(g) Key managerial personnel**

- 1 Mr. Atul Chaturvedi - Executive Chairman
- 2 Mr. Vijendra Singh - Executive Director
- 3 Mr. Sunil Ranka - Chief Financial Officer
- 4 Mr. Deepak Manerikar - Company Secretary

**(h) Additional related parties as per the Companies Act, 2013 with whom transactions have taken place during the year**

- 1 Mr. Jean-Luc Bohbot
- 2 Mr. Madhu Rao
- 3 Mr. Bhupatrai Premji
- 4 Mr. Dorab Mistry
- 5 Mr. Stephen Ho Kiam Kong (till 31<sup>st</sup> May 2021)
- 6 Mr. Cheau Leong Loo (w.e.f. 1<sup>st</sup> June 2020)
- 7 Mr. Bharat Kumar Mehta
- 8 Mr. Surender Kumar Tuteja
- 9 Ms. Priyanka Mallick
- 10 Mr. Rajeev Kumar Sinha (Nominee Director of IDBI Bank) (till 21<sup>st</sup> January 2021)
- 11 Mr. Kuok Khoon Hong (till 25<sup>th</sup> October 2019)
- 12 Mr. T.K.Kanan (Alternate Director to Mr. Kuok Khoon Hong w.e.f. 18<sup>th</sup> December 2020)

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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B) Transactions with subsidiaries and affiliate companies																
Sr No	Particulars	Year ended	Sales*	MIEQ/ MAEQ*	Purchases*	Rental income/ Other Income	Interest income on advances	Interest expense on advances	Interest Waiver	Loans and advance given	Loans and advance repaid	Advance against Purchases	Advance received	ECB Loan	Share Capital	Interest on ECB Loan and commitment fees
(a)	<b>Ultimate Holding Company</b>															
i	Wilmar International Limited	31 <sup>st</sup> March 2021	-	-	10.95	5.85	-	-	-	-	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	<b>Holding Company</b>															
i	Wilmar Sugar Holdings Pte. Ltd.	31 <sup>st</sup> March 2021	-	-	-	-	-	5.10	283.86	-	809.24	-	8,744.20	22,413.57	1,850.00	575.18
		31 <sup>st</sup> March 2020	-	-	-	-	-	23.59	-	-	1,071.87	-	5,763.70	-	-	-
(c)	<b>Subsidiary companies</b>															
i	Renuka Commodities DMCC	31 <sup>st</sup> March 2021	3,889.29	-	-	-	-	-	-	-	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	3,517.76	-	-	-	-	-	-	-	131.71	-	-	-	-	-
ii	Shree Renuka Agri Ventures Limited	31 <sup>st</sup> March 2021	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii	KBK Chem-Engineering Private Limited	31 <sup>st</sup> March 2021	0.17	-	337.08	-	-	-	-	-	-	147.14	-	-	-	-
		31 <sup>st</sup> March 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv	Gokak Sugars Limited	31 <sup>st</sup> March 2021	10.79	-	739.50	-	-	-	-	-	-	115.00	-	-	-	-
		31 <sup>st</sup> March 2020	0.96	110.49	514.19	-	204.26	-	-	640.00	640.00	275.26	-	-	-	-
v	Monica Trading Private Limited	31 <sup>st</sup> March 2021	4.71	46.54	317.05	-	197.70	-	-	-	32.22	239.08	-	-	-	-
		31 <sup>st</sup> March 2021	-	-	-	-	14.79	-	-	1.00	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	-	-	-	-	24.01	-	-	8.70	140.10	-	-	-	-	-
vi	Shree Renuka Tunaport Private Limited	31 <sup>st</sup> March 2021	-	-	-	-	-	-	-	0.51	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-
(d)	<b>Affiliate companies</b>															
i.	Adani Wilmar Limited	31 <sup>st</sup> March 2021	339.19	-	-	-	-	-	-	-	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	52.85	-	6.00	-	-	-	-	-	-	-	-	-	-	-
ii.	Wilmar Sugar Pte. Ltd.	31 <sup>st</sup> March 2021	22,256.67	-	28,318.86	-	-	876.98	179.46	-	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	8,227.12	-	13,630.59	-	-	147.24	-	-	1,513.64	-	4,802.00	-	-	-
iii.	Wilmar Sugar India Private Limited	31 <sup>st</sup> March 2021	-	-	-	0.37	-	-	-	-	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	-	-	-	0.11	-	-	-	-	-	-	-	-	-	-
(e)	<b>The Trustees Shree Renuka Sugars Limited</b>															
		31 <sup>st</sup> March 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		31 <sup>st</sup> March 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		31 <sup>st</sup> March 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\* Amounts are excluding GST.

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### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

### Corporate guarantees

- The Company has obtained corporate guarantees from Wilmar International Limited INR 14,400 million (31<sup>st</sup> March 2020 INR 31,130 million) towards term loan and working capital limits extended by banks.
- The Company has also provided guarantees on behalf of subsidiaries amounting to INR 130 million (31<sup>st</sup> March 2020 INR 130 million) for performance of certain sales contracts entered and loan taken by the subsidiaries. Details of which are as follows:

Name of Subsidiary company	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
KBK Chem-Engineering Private Limited	130.00	130.00

### C) Details of amount receivable from related parties as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 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 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Non-current loans (refer note 6) subsidiary companies:</b>						
KBK Chem-Engineering Private Limited	1,348.06	1,348.05	1,348.06	1,348.05	-	-
Gokak Sugars Limited	1,645.94	1,783.10	-	-	1,645.94	1,783.10
Monica Trading Private Limited	136.27	135.27	1.00	-	135.27	135.27
Shree Renuka Tunaport Private Limited	8.41	7.90	8.41	7.90	-	-
Shree Renuka East Africa Agriventures PLC	0.04	0.04	0.04	0.04	-	-
	<b>3,138.72</b>	<b>3,274.36</b>	<b>1,357.51</b>	<b>1,355.99</b>	<b>1,781.21</b>	<b>1,918.37</b>
<b>Associate companies:</b>						
Lanka Sugar Refinery Company (Private) Limited	1.19	1.19	1.19	1.19	-	-
Renuka vale do Ivaí S/A	444.95	444.95	444.95	444.95	-	-
Renuka do Brasil S/A	258.70	258.70	258.70	258.70	-	-
	704.84	704.84	704.84	704.84	-	-
<b>Total Non-current loans</b>	<b>3,843.56</b>	<b>3,979.20</b>	<b>2,062.35</b>	<b>2,060.83</b>	<b>1,781.21</b>	<b>1,918.37</b>
<b>Other non-current assets (refer note 8)</b>						
KBK Chem-Engineering Private Limited	59.78	23.55	-	-	59.78	23.55
	<b>59.78</b>	<b>23.55</b>	<b>-</b>	<b>-</b>	<b>59.78</b>	<b>23.55</b>
<b>Current loans (refer note 14) subsidiary companies:</b>						
Renuka Commodities DMCC	14,530.71	14,530.71	14,530.71	14,530.71	-	-
Gokak Sugars Limited	137.16	-	-	-	137.16	-
Shree Renuka Agri Ventures Limited	222.92	222.91	222.92	222.58	-	0.33
	<b>14,890.79</b>	<b>14,753.62</b>	<b>14,753.63</b>	<b>14,753.29</b>	<b>137.16</b>	<b>0.33</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Other current financial assets (refer note 15)</b>						
<b>Interest receivable</b>						
Monica Trading Private Limited	17.15	2.36	17.15	2.36	-	-
Gokak Sugars Limited	108.15	-	-	-	108.15	-
	<b>125.30</b>	<b>2.36</b>	<b>17.15</b>	<b>2.36</b>	<b>108.15</b>	-
<b>Other receivables</b>						
Gokak Sugars Limited	204.19	51.00	-	-	204.19	51.00
<b>Holding Company</b>						
Wilmar Sugar Holdings Pte. Ltd.	10.39	-	-	-	10.39	-
<b>Affiliate companies:</b>						
Wilmar Sugar Pte. Ltd.	20.82	-	-	-	20.82	-
	<b>235.40</b>	<b>51.00</b>	<b>-</b>	<b>-</b>	<b>235.40</b>	<b>51.00</b>
<b>Trade receivables (refer note 11)</b>						
<b>Ultimate Holding Company</b>						
Wilmar International Limited	5.85	-	-	-	5.85	-
	<b>5.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.85</b>	<b>-</b>
<b>Subsidiary companies:</b>						
Renuka Commodities DMCC	4,064.16	4,124.70	2,513.94	3,769.72	1,550.22	354.98
	<b>4,064.16</b>	<b>4,124.70</b>	<b>2,513.94</b>	<b>3,769.72</b>	<b>1,550.22</b>	<b>354.98</b>
<b>Affiliate companies:</b>						
Wilmar Sugar India Private Limited	0.21	-	-	-	0.21	-
Adani Wilmar Limited	10.44	0.42	-	-	10.44	0.42
	<b>10.65</b>	<b>0.42</b>	<b>-</b>	<b>-</b>	<b>10.65</b>	<b>0.42</b>
<b>Total trade receivables</b>	<b>4,080.66</b>	<b>4,125.12</b>	<b>2,513.94</b>	<b>3,769.72</b>	<b>1,566.72</b>	<b>355.40</b>
<b>Other current assets (refer note 16)</b>						
<b>Subsidiary companies:</b>						
KBK Chem-Engineering Private Limited	-	0.47	-	-	-	0.47
Gokak Sugars Limited	76.52	-	-	-	76.52	-
	<b>76.52</b>	<b>0.47</b>	<b>-</b>	<b>-</b>	<b>76.52</b>	<b>0.47</b>
<b>Associate companies:</b>						
Renuka vale do Ivai S/A	91.24	91.24	91.24	91.24	-	-
	<b>91.24</b>	<b>91.24</b>	<b>91.24</b>	<b>91.24</b>	<b>-</b>	<b>-</b>
<b>Affiliate companies:</b>						
Wilmar Sugar India Private Limited	250.48	-	-	-	250.48	-
Adani Wilmar Limited	0.10	0.10	-	-	0.10	0.10
	<b>250.58</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>250.58</b>	<b>0.10</b>
<b>Total current assets</b>	<b>418.33</b>	<b>91.81</b>	<b>91.24</b>	<b>91.24</b>	<b>327.09</b>	<b>0.57</b>

### Impairment of amounts owed by related parties

Up to 31<sup>st</sup> March 2021, the Company has recorded impairment of amounts owed by related parties of INR 19,438.31 million (31<sup>st</sup> March 2020: INR 20,677.44 million). This assessment is undertaken during 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 2021

All amounts in million Indian Rupees, unless otherwise stated

### D) Details of amounts payable to related parties as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 are as follows:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Borrowings (non-current) (refer note 18)</b>		
External Commercial borrowings	21,559.74	-
	<b>21,559.74</b>	<b>-</b>
<b>Trade payables (refer note 23)</b>		
<b>Subsidiary companies:</b>		
KBK Chem-Engineering Private Limited	1.04	5.65
Gokak Sugars Limited	-	26.76
<b>Affiliate companies:</b>		
Wilmar Sugar Pte. Ltd.	20,136.51	12,155.22
Wilmar International Limited	10.99	-
	<b>20,148.54</b>	<b>12,187.63</b>
<b>Other current financial liabilities (refer note 24)</b>		
<b>Holding Company</b>		
Wilmar Sugar Holdings Pte. Ltd.	-	10,269.59
<b>Affiliate companies:</b>		
Wilmar Sugar Pte. Ltd.	610.75	3,989.86
	<b>610.75</b>	<b>14,259.45</b>
<b>Other current liabilities (refer note 25)</b>		
<b>Subsidiary companies:</b>		
KBK Chem-Engineering Private Limited	69.18	102.64
	<b>69.18</b>	<b>102.64</b>

### E) Transactions with key managerial personnel

#### Compensation of key managerial personnel\*

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Short-term employee benefits	83.07	85.48
Contribution to provident fund	3.77	2.70
Sitting fees	8.50	1.85
<b>Total</b>	<b>95.34</b>	<b>90.03</b>

\* Gratuity for Key managerial personnel is included in overall provision.

## Note 42. Hedging activities and derivatives

During the year, Company has obtained External Commercial Borrowings (ECB) from its holding Company, Wilmar Sugar Holdings Pte. Ltd. amounting to USD 300 million. The Company is also exposed to certain foreign currency risks relating to its on-going business operations. The primary risks managed using derivative instruments are foreign currency risk.

The risk management strategy and how it is applied to manage risk are explained in note 44.

### Derivatives not designated as hedging instruments

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months .

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

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### Derivatives designated as hedging instruments

#### Cash flow hedges

#### Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges for outstanding ECB loan which has been denominated in USD.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the hedged item. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

#### The Company is holding the following foreign exchange forward contracts

	Maturities		
	1 to 3 months	3 to 6 months	Total
<b>At 31 March 2021</b>			
Foreign exchange forward contracts			
Notional amount (million INR)	3,306.00	19,827.18	23,133.18
Average forward rate (INR/USD)	73.47	77.75	

#### The impact of the hedging instruments on the balance sheet is as follows

	Notional amount	Carrying amount	Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
<b>At 31 March 2021</b>				
Foreign exchange forward contracts	23,133.18	825.83	Other current financial liabilities	(352.24)

#### The impact of hedged items on the balance sheet is as follows

	Change in fair value used for measuring ineffectiveness	Effective portion of cash flow hedges	Cost of cash flow hedges
<b>At 31 March 2021</b>			
Foreign exchange forward contracts	(352.24)	(352.24)	(473.59)

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### The effect of the cash flow hedge in the statement of profit and loss is as follows

	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit and loss
<b>Year ended 31 March 2021</b>					
Net gain/(loss) on cash flow hedges	(352.24)	-	-	(352.24)	Foreign exchange loss/(gain) (net)
Net change in costs of hedging	-	-	(473.59)	574.43	Finance cost

### Note 43: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in financial statements.

	Carrying Value		Fair Value	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Financial assets</b>				
<b>FVTPL</b>				
Derivative instruments at fair value through profit or loss	-	56.93	-	56.93
<b>FVTOCI</b>				
Investment in equity shares	599.98	179.59	599.98	179.59
<b>Other financial assets at amortised cost</b>				
Loans	1,918.37	1,918.70	1,918.37	1,918.70
Trade receivables	2,883.85	1,527.06	2,883.85	1,527.06
Cash and cash equivalents	221.61	349.93	221.61	349.93
Other Bank balances	400.40	36.99	400.40	36.99
Other financial assets	1,154.93	919.80	1,154.93	919.80
<b>Total financial assets</b>	<b>7,179.14</b>	<b>4,989.00</b>	<b>7,179.14</b>	<b>4,989.00</b>
<b>Financial liabilities</b>				
<b>FVTPL</b>				
Derivative liabilities	797.34	-	797.34	-
<b>At amortised cost</b>				
<b>Borrowings</b>				
Redeemable preference shares	-	1,365.07	-	1,365.07
Optionally convertible preference shares	-	1,477.04	-	1,477.04
Redeemable non-convertible debentures	2,212.46	5,021.46	2,212.46	5,021.46
IFCI (Sugar Development Fund)	30.70	179.65	30.70	179.65
SEFASU Loan	-	610.50	-	610.50
Other borrowings at floating rate of interest	35,615.52	13,258.49	35,615.52	13,258.49
Trade payables	26,308.86	26,592.90	26,308.86	26,592.90
Other financial liabilities	2,229.81	16,454.67	2,229.81	16,454.67
<b>Total financial liabilities</b>	<b>67,194.69</b>	<b>64,959.78</b>	<b>67,194.69</b>	<b>64,959.78</b>

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts. The fair value are classified under Level 2 Fair value hierarchy.

### The following methods and assumptions were used to estimate the fair values

Fair value of the unquoted equity shares recognised at FVTOCI has been estimated on the basis of offer received by the company to sell its share holding.

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for the year ended 31<sup>st</sup> March 2021

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The fair value of Redeemable preference shares, Optionally convertible preference shares, Redeemable non-convertible debentures outstanding as at March 31, 2020 issued to lenders are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair values hierarchy due to the use of unobservable inputs including own credit risk.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2020 are as shown below:

### Description of significant unobservable inputs to valuation

	Valuation technique	Sensitivity of the input to fair value
Unquoted equity shares	Market realisable value estimated based on offer received by the Company to sale its share holding.	31 <sup>st</sup> March 2021: 5% (31 <sup>st</sup> March 2020: 5%) increase/(decrease) in the market price per share would result in increase/(decrease) in fair value by INR 30.00 million (31 March 2020: INR 8.98 million)

### Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI

	Amount INR Millions
<b>As at 1<sup>st</sup> April 2019</b>	<b>179.59</b>
Measurement recognised in OCI	-
Purchases	-
Sales	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>179.59</b>
Measurement recognised in OCI	420.39
Purchases	-
Sales	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>599.98</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 2021

	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value - recurring fair value measurement:</b>				
Derivative instruments at fair value through profit or loss	-	-	-	-
Investment in equity shares	599.98	-	599.98	-
<b>Liabilities which are measured at amortised cost for which fair values are disclosed:</b>				
Derivative liabilities	797.34	-	797.34	-
<b>Borrowings</b>				
Redeemable preference shares	-	-	-	-
Optionally convertible preference shares	-	-	-	-
Redeemable non-convertible debentures	2,212.46	-	-	2,212.46

There have been transfers of Investment in equity shares in NCDEX from Level 3 to level 2 based on offer received by the Company to sell its shareholding.

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for the year ended 31<sup>st</sup> March 2021

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### Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31<sup>st</sup> March 2020:

	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value - recurring fair value measurement:</b>				
Derivative instruments at fair value through profit or loss	56.93	-	56.93	-
Investment in equity shares	179.59	-	-	179.59
<b>Liabilities which are measured at amortised cost for which fair values are disclosed:</b>				
Derivative liabilities	-	-	-	-
<b>Borrowings</b>				
Redeemable preference shares	1,365.07	-	-	1,365.07
Optionally convertible preference shares	1,477.04	-	-	1,477.04
Redeemable non-convertible debentures	5,021.46	-	-	5,021.46

There have been no transfers between Level 1 and Level 2 during the period.

### Note 44: 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.

#### Foreign exchange exposure and risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the ECB loan of USD 300 million availed from its holding company Wilmar Sugar Holdings Pte. Ltd. and receivables and payables.

The Company manages its foreign currency risk by hedging transactions ranging from period of 2 months to 1 year. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable against operating activities.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency forwards.

At 31 March 2021, the Company fully hedged against outstanding ECB loan, for 2 and 4 months and 60% of receivable and 24% of payable for 1 to 3 months. This foreign currency risk is hedged by using foreign currency forward contracts.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Foreign currency sensitivity:

As at 31<sup>st</sup> March 2021, net exposure of the Company and its subsidiaries to asset and liabilities is as follows:

Currency	Assets as at		Liabilities as at	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
United States Dollar (USD)	272.61	326.02	(20,985.40)	(26,662.71)
European Union (EURO)	0.43	0.07	(1.07)	(1.03)
United Arab Emirates Dirham (AED)	0.03	0.03	(0.01)	(82.60)
British pound sterling (GBP)	-	-	-	(0.22)
Japanese yen (JPY)	0.17	-	-	(0.03)

5% increase and decrease in the foreign exchange rates will have the following impact on profit before tax:

Currency	Sensitivity Analysis Assets		Sensitivity Analysis Liabilities	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Increase by 5%</b>				
United States Dollar (USD)	13.63	16.30	(1,049.27)	(1,333.14)
European Union (EURO)	0.02	0.00	(0.05)	(0.05)
United Arab Emirates Dirham (AED)	0.00	0.00	(0.00)	(4.13)
British pound sterling (GBP)	-	-	-	(0.01)
Japanese yen (JPY)	0.01	-	-	(0.00)
<b>Decrease by 5%</b>				
United States Dollar (USD)	(13.63)	(16.30)	1,049.27	1,333.14
European Union (EURO)	(0.02)	(0.00)	0.05	0.05
United Arab Emirates Dirham (AED)	(0.00)	(0.00)	0.00	4.13
British pound sterling (GBP)	-	-	-	0.01
Japanese yen (JPY)	(0.01)	-	-	0.00

### 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

	As at 31 <sup>st</sup> March 2021	Composition	As at 31 <sup>st</sup> March 2020	Composition
Borrowing - Fixed interest rate	2,243.16	5.93%	8,653.73	39.49%
Borrowing - Floating interest rate	35,615.52	94.07%	13,258.49	60.51%
	<b>37,858.68</b>		<b>21,912.22</b>	

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

borrowings with variable interest rates. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
<b>31<sup>st</sup> March 2021</b>		
INR	50	178.08
<b>31<sup>st</sup> March 2020</b>		
INR	50	66.29

### Commodity price risk

Commodity price in sugar industry is impacted by multiple factors such as international sugar price, government regulations, quantity of sugar production in the relevant period, etc. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The following table shows effect of changes in various commodities on the profit of the Company.

### Commodity price sensitivity

	Sugar sale	Cane purchase	Raw-sugar purchase
<b>Increase in price by 5%</b>			
<b>31<sup>st</sup> March 2021</b>	<b>2,192.59</b>	<b>(727.50)</b>	<b>(1,468.63)</b>
31 <sup>st</sup> March 2020	1,760.54	(504.27)	(1,217.29)
<b>Decrease in price by 5%</b>			
<b>31<sup>st</sup> March 2021</b>	<b>(2,192.59)</b>	<b>727.50</b>	<b>1,468.63</b>
31 <sup>st</sup> March 2020	(1,760.54)	504.27	1,217.29

### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, thereby leading to a financial loss. The Company conduct thorough credit assessments before granting credit terms and limits to customers, who are then monitored closely for adherence. Company's export sales are majorly against advance or receipt against documents. The Company's domestic sugar sales are majorly to corporate customers after through credit assessments there by credit default risk is not significant and other domestic sales are on advance collections. Further, ethanol being sold to public sector undertakings and Power is supplied to corporations run by state government, thereby the credit default risk is significantly mitigated.

### Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 7 to 30 days.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of the receivables (net of expected credit loss) has been considered from the date the invoice falls due.

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

The ageing is as follows:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Up to 6 months	2,746.42	1,431.39
More than 6 months	137.43	95.67
	<b>2,883.85</b>	<b>1,527.06</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, financial support from parents etc. The Company's policy is that not more than 25% of borrowings should mature in the next 12 month period. Post the recent debt restructuring process, the Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	1 to 5 years	>5 years	Total
<b>As at 31<sup>st</sup> March 2021</b>				
Borrowings	12,200.11	26,233.71	-	38,433.82
Trade and other payables	26,308.86	-	-	26,308.86
Lease liabilities	13.70	16.99	918.56	949.25
Other financial liabilities	2,873.31	-	-	2,873.31
<b>Total</b>	<b>41,395.98</b>	<b>26,250.70</b>	<b>918.56</b>	<b>68,565.24</b>
<b>As at 31<sup>st</sup> March, 2020</b>				
Borrowings	5,227.10	7,031.73	21,330.49	33,589.32
Trade and other payables	26,592.90	-	-	26,592.90
Lease liabilities	6.31	9.13	921.44	936.88
Other financial liabilities	16,324.47	-	-	16,324.47
<b>Total</b>	<b>48,150.78</b>	<b>7,040.86</b>	<b>22,251.93</b>	<b>77,443.57</b>

### Note 45: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of Company's management is to maximise shareholder's value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial and non financial covenants of any interest-bearing loans and borrowing in the current period.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition.

The calculation of capital for the purpose of capital management is as follows:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Equity share capital	2,128.49	1,916.82
Other equity (including securities premium)	27.62	(3,117.60)
	<b>2,156.11</b>	<b>(1,200.78)</b>

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Debt equity ratio

The debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a company's financial leverage.

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March, 2020
Equity	2,128.49	1,916.82
Other equity	27.62	(3,117.60)
	<b>2,156.11</b>	<b>(1,200.78)</b>
Total borrowings	37,858.68	21,912.21
Debt equity ratio	17.56	(18.25)

**Note 46:** Details of loan given, investments made and guarantee given covered U/S 186 (4) of the Companies Act, 2013

- Loans given to subsidiaries for business purpose are disclosed in note 41 (B)
- Investments made are disclosed in note 5
- Corporate guarantees given by the Company are disclosed in note 38 (b)

### Note 47: Leases

#### Company as a lessee

The Company has lease contracts for various land, building and plant. Leases of land have a lease term of 30 years and 90 years, building generally 3 years and 5 years and plant 17 years and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of building and leases of office with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Land	Buildings	Plant	Total
<b>ROU assets recognised as on 1<sup>st</sup> April 2019</b>				
Prepayments capitalised as ROU	-	-	1,260.32	1,260.32
ROU assets recognized to the extent of ROU liabilities	12.91	17.33	94.12	124.36
Transfer to ROU assets*	990.67	-	-	990.67
<b>Total</b>	<b>1,003.58</b>	<b>17.33</b>	<b>1,354.44</b>	<b>2,375.35</b>
Additions	-	1.70	23.26	24.96
Depreciation expense	(12.79)	(7.54)	(102.62)	(122.95)
Impairment recognised during the year	(311.92)	-	-	(311.92)
<b>As at 31<sup>st</sup> March 2020</b>	<b>678.87</b>	<b>11.49</b>	<b>1,275.08</b>	<b>1,965.44</b>
ROU assets recognized to the extent of ROU liabilities	-	21.96	-	21.96
Prepayments capitalised as ROU	-	-	10.98	10.98
ROU assets derecognized	-	(0.42)	-	(0.42)
<b>Total</b>	<b>678.87</b>	<b>33.03</b>	<b>1,286.06</b>	<b>1,997.96</b>
Additions	-	-	-	-
Depreciation expense	(8.79)	(10.79)	(102.62)	(122.20)
Impairment recognised during the year	-	-	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>670.08</b>	<b>22.24</b>	<b>1,183.44</b>	<b>1,875.76</b>

\* Net of accumulated depreciation

## Notes to financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

Set out below are the carrying amounts of lease liabilities (included under the head non-current and current financial liabilities) and the movements during the period:

	Amount
<b>As at 1<sup>st</sup> April 2019</b>	<b>124.36</b>
Additions	1.70
Accretion of interest	12.77
Payments	(8.66)
<b>As at 31<sup>st</sup> March 2020</b>	<b>130.17</b>
Additions	21.96
Deletion	(0.42)
Accretion of interest	14.49
Payments	(12.36)
<b>As at 31<sup>st</sup> March 2021</b>	<b>153.84</b>

The following are the amounts recognised in profit or loss:

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Depreciation expense of right-of-use assets	122.20	122.95
Interest expense on lease liabilities	14.49	12.77
Expense relating to short-term leases and low value leases	3.18	6.40
<b>Total amount recognised in profit or loss</b>	<b>139.87</b>	<b>142.12</b>

The Company had total cash outflows for leases of INR 15.54 million (31<sup>st</sup> March 2020: INR 15.06 million) during the financial year ended 31<sup>st</sup> March 2021. The Company do not have any future cash outflows relating to leases that have not yet commenced.

The Company has certain lease contracts that are non-cancellable for fixed period and considered will be terminated after completion of non-cancellable period.

**Note 48:** The Company has considered all the possible impact of COVID-19 and associated internal and external factors, known to the management, in preparation of financial results for the quarter and year ended 31<sup>st</sup> March 2021, to assess and determine the carrying amount of its assets and liabilities. Accordingly, as on date, no material impact is estimated in the carrying values of the assets and their recoverability. As the situation continues to evolve, the company will closely monitor and assess any material impact on the financial position of the company.

**Note 49:** As per Ind AS 108 'Operating Segments' if a financial statement contains both consolidated and standalone financial statements, segment information is required only in the consolidated financial statements. Hence, the same is not given in standalone financial statement.

**Note 50:** Previous year's figures have been regrouped /reclassified wherever necessary to confirm to the current year presentation.

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

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

Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

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

**Atul Chaturvedi**  
 Executive Chairman  
**DIN: 00175355**  
 Date : 25<sup>th</sup> June 2021  
 Place: Ahmedabad

**Sunil Ranka**  
 Chief Financial Officer

Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

**Vijendra Singh**  
 Executive Director  
**DIN: 03537522**  
 Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

**Deepak Manerikar**  
 Company Secretary  
**FCS No:F-6801**  
 Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

# INDEPENDENT AUDITOR'S REPORT

To the Members of **Shree Renuka Sugars Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Shree Renuka Sugars Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are

further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Measurement of deferred taxes</b> (as described in Note 2.2(1) and Note 7 of the consolidated financial statements)	
<p>During the year, the Group has charged INR 1,596.38 million of deferred tax assets in respect of the Holding Company to the statement of profit and loss. Accordingly, At March 31, 2021, deferred tax assets (net) recognised in the consolidated financial statements amounted to INR Nil.</p> <p>The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.</p> <p>The valuation of deferred taxes is based on significant estimates and assumptions by management regarding availability of sufficient future taxable profits and accordingly, we have considered this to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the accounting policies with respect to income taxes.</li> <li>• We obtained from the management the projections for taxable profits and compared it with business plan approved by the Board of Directors of the Company.</li> <li>• We evaluated key assumptions used in the financial projections, including quantity of sugar sales and its realisation in the domestic market, recovery rate of sugar/ ethanol from sugar cane, margin on sugar exported and sales price of ethanol by comparing them with historical trends and external data, where available.</li> <li>• We tested the arithmetical accuracy of the tax computations and future projections of taxable profits.</li> <li>• We assessed the disclosures in the consolidated financial statement for compliance with the requirements of Ind AS.</li> </ul>
<b>Impairment of property, plant and equipment</b> (as described in Notes 2.2(2), 3(a)(D) of the consolidated financial statements)	
<p>As per the requirements of Ind AS 36, the Group tests at the end of every reporting period, whether there is any indication that the property, plant and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount of the property, plant and equipment.</p> <p>The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections.</p> <p>During the current year, as indication exists for impairment in one of the CGU's, the Group has performed impairment assessment with respect to that specific CGU.</p> <p>Impairment of assets is a key audit matter considering the significance of the carrying value, long term estimation and the significant judgments involved in the impairment assessment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of management process for identification of impairment indicators and management's process for determination of the recoverable value of assets for which impairment indicators exists.</li> <li>• We obtained from the management the assessment of recoverable amount in respect of units for which indicators of impairment have been identified.</li> <li>• We assessed management's projections used in the assessment of recoverable amount by comparing the same with the business plan approved by the Board of Directors of the Company.</li> <li>• We assessed the competence and the objectivity of the external specialists engaged by the management to determine the recoverable amount of the specific CGU.</li> <li>• We assessed the key assumptions used by the management in the assessment of recoverable amount including sugar realisation in the domestic market, margin on sugar exported by comparing them with historical trends and external data, where available.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We involved valuation specialists to assist us in evaluating the reasonableness of the assumptions used.</li> <li>We assessed the disclosures in the consolidated financial statement for compliance with the requirements of Ind AS.</li> </ul>

### Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive

income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associates.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated

financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

(a) We did not audit the financial statements and other financial information, in respect of :

- seven subsidiaries whose financial statements include total assets of INR 3,567.46 Million as at March 31, 2021, and total revenues of INR 5,678.79 Million and net cash outflows of INR 190.50 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding 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 Holding Company and

audited by us.

- (b) The consolidated financial statements also include the Group's share of net profit of INR Nil for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of an associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates to amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the

other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2021 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2021 paid by the Holding Company, its subsidiaries incorporated in India to their directors, are in accordance with the provisions of section 197 read with Schedule V to the Act. Managerial remuneration provided by the Holding Company to its Independent Directors is subject to approval from the shareholders in the ensuing general

meeting;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 37 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 21 to the Consolidated financial statements;
  - iii. There has been an instance of delay of 56 days in transferring amounts of INR 2.90 million in respect of unclaimed dividend required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Membership No.: 049237

UDIN: 21049237AAAABE4286

Place: Mumbai

## Annexure 1 – Annexure to Independent Auditor's Report of even date on the consolidated financial statements of Shree Renuka Sugars Limited

Date: June 25, 2021

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

In conjunction with our audit of the consolidated financial statements of Shree Renuka Sugars Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

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

### **Opinion**

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and

such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, insofar as it relates to these five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Membership No.: 049237

UDIN: 21049237AAAABE4286

Place: Mumbai

Date: June 25, 2021

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

Particulars	Notes	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment (including right to use assets)	3(a)	37,751.42	38,852.39
Capital work-in-progress	3(a)	73.43	1,422.89
Other intangible assets	3(b)	13.32	10.21
<b>Financial assets</b>			
Investments	4	601.08	185.23
Loans	4(a)	-	-
Other non-current financial assets	5	63.48	56.66
Other non-current assets	6	604.65	408.75
Income tax receivables		55.88	252.60
Deferred tax assets	7	-	1,581.35
<b>Total non-current assets</b>		<b>39,163.26</b>	<b>42,770.08</b>
<b>Current assets</b>			
Inventories	8	24,421.29	16,787.05
<b>Financial assets</b>			
Trade receivables	9	1,540.85	1,331.77
Cash and cash equivalents	10	386.26	705.08
Other bank balances	11	479.20	44.60
Other current financial assets	12	941.30	961.24
Other current assets	13	2,133.65	4,147.91
<b>Total current assets</b>		<b>29,902.55</b>	<b>23,977.65</b>
<b>Total assets</b>		<b>69,065.81</b>	<b>66,747.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14(a)	2,128.49	1,916.82
Other equity	14(b)	(8,754.40)	(10,742.85)
Equity attributable to equity holders		<b>(6,625.91)</b>	<b>(8,826.03)</b>
Non-controlling interest	40	(15.52)	2.03
<b>Total Equity</b>		<b>(6,641.43)</b>	<b>(8,824.00)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	25,666.63	18,915.67
Other non-current financial liabilities	16	143.32	123.86
Net employee benefit liabilities	17	226.39	233.15
Government grants	18	203.45	3.35
Income Tax payable		5.85	9.89
Deferred tax liabilities	7	127.26	43.46
<b>Total non-current liabilities</b>		<b>26,372.90</b>	<b>19,329.38</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19	17,678.57	10,508.52
Trade payables	20		
Total outstanding dues of micro and small enterprises		53.92	10.88
Total outstanding dues of creditors other than micro and small enterprises		26,891.20	26,918.26
Other current financial liabilities	21	3,890.57	17,914.04
Government grants	18	53.90	27.13
Other current liabilities	22	681.29	793.96
Net employee benefit liabilities	23	84.89	69.56
<b>Total current liabilities</b>		<b>49,334.34</b>	<b>56,242.35</b>
<b>Total Liabilities</b>		<b>75,707.24</b>	<b>75,571.73</b>
<b>Total equity and liabilities</b>		<b>69,065.81</b>	<b>66,747.73</b>

Significant accounting policies

2.1

Accompanying notes 1 to 52 form integral part of these consolidated financial statements

As per our report of even date

For S R B C &amp; 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

Atul Chaturvedi

Executive Chairman

DIN: 00175355

Date : 25<sup>th</sup> June 2021

Place: Ahmedabad

Sunil Ranka

Chief Financial Officer

Date : 25<sup>th</sup> June 2021

Place: Mumbai

Vijendra Singh

Executive Director

DIN: 03537522

Date : 25<sup>th</sup> June 2021

Place: Mumbai

Deepak Manerikar

Company Secretary

FCS No:F-6801

Date : 25<sup>th</sup> June 2021

Place: Mumbai

Date : 25<sup>th</sup> June 2021

Place: Mumbai

# Consolidated statement of profit and loss

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

	Notes	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>INCOME</b>			
Revenue from operations	24	55,553.68	47,407.92
Income from incentive to sugar mills		931.47	1,404.03
Other income	25	370.86	587.16
<b>Total income</b>		<b>56,856.01</b>	<b>49,399.11</b>
<b>EXPENSES</b>			
Cost of raw material consumed	26	47,100.48	37,712.40
Purchase of traded goods	27	1,832.94	3,422.17
Increase in inventories of finished goods, work-in-progress and traded goods	28	(4,804.77)	(674.40)
Employee benefit expenses	29	1,251.74	1,205.12
Depreciation and amortisation expenses	30	2,085.11	2,107.66
Foreign exchange loss/(gain)	31	(693.62)	1,729.00
Finance costs	32	3,841.76	5,112.50
Other expenses	33	5,759.02	5,222.53
<b>Total expenses</b>		<b>56,372.66</b>	<b>55,836.98</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>483.35</b>	<b>(6,437.87)</b>
Exceptional items - income	34	(34.26)	(2,888.63)
<b>Profit/(loss) before tax</b>		<b>517.61</b>	<b>(3,549.24)</b>
<b>Tax expense</b>			
Current tax	7	-	26.12
Deferred tax	7	1,682.83	2,090.23
<b>Income tax expense</b>		<b>1,682.83</b>	<b>2,116.35</b>
<b>Profit/(loss) for the year from continued operations</b>		<b>(1,165.22)</b>	<b>(5,665.59)</b>
<b>Loss from discontinued operations before tax and exceptional items</b>		-	(4,136.12)
Exceptional Item - Gain on sale of discontinued operations		-	29,299.26
<b>Loss from discontinued operations after tax</b>		-	<b>25,163.14</b>
<b>Profit/(loss) for the year</b>		<b>(1,165.22)</b>	<b>19,497.55</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Reversal of revaluation reserve on disposal / impairment of property, plant and equipment's		(50.85)	(1,650.26)
Income tax effect	7	15.22	513.54
Net loss on remeasurements of defined benefit plans	38	(0.94)	(31.81)
Income tax effect	7	0.24	9.91
Unrealised (gain)/loss on FVTOCI equity securities (net of tax)	42	420.39	-
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Net loss on cash flow hedges	41	(352.24)	-
Net change in costs of hedging	41	(473.59)	-
Exchange difference on translation of foreign operations		354.18	1,777.49
<b>Other comprehensive income for the year</b>		<b>(87.59)</b>	<b>618.87</b>
<b>Total comprehensive income for the year (net of tax)</b>		<b>(1,252.81)</b>	<b>20,116.42</b>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the company		(1,147.67)	20,991.74
Non-controlling interests		(17.55)	(1,494.19)
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the company		(1,235.26)	21,610.61
Non-controlling interests		(17.55)	(1,494.19)
<b>Earnings per share</b>			
Earning per share from continued operations towards parent - Basic [Face value of equity share INR 1/- each]	35	(0.57)	(2.96)
Earning per share from continued operations towards parent - Diluted [Face value of equity share INR 1/- each]	35	(0.57)	(2.96)

Significant accounting policies

2.1

Accompanying notes 1 to 52 form integral part of these consolidated financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

**per Shyamsundar Pachisia**

Partner

Membership No.49237

Date : 25<sup>th</sup> June 2021

Place: Mumbai

For and on behalf of the Board of directors of

**Shree Renuka Sugars Limited**

**Atul Chaturvedi**

Executive Chairman

**DIN: 00175355**

Date : 25<sup>th</sup> June 2021

Place: Ahmedabad

**Sunil Ranka**

Chief Financial Officer

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Vijendra Singh**

Executive Director

**DIN: 03537522**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Deepak Manerikar**

Company Secretary

**FCS No:F-6801**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

# Consolidated Statement of changes in equity

for the year ended 31<sup>st</sup> March 2021

	Equity share capital	Reserves and surplus				Items of OCI				Non controlling interests (refer note 40)	Total	
		Securities premium	Debt redemption reserve	Equity Contribution from Parent	Foreign currency monetary translation difference account	Retained earnings	Cash flow hedge reserve	Cost of hedging reserve	Foreign currency translation reserve	Revaluation reserve on PPE	Changes in equity instrument and others	Total
<b>As at 1<sup>st</sup> April 2019</b>	<b>1,916.82</b>	<b>30,396.52</b>	<b>625.00</b>	-	<b>(2,726.59)</b>	<b>(72,540.95)</b>	-	-	<b>655.74</b>	<b>11,751.44</b>	<b>(153.36)</b>	<b>(30,075.36)</b>
Profit for the period	-	-	-	-	-	20,991.74	-	-	-	-	-	20,991.74
Other comprehensive income	-	-	-	-	-	(21.90)	-	-	1,777.49	(1,136.72)	-	618.87
<b>Total comprehensive income</b>	-	-	-	-	-	<b>20,969.84</b>	-	-	<b>1,777.49</b>	<b>(1,136.72)</b>	-	<b>21,610.61</b>
Transfer to/(from) foreign currency monetary item translation difference account	-	-	-	-	(86.35)	-	-	-	-	-	-	(86.35)
Reclassified to consolidated statement of profit and loss on disposal of subsidiary	-	-	-	-	2,812.94	-	-	-	(3,087.85)	-	-	(274.91)
Depreciation of revalued assets	-	-	-	-	-	(288.34)	-	-	-	288.34	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>1,916.82</b>	<b>30,396.52</b>	<b>625.00</b>	-	-	<b>(51,859.45)</b>	-	-	<b>(654.62)</b>	<b>10,903.06</b>	<b>(153.36)</b>	<b>(8,826.03)</b>
Loss for the period	-	-	-	-	-	(1,147.67)	-	-	-	-	-	(1,147.67)
Other Comprehensive Income	-	-	-	-	-	(0.70)	(352.24)	(473.59)	354.18	(35.63)	420.39	(87.59)
<b>Total comprehensive income</b>	-	-	-	-	-	<b>(1,148.37)</b>	<b>(352.24)</b>	<b>(473.59)</b>	<b>354.18</b>	<b>(35.63)</b>	<b>420.39</b>	<b>(1,235.26)</b>
Transferred to P&L	-	-	-	-	-	-	352.24	574.42	-	-	-	926.66
Equity shares issued during the year	211.67	1,638.33	-	-	-	-	-	-	-	-	-	1,850.00
Interest waiver from parent	-	-	-	658.72	-	-	-	-	-	-	-	658.72
Depreciation of revalued assets	-	-	-	-	-	1,284.88	-	-	-	(1,284.88)	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128.49</b>	<b>32,034.85</b>	<b>625.00</b>	<b>658.72</b>	-	<b>(51,722.94)</b>	-	<b>100.83</b>	<b>(300.44)</b>	<b>9,582.55</b>	<b>267.03</b>	<b>(6,625.91)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128.49</b>	<b>32,034.85</b>	<b>625.00</b>	<b>658.72</b>	-	<b>(51,722.94)</b>	-	<b>100.83</b>	<b>(300.44)</b>	<b>9,582.55</b>	<b>267.03</b>	<b>(6,625.91)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128.49</b>	<b>32,034.85</b>	<b>625.00</b>	<b>658.72</b>	-	<b>(51,722.94)</b>	-	<b>100.83</b>	<b>(300.44)</b>	<b>9,582.55</b>	<b>267.03</b>	<b>(6,625.91)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128.49</b>	<b>32,034.85</b>	<b>625.00</b>	<b>658.72</b>	-	<b>(51,722.94)</b>	-	<b>100.83</b>	<b>(300.44)</b>	<b>9,582.55</b>	<b>267.03</b>	<b>(6,625.91)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128.49</b>	<b>32,034.85</b>	<b>625.00</b>	<b>658.72</b>	-	<b>(51,722.94)</b>	-	<b>100.83</b>	<b>(300.44)</b>	<b>9,582.55</b>	<b>267.03</b>	<b>(6,625.91)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128.49</b>	<b>32,034.85</b>	<b>625.00</b>	<b>658.72</b>	-	<b>(51,722.94)</b>	-	<b>100.83</b>	<b>(300.44)</b>	<b>9,582.55</b>	<b>267.03</b>	<b>(6,625.91)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128.49</b>	<b>32,034.85</b>	<b>625.00</b>	<b>658.72</b>	-	<b>(51,722.94)</b>	-	<b>100.83</b>	<b>(300.44)</b>	<b>9,582.55</b>	<b>267.03</b>	<b>(6,625.91)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128.49</b>	<b>32,034.85</b>	<b>625.00</b>	<b>658.72</b>	-	<b>(51,722.94)</b>	-	<b>100.83</b>	<b>(300.44)</b>	<b>9,582.55</b>	<b>267.03</b>	<b>(6,625.91)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128.49</b>	<b>32,034.85</b>	<b>625.00</b>	<b>658.72</b>	-	<b>(51,722.94)</b>	-	<b>100.83</b>	<b>(300.44)</b>	<b>9,582.55</b>	<b>267.03</b>	<b>(6,625.91)</b>
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# Consolidated statement of cash flow

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated.

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Operating activities</b>		
Profit/(loss) before tax from continued operations	517.61	(3,549.24)
Profit/(loss) before tax from discontinued operations	-	25,163.14
<b>Adjustments to reconcile loss before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	2,081.23	2,106.81
Amortization of intangible assets	3.88	0.85
Gain on fair valuation of OCPS	-	(2,888.63)
MTM recognised on Derivative Instruments (net)	28.44	(8.27)
Government assistance	(44.80)	(27.51)
Excess provision written back	(109.77)	(98.71)
Finance costs	3,841.76	5,112.50
Finance Income	(42.34)	-
Impairment of advances to vendors and others	152.33	154.92
Expected credit loss on trade receivable	7.39	-
Exceptional items	(34.26)	-
Impairment of goodwill	-	171.42
Property, plant and equipment written off	174.28	57.56
Gain on Sale of Assets	-	(32.60)
Dividend income	(1.17)	(1.27)
Unrealised (gain)/loss on foreign exchange (net)	(330.12)	1,611.69
Net gain on sale of subsidiary	-	(29,299.26)
<b>Working capital adjustments:</b>		
Increase/(decrease) in employee benefit expenses	30.43	(4.25)
(Increase)/decrease in inventories	(7,612.20)	473.93
(Increase)/ decrease in trade receivables	(248.92)	1,697.06
(Increase)/decrease in other receivables and prepayments	(571.34)	73.86
(Decrease)/increase in trade and other payables	(13,675.98)	4,939.22
	<b>(15,833.55)</b>	<b>5,653.22</b>
Income tax refunded/(paid)	192.68	(40.41)
<b>Net cash flows from/(used in) operating activities</b>	<b>(15,640.87)</b>	<b>5,612.81</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,058.15)	(2,028.04)
Proceeds from sale of property, plant and equipment	31.46	141.95
Sale of investments (net)	4.54	1.49
Investment in fixed deposits	(434.60)	-
Dividend income	1.17	1.27
Interest received (finance income)	18.34	-
<b>Net cash flows used in investing activities</b>	<b>(1,437.24)</b>	<b>(1,883.33)</b>
<b>Financing activities</b>		
Proceeds from issue of equity shares	1,850.00	-
Proceeds/(repayment) short term borrowings (net)	7,170.56	(1,762.53)
Repayment of long-term borrowings	(14,195.20)	(1,341.69)
Proceeds from long term borrowings	3,010.00	-
Proceeds from External Commercial Borrowings	22,413.57	-
Finance cost paid	(3,831.04)	(3,534.11)
Lease liability payments	(12.78)	(8.66)
<b>Net cash flows from/(used in) financing activities</b>	<b>16,405.11</b>	<b>(6,646.99)</b>
Foreign currency translation reserve	354.18	3,259.48
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(318.82)</b>	<b>341.97</b>
Opening cash and cash equivalents (refer note 10)	705.08	363.11
<b>Closing cash and cash equivalents (refer note 10)</b>	<b>386.26</b>	<b>705.08</b>

Accompanying notes 1 to 52 form integral part of these consolidated financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

**per Shyamsundar Pachisia**

Partner

**Membership No.49237**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

For and on behalf of the Board of directors of

**Shree Renuka Sugars Limited**

**Atul Chaturvedi**

Executive Chairman

**DIN: 00175355**

Date : 25<sup>th</sup> June 2021

Place: Ahmedabad

**Sunil Ranka**

Chief Financial Officer

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Vijendra Singh**

Executive Director

**DIN: 03537522**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

**Deepak Manerikar**

Company Secretary

**FCS No:F-6801**

Date : 25<sup>th</sup> June 2021

Place: Mumbai

# Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

## 1. Corporate information

The consolidated financial statements comprise financial statements of Shree Renuka Sugars Limited (the 'Company'), its subsidiaries and its associate (collectively, the 'Group') for the year ended 31<sup>st</sup> March 2021. 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 2<sup>nd</sup> and 3<sup>rd</sup> Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Belagavi – 590010, Karnataka.

The Group is principally engaged in the manufacturing of sugar, ethyl alcohol and ethanol and generation and sale of power. Information on the Group's structure is provided in note 48. Information on other related party relationships of the Group is provided in note 39.

The financial statements for the year ended 31<sup>st</sup> March 2021 were authorised for issue by the Board of Directors of the Company on 25<sup>th</sup> June 2021.

## 2.1 Significant accounting policies

### I. Basis of preparation:

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

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

- Land, buildings and plant and machinery classified as property, plant and equipment,
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value ((refer note 2.1 (III) (q)) accounting policy regarding financial instruments)

The financial statements are prepared in INR (Indian Rupees) and all values are rounded off to the nearest Million except when stated otherwise.

### Going concern assumption

As at 31<sup>st</sup> March 2021, the current liabilities of the Group exceeded its current assets by INR.19,431.79 million. During the year Group has received INR 22,413.57 million (USD 300 million) by way of External Commercial Borrowings for redemption of Non-Convertible debentures (NCDs), repayment of term loans, to meet the working capital requirements and for general corporate purposes. Further, the Group has received INR 1,850 million from preferential issue of equity shares to Wilmar Sugar Holdings Pte Ltd. (Promoter of the Company). Furthermore, the Board of Directors of Wilmar Sugar Holdings Pte. Limited, have provided letter of support to the Group, to meet shortfall in its normal trade related working capital requirements up to the year ending 31<sup>st</sup> March 2022. Also, all remaining term loans and working capital loans availed by the Group from Banks are secured by corporate guarantee provided by the ultimate Promoter Company (Wilmar International Limited).

Further, for the year ended 31<sup>st</sup> March 2021 the Group has profit before exceptional items and tax of INR 483.36 million. The Group has negative net worth of INR 6,641.43 million as at 31<sup>st</sup> March, 2021.

Accordingly, the Company management believes it will be able to meet all its financial obligations, on a timely basis and hence, the Group has prepared the financial results on going concern basis.

### II. Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended and as at 31<sup>st</sup> March 2021. 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:

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

- 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 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 2021.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities

### III. Summary of significant accounting policies;

#### a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquire. For each business combination, the Group elects whether to measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquire'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 acquire 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, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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### b. Current versus non-current classification

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

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

All other assets are classified as non-current.

#### A liability is treated current when:

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

The Group classifies all other liabilities as non-current.

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

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

### c. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### d. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

#### Transactions and balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

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

#### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average an exchange rate which approximates the actual rate at the date of the transaction. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

### e. Fair value measurement

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

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

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

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2 and 42)
- Quantitative disclosures of fair value measurement hierarchy (note 42)
- Investment in unquoted equity shares (note 4)
- Property, plant and equipment under revaluation model (note 3)
- Financial instruments (including those carried at amortised cost) (note 42)

### f. Revenue recognition

#### Revenue from contract with customers

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

Revenue from sale of goods is recognised at the point in time when control of the goods is

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

transferred to the customer, on delivery of the goods. The normal credit term is 7 to 180 days upon delivery. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

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

### Contract balances

#### Contract assets

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

#### Trade receivables

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

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the

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

### Rendering of services

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

### Interest income

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

### Dividends

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

### g. Government grants

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

## Notes to consolidated financial statements

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

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

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

### h. Taxes

#### Current income tax

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

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

#### Deferred tax

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that

## Notes to consolidated financial statements

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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.

### i. Property, plant and equipment

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

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

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

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

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

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

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

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

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.

### j. Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

### 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 Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

#### Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the

## Notes to consolidated financial statements

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present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### 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 for work in progress 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. 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

## Notes to consolidated financial statements

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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 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.

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for the year ended 31<sup>st</sup> March 2021

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 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

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to note 9.

### Debt instrument at FVTOCI

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

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

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

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

### Debt instrument at FVTPL

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The Group has not designated any debt instrument as at FVTPL.

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

### Equity investments

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

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

### Derecognition

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

- 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

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

### Impairment of financial assets

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

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'trade receivables')

- d. Loan commitments which are not measured as at FVTPL
- e. Financial guarantee contracts which are not measured as at FVTPL.

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

- Trade receivables or contract revenue receivables

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

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

### (b) Financial liabilities

#### Initial recognition and measurement

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

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

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

#### Subsequent measurement

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

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

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

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

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

#### Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer note 15.

#### Other financial liabilities

The Group enters into deferred payment arrangements (letter of credit acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of materials. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements are recognized as

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

acceptances under trade payables. Interest borne by the Group on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

### Financial guarantee contracts

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

### Derecognition

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

### (c) Offsetting of financial instruments

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

### (d) Compounding financial instruments.

Group had issued compounding financial instruments as part of its restructuring of debts with lenders.

On issuance of compounding financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The difference between value of compound financial instruments so determined and the non-sustainable part of borrowing is recognised as income on de-recognition of financial liability in the statement of profit and loss.

### 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.

### 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

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### t. Derivative financial instruments

The Group's uses derivative financial instruments, such as foreign currency forward 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.

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.

For the purpose of hedge accounting, hedges are classified as cash flow hedges (hedging the exposure to variability in cash flows that is attributable to foreign currency risk associated with External Commercial Borrowings).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in respect of principal portion of the External Commercial Borrowings.

The Group designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

### 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

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### 1. 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 ₹15,614.01 million (31<sup>st</sup> March 2020: ₹ 12,302.14 million), unabsorbed tax losses of ₹7,070.40 million (31<sup>st</sup> March 2020: ₹ 12,728.07 million) on which deferred tax asset has been created; in addition, the Group has MAT credit entitlement of ₹196.78 million (31<sup>st</sup> March 2020: ₹ 457.43 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are

recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

#### 2. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use. The value in use calculation is based on projections approved by the Board of Directors of the Company. The cash flows are derived from the cash flow estimates for the remaining life of the asset and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows.

#### 3. Revaluation of property, plant and equipment

The Group 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 Group had engaged an independent valuation specialist to assess fair value as at 31<sup>st</sup> March 2019 for revaluation of land, buildings, plant and equipment. Fair value of land was determined by using the market approach and building and plant & equipment was determined by using depreciated replacement cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 3.

#### 4. Significant influence in respect of associate

The Group has a 17.12% interest in Shree Renuka Global Ventures Ltd, Mauritius (SRGVL), which further hold investment in Shree Renuka do Brasil Participacoes Ltda, Brazil which is involved in the manufacture of Sugar, power, Ethanol and allied products in Brazil. Shree Renuka Global Ventures Ltd, Mauritius is not listed on any public exchange. The Group has determined that it has significant influence in SRGVL because of common directorship between SRSL and SRGVL.

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for the year ended 31<sup>st</sup> March 2021

### 5. 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.

### 2.3 Standards issued but not yet effective

Paragraph 30 of Ind AS 8 requires disclosure of standards that have been issued but are not yet effective. There are no new standards that are notified, but not yet effective, up to the date of issuance of the Company's financial statements.

- 2.4** The Code on Social Security 2020 has been notified in the Official Gazette on 29<sup>th</sup> September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.

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All amounts in million Indian Rupees, unless otherwise stated

### Note 3(a): Property, plant and equipment

	Leasehold land	Freehold land	Buildings	Plant, machinery and equipment	Furniture and fixtures	Vehicles	Right-of-use assets*	Total for property, plant and equipment (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross Block</b>										
<b>As at 1<sup>st</sup> April 2019</b>	999.39	2,413.91	8,701.57	36,893.78	106.59	20.50	-	49,135.74	1,004.84	50,140.58
Right of use assets recognised as on 1 <sup>st</sup> April 2019	-	-	-	-	-	-	1,384.68	1,384.68	-	1,384.68
Transfer to ROU assets	(999.39)	-	-	-	-	-	999.39	-	-	-
Additions	-	15.52	5.31	1,190.76	50.15	1.09	24.96	1,287.79	433.68	1,721.47
Disposals	-	(106.92)	(20.79)	(133.42)	(9.24)	(1.25)	-	(271.62)	-	(271.62)
Exchange differences	-	21.52	-	-	-	-	-	21.52	-	21.52
<b>As at 31<sup>st</sup> March 2020</b>	-	2,344.03	8,686.09	37,951.12	147.50	20.34	2,409.03	51,558.11	1,438.52	52,996.63
Additions	-	0.70	252.16	2,009.51	32.80	10.13	32.94	2,338.24	(1,349.46)	988.78
Disposals	-	(5.01)	(141.95)	(201.45)	(4.72)	(0.84)	(0.42)	(354.39)	-	(354.39)
Exchange differences	-	-	(1.15)	0.01	0.01	(0.02)	-	(1.15)	-	(1.15)
<b>As at 31<sup>st</sup> March 2021</b>	-	2,339.72	8,795.15	39,759.19	175.59	29.61	2,441.55	53,540.81	89.06	53,629.87
<b>Depreciation and impairment</b>										
<b>As at 1<sup>st</sup> April 2019</b>	8.72	-	1,164.21	7,833.24	66.60	1.05	-	9,073.82	4.23	9,078.05
Depreciation charge for the year (refer note 30)	-	-	356.64	1,604.35	17.94	4.93	122.95	2,106.81	-	2,106.81
Transfer to ROU assets	(8.72)	-	-	-	-	-	8.72	-	-	-
Disposals	-	-	(17.10)	(53.96)	(9.23)	(1.25)	-	(81.54)	-	(81.54)
Impairment	-	-	438.70	856.01	-	-	311.92	1,606.63	11.40	1,618.03
<b>As at 31<sup>st</sup> March 2020</b>	-	-	1,942.45	10,239.64	75.31	4.73	443.59	12,705.72	15.63	12,721.35
Depreciation charge for the year (refer note 30)	-	-	330.47	1,603.80	20.32	4.44	122.20	2,081.23	-	2,081.23
Disposals	-	-	(43.39)	(125.59)	(4.71)	(0.84)	-	(174.53)	-	(174.53)
Exchange differences	-	-	(0.24)	0.01	(0.37)	(0.02)	-	(0.62)	-	(0.62)
Impairment (refer note D)	-	-	369.61	807.98	-	-	-	1,177.59	-	1,177.59
<b>As at 31<sup>st</sup> March 2021</b>	-	-	2,598.90	12,525.84	90.55	8.31	565.79	15,789.39	15.63	15,805.02
<b>Net book value</b>										
<b>As at 31<sup>st</sup> March 2021</b>	-	2,339.72	6,196.25	27,233.35	85.04	21.30	1,875.76	37,751.42	73.43	37,824.85
<b>As at 31<sup>st</sup> March 2020</b>	-	2,344.03	6,743.64	27,711.48	72.19	15.61	1,965.44	38,852.39	1,422.89	40,275.28

\* For further information refer note 47

#### A. Assets under construction

Capital work in progress as at March 31, 2021 comprises expenditure for the plant and building in the course of construction including material procured for expansion projects. Additions during the current year and previous year are net of capitalisation.

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

In the year ended 31<sup>st</sup> March 2019, the Group had appointed an independent valuer to determine the fair value of freehold land, building and plant and machineries. As an outcome of this process, the Group has recognised increase in the gross block of land of ₹ 819.00 million, building of ₹ 718.42 million and decrease in free hold land of ₹ 34.47 million and plant and machineries ₹ 483.92 million. The Group recognised this increase within the revaluation reserve and statement of comprehensive income.

The Group determined these fair values after considering physical condition of the asset, technical usability / capacity, salvage value, quotes from independent vendors. The fair value of land is determined using market approach and building, plant, machinery and equipment using Depreciated Replacement Cost (DRC). The DRC

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All amounts in million Indian Rupees, unless otherwise stated

is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation. The fair value measurement will be classified under level 3 fair value hierarchy. The GCRC means cost expected to replace existing assets with similar or equivalent new assets as on date of valuation.

### Significant unobservable valuation input

Asset	Valuation technique	Significant unobservable inputs
Freehold land/ leasehold land	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.
Building	Depreciated Replacement Cost (DRC)	Building/structural sheds were measured considering the DRC cost method for the constructed area depending on utility and design of building structures condition, actual physical condition and state of repairs and maintenance, type of general and special specifications of construction, remaining useful economic life of the structures, demand for the structures, cost of building materials and related construction supplies in the surrounding area, latest trends in the building construction technology, present day replacement cost of comparable building structures, depreciation for physical wears and tear.
Plant, machinery and equipment Sugar Plant Co-Generation Plant Ethanol Plant	Depreciated Replacement Cost (DRC)	The valuation of plant & machinery has been estimated by DRC method under cost approach of valuation. The DRC is adjusted towards the Obsolescence, Potential Profitability and Service Potential in order to estimate the Market Value 'In-Situ' of the plant & machinery.

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

	Amount
<b>As at 1<sup>st</sup> April 2019</b>	<b>18,011.89</b>
Purchases	-
Depreciation	(801.19)
Disposed off	(1,650.26)
<b>As at 31<sup>st</sup> March 2020</b>	<b>15,560.44</b>
Purchases	-
Depreciation	(1,284.88)
Disposed off	(50.85)
<b>As at 31<sup>st</sup> March 2021</b>	<b>14,224.71</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

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

Net book value	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Cost</b>		
Freehold land	562.20	521.84
Leasehold land	197.17	193.30
Buildings	5,993.84	6,085.12
Plant, machinery and equipment	32,730.49	31,344.55
	<b>39,483.70</b>	<b>38,144.81</b>
<b>Accumulated depreciation</b>		
Freehold land	-	-
Leasehold land	19.66	14.80
Buildings	2,205.22	2,131.52
Plant, machinery and equipment	13,838.46	12,794.35
	<b>16,063.34</b>	<b>14,940.67</b>
<b>Net carrying amount</b>		
Freehold land	562.20	521.84
Leasehold land	177.51	178.50
Buildings	3,788.62	3,953.60
Plant, machinery and equipment	18,892.03	18,550.20
<b>Net carrying amount</b>	<b>23,420.36</b>	<b>23,204.14</b>

### C. Loss due cyclone

During the year, one of the refineries of the Group was affected by super cyclone Amphan and few assets was damaged. The Group has lodged a claim with Insurance company to recover the losses incurred. However, on prudent basis and in compliance with Ind AS 16, Group has accounted for loss of INR 148.70 million for damaged assets and the same has been charged to the statement of profit and loss and grouped under other expenses.

### D. Impairment assessment of CGU

One of the refineries of the Company which was not operational since mid of 2018 has started its operations from 16<sup>th</sup> October 2020. The said plant has a refining capacity of 75,000 MT per month and produced 11,505 MT of white sugar for the quarter and 111,987 MT for year ended 31<sup>st</sup> March 2021.

As per the requirements of Ind AS 36, the Company tests at the end of every reporting period, whether there is any indication that the property, plant and equipment may be impaired. If any such indication exists, the Company estimates the recoverable amount of the property, plant and equipment. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

During the current year, as indication exists, the Company performed impairment assessment with respect to the certain specific Cash Generating Unit (CGU) of refinery segment. The recoverable amount has been determined using value in use approach based on cashflow projections which are discounted to their present value using a pre-tax discount rate 11.17%. As a result of this analysis, management has identified and has recognized an impairment allowance of INR 1,152.00 million during the year ended 31<sup>st</sup> March 2021. An amount of INR 24.05 million against previously recognized revaluation reserve for this CGU and has been considered in the Other Comprehensive Income (OCI) and balance INR 1,127.95 million grouped under exceptional item (refer note 34).

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### E. Capitalisation of borrowing cost.

The Group enhanced of ethanol capacities in two manufacturing units Athani and Havalga. The project was commenced in May 2019 and all the assets put to use in December 2020. The capex was financed by the Bank. The amount of borrowing cost capitalised during the year is INR 41.38 million (31<sup>st</sup> March 2020: INR 102.60 million). The rate used to determine amount of borrowing costs eligible for capitalisation 8.75%, which is the EIR of specific borrowings.

### Note 3(b): Intangible assets

	Goodwill	Computer software	Total
<b>Gross Block</b>			
<b>As at 1<sup>st</sup> April 2019</b>	<b>6,918.28</b>	<b>120.30</b>	<b>7,038.58</b>
Additions	-	10.66	10.66
Disposals	-	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>6,918.28</b>	<b>130.96</b>	<b>7,049.24</b>
Additions	-	6.99	6.99
Disposals	-	(0.11)	(0.11)
<b>As at 31<sup>st</sup> March 2021</b>	<b>6,918.28</b>	<b>137.84</b>	<b>7,056.12</b>
<b>Amortisation and impairment</b>			
<b>As at 1<sup>st</sup> April 2019</b>	<b>6,746.86</b>	<b>119.90</b>	<b>6,866.76</b>
Amortisation for the year	-	0.85	0.85
Impairment	171.42	-	171.42
Disposals	-	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>6,918.28</b>	<b>120.75</b>	<b>7,039.03</b>
Amortisation for the year	-	3.88	3.88
Disposals	-	(0.11)	(0.11)
<b>As at 31<sup>st</sup> March 2021</b>	<b>6,918.28</b>	<b>124.52</b>	<b>7,042.80</b>
<b>Net book value</b>			
<b>As at 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>13.32</b>	<b>13.32</b>
<b>As at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>10.21</b>	<b>10.21</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 4: Investments

	Currency	Face value	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
			Number of units	INR Million	Number of units	INR Million
<b>Unquoted equity shares: At cost in associate Company</b>						
Shree Renuka Global Ventures Limited (refer note 50)	USD	1	81,615,000	0.31	81,615,000	0.31
Less:- Share of losses of associates restricted to Group's interest in the associate				(0.31)		(0.31)
				-		-
<b>Unquoted equity shares: At fair value through other comprehensive income (fully paid)</b>						
National Commodity & Derivatives Exchange Ltd. (NCDEX) (refer note 42)	INR	10	2,533,700	599.98	2,533,700	179.59
<b>Quoted equity shares: At fair value through profit and loss account (fully paid)</b>						
Simbhaoli Sugars Limited (refer note 42)	INR	10	352,934	1.10	352,934	0.64
<b>Others:</b>						
BDCC Bank Limited (Belgaum)	INR	500	-	-	10,000	5.00
<b>Aggregate value of total investments</b>				<b>601.08</b>		<b>185.23</b>
<b>Aggregate value of quoted investments</b>				<b>1.10</b>		<b>0.64</b>
<b>Aggregate value of unquoted investments</b>				<b>599.98</b>		<b>184.59</b>

### Note 4 (a) : Loans

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Loans to associates (refer note 39)	15,588.26	15,588.26
Less: Impairment allowance (refer note 39)	(15,588.26)	(15,588.26)
	-	-

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 5: Other non-current financial assets

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Deposits	135.04	128.22
Less: Impairment allowance	(71.56)	(71.56)
	<b>63.48</b>	<b>56.66</b>
<b>Breakup for security details</b>		
Unsecured, considered good	63.48	56.66
Doubtful	71.56	71.56
(A)	<b>135.04</b>	<b>128.22</b>
<b>Impairment allowance</b>		
Unsecured, considered good	-	-
Doubtful	(71.56)	(71.56)
(B)	<b>(71.56)</b>	<b>(71.56)</b>
<b>Total other non-current assets</b>	<b>(A-B) 63.48</b>	<b>56.66</b>

### Note 6: Other non-current assets

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Incentives receivable	-	197.43
Capital advances	16.56	5.79
Amount paid under protest to government authorities	418.05	399.16
Balances with government authorities	187.24	0.05
Duty and taxes	-	3.75
Less: Impairment allowance	(17.20)	(197.43)
	<b>604.65</b>	<b>408.75</b>
<b>Breakup for security details</b>		
Unsecured, considered good	604.65	408.75
Unsecured, considered doubtful	17.20	197.43
(A)	<b>621.85</b>	<b>606.18</b>
<b>Impairment allowance</b>		
Unsecured, considered good	-	-
Unsecured, considered doubtful	(17.20)	(197.43)
(B)	<b>(17.20)</b>	<b>(197.43)</b>
<b>(A-B)</b>	<b>604.65</b>	<b>408.75</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 7: Income Tax

The major components of income tax expenses for the years ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 :

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Profit and loss section</b>		
<b>Current income tax:</b>		
Current income tax charge	-	-
Income tax relating to earlier years	-	26.12
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences and write-down of deferred tax asset	1,682.83	2,090.23
<b>Income tax expense reported in the consolidated statement of profit and loss</b>	<b>1,682.83</b>	<b>2,116.35</b>

### OCI Section

Deferred tax related to items recognised in OCI during the year

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Revaluation reserve on property, plant and equipments	15.22	513.54
Net loss on remeasurements of defined benefit plans	0.24	9.91
<b>Income tax expenses charged to OCI</b>	<b>15.46</b>	<b>523.45</b>

### Reconciliation of tax expenses and the accounting profit multiplied by the India's domestic tax rate for 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Continued operations	517.61	(3,549.24)
Discontinued operations	-	25,163.14
<b>Accounting profit before income tax</b>	<b>517.61</b>	<b>21,613.90</b>
Local tax rate	31.20%	31.20%
Tax at local rate	161.49	6,743.54
Effect of differential overseas tax rate	66.61	8.10
Effect of differential domestic tax rate	7.34	6.86
Losses utilized against taxable profits in the current year	335.25	-
Gain on sale of discontinued operation not taxable	-	(7,735.19)
Losses on which DTA was considered to be not recoverable during the year	39.99	1,270.40
Losses on which DTA created during the year to the extent of DTL	(1,015.68)	-
Unwinding of interest not deductible	64.22	260.47
Previous year losses on which DTA was considered to be not recoverable during the year	134.41	1,189.40
Carry forward losses utilised during the year on which no DTA recognised earlier	(1,890.77)	-
MAT credit written off	272.19	-
Income tax related to earlier year litigation	-	26.12
Taxable Gain on Redemption of Financial Instruments	3,578.98	-
Others	(71.20)	346.65
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,682.83</b>	<b>2,116.35</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Deferred tax asset

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Accelerated depreciation for tax purposes	7,814.09	8,561.19
<b>Gross deferred tax liability</b>	<b>7,814.09</b>	<b>8,561.19</b>
<b>Deferred tax asset</b>		
Deferred tax on financial instruments (net)	-	1,481.38
Expenses claimed on payment basis	482.76	75.76
Unabsorbed business loss	7,134.55	8,127.97
	<b>7,617.31</b>	<b>9,685.11</b>
Deferred tax assets (net)	(196.78)	1,123.92
MAT credit entitlement	196.78	457.43
<b>Net deferred DTA/(DTL)</b>	<b>-</b>	<b>1,581.35</b>

### Deferred tax liabilities

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Accelerated depreciation for tax purposes	382.55	65.12
Expenses claimed on payment basis	(3.29)	(1.31)
Losses available for offsetting against future taxable income	(252.00)	(20.35)
	<b>127.26</b>	<b>43.46</b>

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 ₹ 15,614.01 million (31<sup>st</sup> March 2020: ₹ 12,302.14 million), unabsorbed tax losses of ₹ 7,070.40 million (31<sup>st</sup> March 2020: ₹ 12,728.07 million) on which deferred tax asset has been created. In addition, the group has MAT credit entitlement of ₹ 196.78 million (31<sup>st</sup> March 2020: 457.43 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. The carrying amount of deferred tax assets is reviewed at each reposting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

The Company has unabsorbed depreciation of ₹ 57.11 million (31<sup>st</sup> March 2020: ₹ 2,534.25 million), unabsorbed tax losses of ₹ 4,305.12 million (31<sup>st</sup> March 2020: ₹ 11,198.63 million) on which deferred tax asset has not been created. The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses can be carried forward for 8 years and will expire between financial year 2025-26 to 2027-28.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 8: Inventories

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Raw materials, components and material in transit (at cost) (includes transit stock of 31 <sup>st</sup> March 2021: INR 596.75 million (31 <sup>st</sup> March 2020: INR 4.58 million))	5,876.23	3,207.77
Work-in-progress (at cost)	62.63	22.81
Stores and spares (at cost)* (includes transit stock of 31 <sup>st</sup> March 2021: Nil (31 <sup>st</sup> March 2020: INR 4.02 million))	554.60	393.58
Intermediate products (at lower of cost or net realisable value)	1,597.13	1,654.50
Finished goods: (at lower of cost or net realisable value)		
- Manufactured	16,224.00	11,508.39
- Traded	106.70	-
	<b>24,421.29</b>	<b>16,787.05</b>

\* Includes packing material and consumables

### Note 9: Trade receivables

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, considered good</b>		
Receivables from third parties	1,474.71	1,312.49
Receivables from affiliates (refer note 39)	66.14	19.28
	<b>1,540.85</b>	<b>1,331.77</b>
<b>Break-up for security details:</b>		
<b>Unsecured, considered good</b>		
Unsecured, considered good	1,540.85	1,331.77
Unsecured, considered doubtful	179.92	893.00
(A)	<b>1,720.77</b>	<b>2,224.77</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Doubtful	(179.92)	(893.00)
(B)	<b>(179.92)</b>	<b>(893.00)</b>
<b>Trade receivables (net)</b>	<b>(A-B) 1,540.85</b>	<b>1,331.77</b>

During the year, the Group has recognised impairment allowance on life time expected credit loss basis amounting to INR 7.39 million (31<sup>st</sup> March 2020, INR 8.38 million).

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade or other receivables due from firms or private companies respectively in which any director is a partner, a director or a member is provided in note 39 (A).

Trade receivables are non-interest bearing and are generally on terms of 7 to 180 days.

For terms and conditions of related party receivables, refer note 39 (A).

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 10: Cash and cash equivalents

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Cash and cash equivalents:		
Cash on hand	0.54	0.91
Balances with banks:		
On current accounts	385.72	704.17
	<b>386.26</b>	<b>705.08</b>

### Changes in liabilities arising from financing activities

Particulars	Long term borrowings	Short term borrowings	Non-current lease liabilities	Current lease liabilities
<b>As at 1<sup>st</sup> April 2019</b>	<b>23,480.19</b>	<b>5,883.38</b>	-	-
Cash flows	(1,341.69)	(1,762.53)	-	(8.66)
Other	(1,720.52)	6,387.67	123.86	14.98
<b>As at 31<sup>st</sup> March 2020</b>	<b>20,417.98</b>	<b>10,508.52</b>	<b>123.86</b>	<b>6.32</b>
Proceeds from External Commercial Borrowings	22,413.57	-	-	-
Proceeds from borrowings	3,010.00	7,170.56	-	-
Repayment of borrowings	(14,195.20)	-	-	-
Cash flows	-	-	-	(12.78)
Other	(5,009.59)	(0.51)	19.46	16.98
<b>As at 31<sup>st</sup> March 2021</b>	<b>26,636.76</b>	<b>17,678.57</b>	<b>143.32</b>	<b>10.52</b>

### Note 11: Other bank balances

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Other Bank Balances:		
Unpaid dividend accounts	0.02	2.99
Fixed deposit pledged with bank/deposited with government authorities*	479.18	41.61
	<b>479.20</b>	<b>44.60</b>

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

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 12: Other current financial assets

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Derivative instruments at fair value through profit or loss	-	56.93
Deposits with commodity agent	-	-
Export Incentive receivable	3.02	96.27
Interest receivable	69.02	0.37
Other receivables**	886.41	807.67
	<b>958.45</b>	<b>961.24</b>
** Includes advances to related parties amounting to INR 31.21 million (31 <sup>st</sup> March 2020: Nil) (refer note 39).		
<b>Break-up for security details</b>		
Unsecured, considered good	941.30	961.24
Unsecured, credit impaired	17.15	-
<b>Total other current financial assets</b>	<b>(A) 958.45</b>	<b>961.24</b>
<b>Impairment allowance</b>		
Unsecured, considered good	-	-
Unsecured, credit impaired	(17.15)	-
	<b>(B) (17.15)</b>	<b>-</b>
<b>Total other current financial assets</b>	<b>(A-B) 941.30</b>	<b>961.24</b>

### Note 13: Other current assets

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Prepayments	214.74	113.60
Deposits	0.05	0.05
Balances with government authorities	1,134.66	1,424.47
Advances to suppliers**	3,475.16	588.90
Advances to staff	0.35	0.24
Others	528.99	3,157.84
	<b>5,353.95</b>	<b>5,285.10</b>
** Includes advances to related parties amounting to INR 250.58 million (31 <sup>st</sup> March 2020: INR 0.10 million) (refer note 39).		
<b>Break-up for security details</b>		
Unsecured considered good	2,133.65	4,147.91
Unsecured, considered doubtful	3,220.30	1,137.19
	<b>(A) 5,353.95</b>	<b>5,285.10</b>
<b>Impairment allowance</b>		
Unsecured considered good	-	-
Unsecured, considered doubtful	(3,220.30)	(1,137.19)
	<b>(B) (3,220.30)</b>	<b>(1,137.19)</b>
<b>Total other current assets</b>	<b>(A-B) 2,133.65</b>	<b>4,147.91</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 14(a): Equity share capital

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>a) Authorised share capital</b>		
8,000,000,000 Equity shares of INR 1 each	8,000.00	8,000.00
171,500,000 Preference shares of INR 100 each	17,150.00	17,150.00
	<b>25,150.00</b>	<b>25,150.00</b>
<b>b) Issued, subscribed and paid up equity capital</b>		
2,128,489,773 Equity shares of INR 1 each fully paid	2,128.49	1,916.82
(Previous year 1,916,819,292 Equity shares of INR 1 each fully paid)		
	<b>2,128.49</b>	<b>1,916.82</b>

\* During the year ended 31<sup>st</sup> March 2021 the Company has received INR 1,850 million as proceeds of preferential issue of 211,670,481 equity shares issued to Wilmar Sugar Holdings Pte. Ltd. (Ultimate holding company) at a cash price of ₹ 8.74 per share having a face value of Re 1 per share.

#### Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, if any, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Reconciliation of number of equity and preference shares outstanding

	Number of equity shares
<b>As at 1<sup>st</sup> April 2019</b>	<b>1,916,819,292</b>
Shares issued during the year	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>1,916,819,292</b>
Shares issued during the year	211,670,481
<b>As at 31<sup>st</sup> March 2021</b>	<b>2,128,489,773</b>

#### Details of shareholders holding more than 5% equity shares in the company

Name of the Shareholder	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	No. of Shares	% holding	No. of Shares	% holding
Wilmar Sugar Holdings Pte. Ltd.#	1,329,875,232	62.48%	1,118,204,751	58.34%
ICICI Bank Limited	190,846,571	8.97%	194,984,067	10.17%
IDBI Bank Limited	130,445,129	6.13%	181,554,441	9.47%

# Subsequent to the Preferential allotment, the promoter shareholding in the Company has increased from 58.34% (pre-Issue Equity Share Capital) to 62.48% (Post Issue Equity Share Capital).

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 14(b): Other equity

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>a) Securities Premium</b>		
As per last consolidated balance sheet	30,396.52	30,396.52
Shares issued during the year	1,638.33	-
<b>Closing balance</b>	<b>32,034.85</b>	<b>30,396.52</b>
<b>b) Debenture Redemption Reserve (DRR)</b>		
As per last consolidated balance sheet	625.00	625.00
Add: Transfer from/(to) consolidated statement of profit and loss	-	-
<b>Closing balance</b>	<b>625.00</b>	<b>625.00</b>
<b>c) Other reserves</b>		
Retained earnings	(51,722.94)	(51,859.44)
Equity contribution by parent	658.72	-
Foreign currency translation reserve	(300.44)	(654.63)
Changes in equity instrument and others	267.03	(153.36)
Cost of hedging reserve	100.83	-
Revaluation reserve	9,582.55	10,903.06
	<b>(41,414.25)</b>	<b>(41,764.37)</b>
<b>Other equity (a+b+c)</b>	<b>(8,754.40)</b>	<b>(10,742.85)</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), require the group to create DRR out of profits of the group available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued over the life of debentures.

### Changes in equity instruments

Changes in equity instruments represents reserves created in respect of equity instruments carried at Fair Value Through Other Comprehensive Income.

### Revaluation reserve:

Revaluation reserve is credited when property, plant and equipment's are revalued at fair value. The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the group recognised impairment of property, plant and equipment's through revaluation reserve amounting INR 18.63 million (31<sup>st</sup> March 2020: INR 1,105.36 million) (net of deferred tax) and INR 17.01 million (31<sup>st</sup> March 2020: INR 31.47 million) (net of deferred tax) as reversal of revaluation reserve on retiral/disposal of assets.

### Equity Contribution from Parents:

During the year, the Group has received waiver in respect of interest accrued on trade payables for purchase of raw sugar, advances for sale of white sugar and borrowings received from its ultimate holding company Wilmar Sugar Holdings Pte. Ltd. and its fellow subsidiary Wilmar Sugar Pte.Ltd. amounting to INR 658.72 million. The Group has accounted for these waivers as equity contribution from the ultimate holding company and has presented the same as a separate component of equity under other equity as per Ind AS 109 - Financial instruments.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 15: Borrowings (non-current)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Secured:</b>		
<b>a) Non-Convertible Debentures (refer note B below)</b>		
1,500 Redeemable non-convertible debentures (11.70%) of INR.1,000,000 each	1,327.48	1,379.98
1,000 Redeemable non-convertible debentures (11.30%) of INR.1,000,000 each	884.98	919.98
Redeemable non-convertible debentures (0.01%) of INR 1,000,000 each (31 <sup>st</sup> March 2021: Nil; 31 <sup>st</sup> March 2020: 5,521 Redeemable non-convertible debentures (0.01%) of INR 1,000,000 each)	-	2,721.50
<b>b) Term-Loans (refer note B below)</b>		
From Banks and financial institutions	2,833.86	12,374.76
<b>From others (refer note B below)</b>		
IFCI Limited (SDF)	30.70	179.65
<b>From Holding Company - Wilmar Sugar Holdings Pte. Ltd (refer note A(a) below)</b>		
External Commercial Borrowings (ECB) (refer note 39)	21,559.74	-
<b>Unsecured:</b>		
<b>Financial instrument</b>		
Redeemable preference shares (0.01%) of INR 100 each (31 <sup>st</sup> March 2021: Nil; 31 <sup>st</sup> March 2020: 74,388,207 Redeemable preference shares (0.01%) of INR 100 each)	-	1,365.07
Optionally convertible redeemable preference shares (0.01%) of INR 100 each (31 <sup>st</sup> March 2021: Nil; 31 <sup>st</sup> March 2020: 42,808,858 Optionally convertible redeemable preference shares (0.01%) of INR 100 each)	-	1,477.04
	<b>26,636.76</b>	<b>20,417.98</b>
Less: Current maturity of long-term borrowings transferred to other current financial liabilities (refer note 21)	(970.13)	(1,502.31)
	<b>25,666.63</b>	<b>18,915.67</b>

#### Terms of repayment for the loan outstanding as on 31<sup>st</sup> March 2021

Particulars	Maturity	Effective Rate of Interest	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Non-convertible debentures</b>				
Non-convertible debentures - LIC*	31 <sup>st</sup> March 2024	11.70%	1,327.48	1,379.98
Non-convertible debentures - LIC*	31 <sup>st</sup> March 2024	11.30%	884.98	919.98
Non-convertible debentures issued to lenders	31 <sup>st</sup> March 2027	12.90% ##	-	2,721.50
<b>Term loans</b>				
<b>From Banks and financial institutions</b>				
Indian Renewable Energy Development Authority (IREDA)	31 <sup>st</sup> December 2020	9.85%	-	60.38
Indian Renewable Energy Development Authority (IREDA)	31 <sup>st</sup> March 2022	11.75%	65.61	131.25
First Abu Dhabi Bank	12 <sup>th</sup> May 2026	9.70%	2,758.25	
Exim Bank	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	427.39
ICICI Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	3,738.66

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

Particulars	Maturity	Effective Rate of Interest	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
State Bank of India Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	293.54
IDBI Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	3,754.80
IDBI Bank Limited	28 <sup>th</sup> September 2024	8.70%	10.00	-
Axis Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	108.70
Kotak Mahindra Bank Limited	31 <sup>st</sup> March 2029	KMBL 1 year MCLR rate+1.1%	-	587.92
Ratnakar Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	45.36
Ratnakar Bank Limited	30 <sup>th</sup> Sept 2020	1 year MCLR plus 200 bps	-	13.00
Standard Chartered Bank	30 <sup>th</sup> April 2018	3.20%	-	2,230.55
Yes Bank Limited	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	372.71
SEFASU loan from banks	31 <sup>st</sup> March 2029	IDBI 1 year MCLR rate+1.1%	-	610.50
<b>From Others:</b>				
IFCI Limited (SDF)	30 <sup>th</sup> September 2021	12.00%	30.70	179.65
<b>From Holding Company - Wilmar Sugar Holdings Pte. Ltd.:</b>				
External Commercial borrowings	20 <sup>th</sup> July 2025	3.70% #	21,559.74	-
<b>Financial Instruments (from Banks and financial institutions):</b>				
0.01% Redeemable Preference Shares (RPS)	31 <sup>st</sup> March 2037	12.90% ##	-	1,365.07
0.01% Optionally Convertible Preference Shares (OCPS)	31 <sup>st</sup> March 2029	12.00% ##	-	1,477.04

# ECB carry the interest @ 6 month LIBOR + 3%. The EIR is calculated including applicable taxes, but excluding hedging cost.

## The NCD's and RPS issued to lenders was recorded at NPV using discounting factor of 12.90% and OCPS issued to lenders has been recorded at NPV using discounting factor of 12.00% .

\*The Company is in the process of restructuring its 11.70% non-convertible debentures (NCD) amounting to INR 1,500 million and 11.30% non-convertible debentures (NCD) amounting to INR 1,000 million, for which the Company has received a letter of intent from Life Insurance Corporation of India (debenture holders) on 11<sup>th</sup> October 2018. This letter was accepted by the Company on 16<sup>th</sup> October 2018 and quarterly repayment are made as per the letter of intent. The Company has obtained approval from the shareholders for the aforesaid transaction in the Annual General Meeting held on 7<sup>th</sup> September 2020. The Company has received approval from BSE Ltd. for the proposed restructuring on 2<sup>nd</sup> June 2021, which is valid for 3 months. The Company is in the process of finalizing documentation with debenture holders.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note A: Repayment schedule of financial instrument is as follows:

- a) The Company has received INR 22,414 million (USD 300 million) during the year ended 31<sup>st</sup> March 2021 through External Commercial Borrowings (ECB) from Wilmar Sugars Holdings Pte. Ltd. (Promoter Company). The proceeds have been utilized for repayment of Non-Convertible Debentures (NCD) issued to the banks amounting to INR 2,064 million, repayment of term loans amounting to INR 9,298 million and balance to meet the working capital requirements and for general corporate purposes and repayable on maturity (i.e after 60 months from the date of last utilisation) .
- b) During the year ended 31<sup>st</sup> March 2021 the Company has received INR 1,850 million as proceeds of preferential issue of 211,670,481 equity shares to Wilmar Sugar Holdings Pte.Ltd.(Promoter Company) at a cash price of ₹ 8.74 per share. The main object of the issue was to redeem 42,808,858 0.01% Optionally Convertible Preference Shares (OCPS) of ₹ 100 each fully paid-up and 74,388,207 0.01% Redeemable Preference Shares (RPS) of ₹ 100 each fully paid-up, both having aggregate value amounting to INR 11,720 million (having a book value of INR 2,930 million as on 30<sup>th</sup> June 2020) issued to the lenders of the Company as part of the Debt Restructuring arrangements and for other general corporate purposes. Accordingly, during the year ended, the proceeds of INR 1,637 million have been utilized for redemption of OCPS and RPS, and balance for General Corporate Purpose.
- c) Term loans availed from First Abu Dhabi Bank having maturity date of 12<sup>th</sup> May 2026 are repayable in 20 structured quarterly instalments commencing from 12<sup>th</sup> August 2021.
- d) NCD issued to LIC are repayable in 20 structured quarterly instalments commencing from 30<sup>th</sup> June 2019.
- e) Term loans from IREDA having maturity date of 31<sup>st</sup> March 2022 are repayable in 16 structured quarterly instalments respectively.
- f) Term loans from IFCI Limited (Sugar Development Fund ) having maturity date of 30<sup>th</sup> September 2021 are repayable in one half yearly instalment.

### Note B: Nature of security/guarantees

#### Non-convertible debentures, ECB and SDF Loans

1. First pari-passu charge by way of mortgage / hypothecation on all immovable / movable properties of the Company both present & future except assets at Panchaganga and Ajinkyatara which are exclusively charged to IREDA.
2. First pari-passu charge for ECB Lender and Second pari-passu charge for SDF on all the current assets of the company both present and future.

#### Corporate guarantee

Corporate guarantee of Wilmar International Ltd. towards term loan extended by First Abu Dhabi Bank and working capital loans (refer note 19) extended by Bank of America, Standard Chartered Bank and DBS Bank India Limited aggregating to INR 14,400 million (31<sup>st</sup> March 2020:INR 31,130 million).

#### IREDA Loan

Exclusive charge on plant, property and equipment at Panchaganga and Ajinkyatara (co-generation plants).

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 16: Other non-current financial liabilities

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Lease liabilities	143.32	123.86
	<b>143.32</b>	<b>123.86</b>

### Note 17: Net employee benefit liabilities (non-current)

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Provision for employee benefits:</b>		
Provision for gratuity (refer note 38)	152.16	153.86
Provision for leave encashment	74.23	79.29
	<b>226.39</b>	<b>233.15</b>

### Note 18: Government grants

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Current	53.90	27.13
Non-current	203.45	3.35
	<b>257.35</b>	<b>30.48</b>

### Note 19: Borrowings (current)

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Secured:*</b>		
Working capital from Banks:		
Rupee borrowings**	17,678.57	10,508.52
	<b>17,678.57</b>	<b>10,508.52</b>

\*refer note 15 for details of security.

\*\*Includes payables to related parties amounting to INR 6,417.25 million (31<sup>st</sup> March 2020: 6,735.53 million) (refer note 39).

### Note 20: Trade Payables

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Payables to others#*	6,797.62	14,773.92
Payables to related parties (refer note 39)	20,147.50	12,155.22
	<b>26,945.12</b>	<b>26,929.14</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.

Trade payables includes acceptances amounting to Nil (31<sup>st</sup> March 2020: INR 6,150.62 million) in respect of Letter of credits issued by the Company to the suppliers for purchase of materials. The arrangement is interest bearing and are payable within one year.

For terms and conditions with related parties, refer note 39

For explanations on the Group's liquidity risk management processes, refer note 43.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

Trade payable includes liabilities in relation to H&T payables for which the Company has provided corporate guarantee to RBL Bank Limited.

\*The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	53.92	10.87
- Interest due on above**	0.00	0.01
<b>Total</b>	<b>53.92</b>	<b>10.88</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.**	-	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.**	-	0.01

\*\* The amount is below INR 0.01 million

### Note 21: Other current financial liabilities

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current maturity of long-term borrowings (refer note 15)	970.13	1,502.31
Interest accrued but not due on borrowings	1,080.70	1,377.51
Unclaimed dividend	0.02	2.99
Salary payable	61.93	40.06
Lease liabilities	10.52	6.32
Commodity agent payable	-	354.55
Derivative liabilities	797.34	-
Other payables*	969.93	14,630.30
	<b>3,890.57</b>	<b>17,914.04</b>

\*Includes payables to related parties amounting to INR 610.75 million (31<sup>st</sup> March 2020: 14,259.44 million) (refer note 39).

### Note 22: Other current liabilities

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Advance from customers*	442.40	367.71
Statutory dues payable	137.30	219.95
Other payables	101.59	206.30
	<b>681.29</b>	<b>793.96</b>

\*Includes advance received from related parties amounting to INR 3.60 million (31<sup>st</sup> March 2020: INR 33.90 million) (refer note 39).

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 23: Net employee benefit liabilities (current)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Provision for gratuity (refer note 38)	70.95	59.99
Provision for leave encashment	13.94	9.57
	<b>84.89</b>	<b>69.56</b>

### Note 24: Revenue from operations

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Sale of products (gross)</b>		
Sale of manufactured sugar	44,928.63	33,291.19
Sale of ethanol and allied products	7,014.13	4,712.53
Sale of traded sugar and ethanol	1,766.49	7,259.44
Sale of power	1,413.64	1,259.08
Sale of by-products and others	263.49	726.08
Sale of engineering products	122.95	56.03
Sale of services	44.35	103.57
	<b>55,553.68</b>	<b>47,407.92</b>

### Contract balances

Contract liability as at 31<sup>st</sup> March, 2021 is INR 442.40 million (March 31, 2020 : INR 367.71 million).

### Performance obligation

The performance obligation is satisfied upon delivery of the goods to customers.

### Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Revenue as per contracted price</b>	55,662.20	47,482.38
Less: Discount	(58.44)	(54.96)
Less: Trade promotion expenses	(50.08)	(19.50)
<b>Revenue from contract with customers</b>	<b>55,553.68</b>	<b>47,407.92</b>

### Revenue from contract with customers - Segment for the year ended 31<sup>st</sup> March 2021

Type of goods or services	Sugar mills	Sugar refinery	Trading	Co- generation	Ethanol	Engineering	Other	Eliminations	Total
Sale of manufactured sugar	10,010.02	31,136.13	-	-	-	-	-	-	41,146.15
Sale of ethanol and allied products	-	-	-	-	7,014.58	-	-	-	7,014.58
Sale of traded sugar and ethanol	-	-	5,656.04	-	-	-	-	-	5,656.04
Sale of power	-	-	-	1,415.40	-	-	-	-	1,415.40
Sale of by-products and others	-	-	-	-	-	-	151.97	-	151.97
Sale of engineering products	-	-	-	-	-	125.35	-	-	125.35
Sale of services	-	-	-	-	-	44.19	-	-	44.19
Inter-segment sales	9,503.30	3,903.59	-	3,124.07	-	333.51	-	(16,864.47)	-
<b>Total revenue from contract with customers including intersegment sales</b>	<b>19,513.32</b>	<b>35,039.72</b>	<b>5,656.04</b>	<b>4,539.47</b>	<b>7,014.58</b>	<b>503.05</b>	<b>151.97</b>	<b>(16,864.47)</b>	<b>55,553.68</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Revenue from contract with customers for the year ended 31<sup>st</sup> March 2021

Type of goods or services	Sugar mills	Sugar refinery	Trading	Co-generation	Ethanol	Engineering	Other	Eliminations	Total
India	9,870.92	151.14	1,276.75	1,415.40	7,014.58	26.63	151.97	-	19,907.39
Outside India	139.10	30,984.99	4,379.29	-	-	142.91	-	-	35,646.29
Inter-segment sales	9,503.30	3,903.59	-	3,124.07	-	333.51	-	(16,864.47)	-
<b>Total revenue from contract with customers including intersegment sales</b>	<b>19,513.32</b>	<b>35,039.72</b>	<b>5,656.04</b>	<b>4,539.47</b>	<b>7,014.58</b>	<b>503.05</b>	<b>151.97</b>	<b>(16,864.47)</b>	<b>55,553.68</b>

### Revenue from contract with customers - Segment for the year ended 31<sup>st</sup> March 2020

Type of goods or services	Sugar mills	Sugar refinery	Trading	Co-generation	Ethanol	Engineering	Other	Eliminations	Total
Sale of manufactured sugar	9,716.47	23,574.72	-	-	-	-	-	-	33,291.19
Sale of ethanol and allied products	-	-	-	-	4,712.53	-	-	-	4,712.53
Sale of traded sugar and ethanol	-	-	7,259.44	-	-	-	-	-	7,259.44
Sale of power	-	-	-	1,259.08	-	-	-	-	1,259.08
Sale of by-products and others	590.31	-	-	0.65	-	-	135.12	-	726.08
Sale of engineering products	-	-	-	-	-	56.03	-	-	56.03
Sale of services	-	-	-	-	-	101.99	1.58	-	103.57
Inter-segment sales	7,395.83	3,591.27	-	2,680.88	-	739.93	4.71	(14,412.62)	-
<b>Total revenue from contract with customers including intersegment sales</b>	<b>17,702.61</b>	<b>27,165.99</b>	<b>7,259.44</b>	<b>3,940.61</b>	<b>4,712.53</b>	<b>897.95</b>	<b>141.41</b>	<b>(14,412.62)</b>	<b>47,407.92</b>

### Revenue from contract with customers for the year ended 31<sup>st</sup> March 2020

Type of goods or services	Sugar mills	Sugar refinery	Trading	Co-generation	Ethanol	Engineering	Other	Eliminations	Total
India	10,238.13	1,472.63	234.01	1,259.73	4,703.06	69.31	136.70	-	18,113.57
Outside India	68.65	22,102.09	7,025.43	-	9.47	88.71	-	-	29,294.35
Inter-segment sales	7,395.83	3,591.27	-	2,680.88	-	739.93	4.71	(14,412.62)	-
<b>Total revenue from contract with customers including intersegment sales</b>	<b>17,702.61</b>	<b>27,165.99</b>	<b>7,259.44</b>	<b>3,940.61</b>	<b>4,712.53</b>	<b>897.95</b>	<b>141.41</b>	<b>(14,412.62)</b>	<b>47,407.92</b>

### Note 25: Other income

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Other non-operating income:</b>		
Sugar export benefits from third party licences	-	352.09
Dividend on investments	1.17	1.27
Profit on sale of assets	-	32.60
Excess provision of earlier years written back	109.77	98.71
Government assistance	44.80	27.51
Miscellaneous income	172.78	73.65
<b>Finance income:</b>		
Interest on financial assets carried at amortized cost and others	42.34	1.33
	<b>370.86</b>	<b>587.16</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 26: Cost of raw materials consumed

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Sugar-cane	16,120.17	25,522.07
Raw-sugar	29,372.66	10,085.43
Coal and bagasse	1,057.73	1,015.00
Molasses, DNA, MGA and Rectified Spirit	391.02	1,086.02
Others	4.95	3.88
Engineering Division	153.95	-
	<b>47,100.48</b>	<b>37,712.40</b>

### Note 27: Purchase of traded goods

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Raw-sugar	1,591.92	3,268.28
White-sugar	225.37	151.35
Coal	15.04	1.16
Others	0.61	1.38
	<b>1,832.94</b>	<b>3,422.17</b>

### Note 28: Increase in inventories of finished goods, work-in-progress and traded goods

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Opening stock</b>		
Work-in-progress	22.81	48.00
Finished goods and intermediate products and traded goods	13,162.89	12,463.30
(A)	<b>13,185.70</b>	<b>12,511.30</b>
<b>Closing stock</b>		
Work-in-progress	62.64	22.81
Finished goods and intermediate products and traded goods	17,927.83	13,162.89
(B)	<b>17,990.47</b>	<b>13,185.70</b>
<b>Net increase in stock</b>	<b>(A-B)</b> <b>(4,804.77)</b>	<b>(674.40)</b>

### Note 29: Employee benefit expenses

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Salaries, wages and bonus	1,103.39	1,056.27
Contribution to provident and other funds	69.68	68.76
Gratuity expenses (refer note 38)	34.42	30.15
Staff welfare expenses	44.25	49.94
	<b>1,251.74</b>	<b>1,205.12</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 30: Depreciation and amortisation expenses

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Depreciation of tangible assets (refer note 3(a))	2,081.23	2,106.81
Amortisation of intangible assets (refer note 3(b))	3.88	0.85
	<b>2,085.11</b>	<b>2,107.66</b>

### Note 31: Foreign exchange loss/(gain)

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Foreign exchange loss/(gain)	(693.62)	1,729.00
	<b>(693.62)</b>	<b>1,729.00</b>

### Note 32: Finance Costs

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Liabilities measured at amortised cost:</b>		
On term loans	1,046.33	1,112.19
On external commercial borrowings	511.87	-
On working capital	1,531.22	2,538.98
On debentures	262.51	274.83
<b>Others:</b>		
Interest expenses on discounted securities	205.83	834.85
Interest expenses on right to use liabilities	14.49	12.77
Bank and other borrowing costs	229.22	325.27
	<b>3,801.47</b>	<b>5,098.89</b>
Unwinding of interest on borrowings at concessional rate	40.29	13.61
	<b>3,841.76</b>	<b>5,112.50</b>

### Note 33: Other expenses

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Consumption of stores and spares	546.21	537.18
Consumption of chemicals, consumables, oil and lubricants	508.70	374.25
Outsourced service cost	327.97	348.47
Consultancy services	6.96	-
Sugar house loading, un-loading and handling charges	247.94	210.81
Packing materials	845.87	689.12
Power and fuel	313.87	253.89
Rent	3.18	6.40
Repairs and maintenance:		
Plant and machinery	245.16	198.92
Buildings	6.43	3.23
Others	115.90	60.76
Rates and taxes	40.28	40.30
Insurance	97.85	53.51
Travelling and conveyance	17.68	37.07
Printing and stationery	9.82	10.49
Communication expenses	7.84	11.84
Legal and professional fees	127.05	162.48
Directors' sitting fees	8.50	1.40

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Payment to auditors	20.58	-
Impairment of financial assets	152.33	154.92
Impairment for trade receivables	7.39	-
Fixed asset written off	174.28	57.56
Safety and security expenses	60.32	57.14
Donations and contributions	0.76	1.30
CSR Expenditure	15.10	0.51
Premium paid on option contracts	-	13.58
Books, periodicals, subscription and membership expenses	0.27	0.04
Loss on derivatives and option contracts	360.75	407.95
Research and development	-	0.03
Impairment of goodwill	-	171.42
Repairs and maintenance-others	4.15	-
Freight and forwarding charges	1,143.86	854.07
Advertisement and sales promotion	170.47	154.63
Brokerage and discounts	39.18	47.14
Commission and market development expenses	0.43	36.67
Excise duty borne by the Company	0.13	-
Miscellaneous expenses	131.81	265.45
	<b>5,759.02</b>	<b>5,222.53</b>

### Note 34: Exceptional items

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Impairment of property, plant and equipment's (refer note 3(D))	1,127.95	-
Lumpsum one time payment to the bank for settlement of outstanding facilities of the Company	437.43	-
Lumpsum one time payment to bank for settlement of dues relating to erstwhile subsidiary of the company	325.78	-
Gain on redemption of securities*	(1,925.42)	-
Gain on modification of terms of financial instruments	-	(2,888.63)
	<b>(34.26)</b>	<b>(2,888.63)</b>

\* Gain on redemption of Non-convertible debentures (NCD), Redeemable preference shares (RPS) and Optionally convertible preference shares (OCPS).

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

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### Note 35: Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects profit/(loss) and share data used in the basic and diluted EPS computations:

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Loss attributable to equity holders to the parent of continued operations	(1,147.67)	(5,670.19)
Profit attributable to equity holders to the parent of discontinued operations	-	26,661.93
<b>Total net profit attributable to equity shareholders</b>	<b>(1,147.67)</b>	<b>20,991.74</b>
Weighted average number of equity shares for basic EPS**	2,028,163,764	1,916,819,292
<b>Earnings Per Share</b>		
Earning per share from continued operations towards parent - Basic	(0.57)	(2.96)
Earning per share from continued operations towards parent- Diluted	(0.57)	(2.96)
Earning per share from discontinued operations towards parent- Basic	-	13.91
Earning per share from discontinued operations towards parent - Diluted	-	13.91
Earning per share from continued and discontinued operations towards parent- Basic	(0.57)	10.95
Earning per share from continued and discontinued operations towards parent- Diluted	(0.57)	10.95

\*\*Weighted average number of equity shares takes into account the weighted average effect of changes in share transactions during the year.

Also, optionally convertible preference shares issued are not considered for diluted EPS computation as these are anti dilutive.

### Note 36. Commitment and contingencies

#### a) Other commitments

Outstanding commitments of the Group are as follows:

Outstanding commitments	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Estimated value of contract pending for execution on capital account	1,933.24	257.46

#### b) Guarantees

Outstanding guarantees of the Group are as follows:

Outstanding commitments	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Bank guarantee	439.28	515.25
Corporate guarantee	130.00	130.00

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 37. Contingent liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Income Tax Demands	167.97	167.97
Excise and Service Tax Demands	1,218.61	1,224.45
Sales Tax/VAT Demands	40.33	33.14
GST	124.47	101.72
Customs Demand	2,133.26	2,133.00
Other Matters	347.82	316.72
<b>Total</b>	<b>4,032.46</b>	<b>3,977.00</b>

### Note 38. Defined benefit plans

The Group has a defined benefit gratuity plan. The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

#### Risk to the plan

##### Following risks associated with the plan:

#### A. Actuarial risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse salary growth experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

#### B. Investment risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

#### C. Liquidity risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group there can be strain on the cash flows.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### D. Market risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

### E. Legislative risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

#### Actuarial assumptions

Key actuarial assumptions are given below:

##### Discount rate:

The rate used to discount other long term employee benefit obligation (both funded and unfunded) is determined by reference to market yield at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the balance sheet date) on government bonds is used. The currency and term of the corporate bond or government bond is consistent with currency and estimated term of the post-employment benefit obligation.

##### Salary growth rate:

This is Management's estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

##### Rate of return on plan assets:

This assumption is required only in case of funded plans. Interest income on plan assets is calculated using the rate used to discount the defined benefit obligation.

##### Mortality:

This assumption is based on the standard published mortality table without any adjustment.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Withdrawal rates:

This is Management's estimate of the level of attrition in the Group over the long term. Estimated withdrawal rates takes into account the broad economic outlook, type of sector the Group operates in and measures taken by the management to retain/ relieve the employees.

Sr. No.	Particulars	Gratuity Benefits	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>1</b>	<b>Change in benefit obligation</b>		
	Opening defined benefit obligation	312.59	274.14
	Current service cost	22.15	19.72
	Interest cost	19.15	17.85
	Actuarial loss/(gain) due to change in financial assumptions	(0.40)	16.68
	Actuarial loss/(gain) due to change in demographic assumption	-	(0.14)
	Actuarial loss/(gain) due to experience	(4.31)	14.94
	Benefits paid	(31.13)	(30.60)
	<b>Closing defined benefit obligation</b>	<b>318.05</b>	<b>312.59</b>
<b>2</b>	<b>Change in plan assets</b>		
	Opening value of plan assets	98.74	97.42
	Interest income	6.88	7.50
	Return on plan assets excluding amounts included interest income	(5.65)	(0.41)
	Contributions by employer	-	1.00
	Benefits paid	(5.03)	(6.77)
	<b>Closing value of plan assets</b>	<b>94.94</b>	<b>98.74</b>
<b>3</b>	<b>Fund status of plan assets</b>		
	Present value unfunded obligations	179.34	179.54
	Present value funded obligations	138.71	133.05
	Fair value of plan assets	(94.94)	(98.74)
	<b>Net liability (assets) (refer note 17 and 23)</b>	<b>223.11</b>	<b>213.85</b>
<b>4</b>	<b>Other comprehensive income for the current period</b>		
	Due to change in financial assumptions	(0.40)	16.68
	Due to change in demographic assumption	-	(0.14)
	Due to experience adjustments	(4.31)	14.86
	Return on plan assets excluding amounts included in interest income	5.65	0.41
	<b>Amounts recognized in other comprehensive income</b>	<b>0.94</b>	<b>31.81</b>
<b>5</b>	<b>Expenses for the current period</b>		
	Current service cost	22.15	19.72
	Interest cost (net of interest income)	12.27	10.43
	<b>Amount recognized in expenses (refer note 29)</b>	<b>34.42</b>	<b>30.15</b>
<b>6</b>	<b>Defined benefit liability</b>		
	Net opening provision in books of accounts	213.85	176.72
	Employee Benefit Expense	34.42	30.15
	Amounts recognized in Other Comprehensive Income	0.94	31.81
	Contributions to plan assets	-	(1.00)
	Benefits paid by the Company	(26.10)	(23.83)
	<b>Closing provision in books of accounts</b>	<b>223.11</b>	<b>213.85</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 2021

All amounts in million Indian Rupees, unless otherwise stated

Sr. No.	Particulars	Gratuity Benefits	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>8</b>	<b>Principal Actuarial Assumption</b>		
	Discount rate	5.74% to 7.70%	5.74% to 6.76%
	Salary Growth rate	5%	5%
	Withdrawal Rates	5% at younger ages reduced to 1% at older ages and 26% for Engineering division	5% at younger ages reduced to 1% at older ages and 26% for Engineering division
<b>9</b>	<b>Maturity Profile of Defined Benefit Obligation</b>		
	<b>Expected Future Cash flows</b>		
	Year 1	65.77	80.52
	Year 2	32.39	25.49
	Year 3	26.51	27.31
	Year 4	25.59	27.40
	Year 5	25.77	25.13
	Year 6 to 10	116.03	123.03
	Above 10 Years	243.94	209.49
	Average Expected Future Working Life (Years)	8.31	8.10
<b>10</b>	<b>Sensitivity to key assumptions*</b>		
	<b>Discount rate Sensitivity</b>		
	Increase by 0.5%	130.63	300.70
	(% change)	(58.93%)	(3.83%)
	Decrease by 0.5%	144.71	321.44
	(% change)	(54.51%)	2.81%
	<b>Salary growth rate Sensitivity</b>		
	Increase by 0.5%	144.17	321.27
	(% change)	(54.68%)	2.75%
	Decrease by 0.5%	131.03	300.83
	(% change)	(58.81%)	(3.79%)
<b>11</b>	<b>Expected contributions to the defined benefit plan in next years</b>	<b>10.40</b>	<b>6.52</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: Related party transactions

#### (a) Ultimate holding Company

- 1 Wilmar International Limited

#### (b) Holding Company

- 1 Wilmar Sugar Holding Pte Ltd.

#### (c) Affiliate companies

- 1 Adani Wilmar Limited
- 2 Wilmar Sugar Pte. Ltd.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

- 3 Wilmar Sugar India Private Limited
- 4 Wilmar Agri Trading DMCC, Dubai
- 5 Jawananis Rafinasi (JMR)
- 6 BIDCO Uganda Limited, Uganda
- 7 MW Rice Millers Limited
- 8 SANIA Cie
- 9 Ghana Speciality Fats Industries Ltd.
- 10 Surgace Wilmar-zimbabwe
- 11 Wilmar Africa
- 12 REPI Soap & Detergent PLC, Ethiopia
- 13 PT Duta Sugar International, Indonesia
- 14 Irving Investments Limited (Wilmar) Mozambique
- 15 Bright Agrocomm DMCC, Dubai
- 16 Great Wall – Wilmar Holding Limited, Myanmar
- 17 Great Wall – Wilmar Holding Limited, Beira
- 18 Alfa Trading Limited
- 19 Wilmar Sugar S.A.

**(d) Associate companies:**

- 1 Shree Renuka Global Ventures Limited, Mauritius
- 2 Shree Renuka do Brazil Participacoes Ltda
- 3 Renuka vale do Ivai S/A
- 4 Renuka do Brazil S/A
- 5 Shree Renuka Sao Paulo Participacoes Ltda

**(e) The Trustees Shree Renuka Sugars Limited**

**(f) Key managerial personnel**

- 1 Mr. Atul Chaturvedi - Executive Chairman
- 2 Mr. Vijendra Singh - Executive Director
- 3 Mr. Sunil Ranka - Chief Financial Officer
- 4 Mr. Deepak Manerikar - Company Secretary

**(g) Additional related parties as per the Companies Act, 2013 with whom transactions have taken place during the year**

- 1 Mr. Jean-Luc Bohbot
- 2 Mr. Madhu Rao
- 3 Mr. Bhupatrai Premji
- 4 Mr. Dorab Mistry
- 5 Mr. Stephen Ho Kiam Kong (till 22<sup>nd</sup> July 2020)
- 6 Mr. Cheau Leong Loo (w.e.f. 1<sup>st</sup> June 2020)
- 7 Mr. Bharat Kumar Mehta
- 8 Mr. Surender Kumar Tuteja
- 9 Ms. Priyanka Mallick
- 10 Mr. Rajeev Kumar Sinha (Nominee Director of IDBI Bank) (till 21<sup>st</sup> January 2021)
- 11 Mr. Kuok Khoon Hong (w.e.f. 25<sup>th</sup> October 2019)
- 12 Mr. T.K.Kanan (Alternate Director to Mr. Kuok Khoon Hong w.e.f. 18<sup>th</sup> December 2020)

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

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A	Transactions with related parties		As at and year ended	Sales*	Purchases*	Rental income/ other income	Interest expense on advances	Interest waiver	Loans and advance paid/ (refunded)	Loans (received)/ repaid	Advance received	ECB Loan	Share Capital issued during the year	Interest on ECB Loan and commitment fees
(a)	Ultimate Holding Company		31 March 2021	-	1095	5.85	-	-	-	-	-	-	-	-
i	Wilmar International Limited		31 March 2020	-	-	-	-	-	-	-	-	-	-	-
(b)	Holding Company													
i	Wilmar Sugar Holding Pte. Ltd.		31 March 2021	-	-	-	152.31	479.26	-	809.24	8,744.20	22,413.57	1,850.00	575.18
			31 March 2020	-	-	-	263.80	-	2.26	1,071.87	5,763.70	-	-	-
(c)	Affiliate companies													
i	Adani Wilmar Limited		31 March 2021	365.19	-	-	-	-	-	-	-	-	-	-
			31 March 2020	110.17	6.00	-	-	-	-	-	7.21	-	-	-
ii	Wilmar Sugar Pte. Ltd.		31 March 2021	23,674.04	28,318.86	-	87,698	179.46	-	-	-	-	-	-
			31 March 2020	9,688.23	14,469.47	-	147.24	-	-	1,513.64	4,802.00	-	-	-
iii	Wilmar Sugar India Private Limited		31 March 2021	-	-	0.37	-	-	-	-	-	-	-	-
			31 March 2020	-	-	0.11	-	-	-	-	-	-	-	-
iv	Wilmar Agri Trading DMCC		31 March 2021	-	-	1.92	-	-	-	-	-	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
v	Jawanani Rafinasi (JMR)		31 March 2021	19.51	-	-	-	-	-	-	-	-	-	-
			31 March 2020	46.64	-	-	-	-	-	-	4.07	-	-	-
vi	BIDCO Uganda Limited, Uganda		31 March 2021	0.40	-	-	-	-	-	-	-	-	-	-
			31 March 2020	3.78	-	-	-	-	-	-	1.26	-	-	-
vii	MW Rice Millers Limited		31 March 2021	0.28	-	-	-	-	-	-	-	-	-	-
			31 March 2020	6.23	-	-	-	-	-	-	-	-	-	-
viii	SANIA Cie		31 March 2021	1.09	-	-	-	-	-	-	-	-	-	-
			31 March 2020	13.53	-	-	-	-	-	-	-	-	-	-
ix	Ghana Speciality Fats Industries Ltd.		31 March 2021	35.28	-	-	-	-	-	-	12.26	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
x	Surgece Wilmar-zimbabwe		31 March 2021	2.89	-	-	-	-	-	-	12.45	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
xi	Wilmar Africa		31 March 2021	10.42	-	-	-	-	-	-	-	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
xii	REPI Soap & Detergent PLC, Ethiopia		31 March 2021	50.26	-	-	-	-	-	-	-	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
xiii	PT Duta Sugar International, Indonesia		31 March 2021	4.50	-	-	-	-	-	-	-	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
xiv	Irving Investments Limited (Wilmar Mozambique)		31 March 2021	-	-	-	-	-	-	-	-	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
xv	Bright Agrocomm DMCC, Dubai		31 March 2021	4.20	-	-	-	-	-	-	-	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
xvi	Great Wall – Wilmar Holding Limited Beira		31 March 2021	13.84	-	-	-	-	-	-	6.41	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
xvii	Alfa Trading Limited		31 March 2021	1.11	-	-	-	-	-	-	0.54	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
xviii	Alfa Trading Limited		31 March 2021	3.45	-	-	-	-	-	-	1.48	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-
xvii	Wilmar Sugar S.A.		31 March 2021	911.72	-	-	-	-	-	-	-	-	-	-
			31 March 2020	-	-	-	-	-	-	-	-	-	-	-

\* Amounts are excluding GST.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

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 settlement occurs in cash.

### Corporate guarantees:

There have been corporate guarantees received from Wilmar International Limited amounting to INR 14,400 million (31<sup>st</sup> March 2020; INR 31,130 million) towards term loan and working capital limits extended by Banks to Shree Renuka Sugars Limited.

### Break-up of amounts owed to and by related parties as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 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 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Loans</b>						
<b>Associate companies (refer note 4 (a))</b>						
Shree Renuka do Brazil Participacoes Ltda	5,285.58	5,285.58	5,285.58	5,285.58	-	-
Renuka vale do Ivai S/A	2,882.52	2,882.52	2,882.52	2,882.52	-	-
Renuka do Brazil S/A	5,556.26	5,556.26	5,556.26	5,556.26	-	-
Shree Renuka Sao Paulo Participacoes Ltda	1,833.11	1,833.11	1,833.11	1,833.11	-	-
Shree Renuka Global Ventures Ltd, Mauritius	30.79	30.79	30.79	30.79	-	-
	<b>15,588.26</b>	<b>15,588.26</b>	<b>15,588.26</b>	<b>15,588.26</b>	<b>-</b>	<b>-</b>
<b>Other current financial assets (refer note 12)</b>						
<b>Holding Company</b>						
Wilmar Sugar Holdings Pte. Ltd.	10.39	-	-	-	10.39	-
<b>Affiliate companies:</b>						
Wilmar Sugar Pte. Ltd.	20.82	-	-	-	20.82	-
	<b>31.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31.21</b>	<b>-</b>
<b>Other current assets (refer note 13)</b>						
<b>Affiliate companies:</b>						
Adani Wilmar Limited	0.10	0.10	-	-	0.10	0.10
Renuka vale do Ivai S/A	91.24	91.24	91.24	91.24	-	-
Wilmar Sugar India Private Limited	250.48	-	-	-	250.48	-
	<b>341.82</b>	<b>91.34</b>	<b>91.24</b>	<b>91.24</b>	<b>250.58</b>	<b>0.10</b>
<b>Trade receivables (refer note 9)</b>						
<b>Ultimate holding Company</b>						
Wilmar International Limited	5.85	-	-	-	5.85	-
<b>Affiliate companies:</b>						
Ravindra Energy Limited	-	12.54	-	-	-	12.54
Adani Wilmar Limited	19.80	0.42	-	-	19.80	0.42
Great Wall - Wilmar Holdings Limited, Beira	0.58	0.60	-	-	0.58	0.60
Irving Investments Limited (Wilmar) Mozambique	0.33	0.05	-	-	0.33	0.05
Bright Agrocomm DMCC	1.29	1.33	-	-	1.29	1.33
Alfa Trading Limited	-	0.38	-	-	-	0.38
Jawanani Rafinasi (JMR)	1.97	-	-	-	1.97	-
MW Rice Millers Limited	0.17	-	-	-	0.17	-
REPI Soap & Detergent Plc-Ethopia	33.24	-	-	-	33.24	-
Wilmar Africa	2.70	-	-	-	2.70	-
Wilmar Sugar Pte. Ltd.	-	3.96	-	-	-	3.96
Wilmar Sugar India Private Limited	0.21	-	-	-	0.21	-
	<b>66.14</b>	<b>19.28</b>	<b>-</b>	<b>-</b>	<b>66.14</b>	<b>19.28</b>

### Impairment of amounts owed by related parties

Up to 31<sup>st</sup> March 2021, the Group has recorded impairment of amounts owed by related parties of INR 15,679.50 million (31<sup>st</sup> March 2020: INR 15,679.50 million).

This assessment is undertaken during each financial year through examining the financial position of the related party and the market in which the related party operates.

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for the year ended 31<sup>st</sup> March 2021

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Details of amounts payable to related parties as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 are as follows:

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Borrowings (non-current) (refer note 15)</b>		
Wilmar Sugar Holdings Pte. Ltd.	21,559.74	-
	<b>21,559.74</b>	-
<b>Borrowings (current) (refer note 19)</b>		
Wilmar Sugar Holdings Pte. Ltd.	6,417.25	6,735.53
	<b>6,417.25</b>	<b>6,735.53</b>
<b>Trade payables (refer note 20)</b>		
<b>Ultimate Holding Company</b>		
Wilmar International Limited	10.99	-
<b>Affiliate companies:</b>		
Wilmar Sugar Pte. Ltd.	20,136.51	12,155.22
	<b>20,147.50</b>	<b>12,155.22</b>
<b>Other non-current financial liabilities (refer note 21)</b>		
Wilmar Sugar Pte. Ltd.	610.75	3,989.86
Wilmar Sugar Holdings Pte. Ltd.	-	10,269.58
	<b>610.75</b>	<b>14,259.44</b>
<b>Other current liabilities (refer note 22)</b>		
<b>Affiliate companies:</b>		
Jawanani Rafinasi (JMR)	-	0.70
BIDCO Uganda Limited, Uganda	2.68	-
PT Dutta Sugar International, Indonesia	0.83	-
MW Rice Millers Limited	-	0.12
Ghana Speciality Fats Industries Ltd.	0.09	26.21
Adani Wilmar Limited	-	6.87
	<b>3.60</b>	<b>33.90</b>

### B Transactions with key managerial personnel

#### Compensation of key managerial personnel\*

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Short-term employee benefits	83.07	85.48
Contribution to provident fund	3.77	2.70
Sitting fees	8.50	1.85
<b>Total</b>	<b>95.34</b>	<b>90.03</b>

\* Gratuity for Key managerial personnel is included in overall provision.

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for the year ended 31<sup>st</sup> March 2021

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### Note 40. Material partly owned subsidiaries

Financial information of Gokak Sugar Limited, subsidiary that has material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020:

Particulars	Gokak Sugars Limited
Proportion of non-controlling interest	6.36%
Country of incorporation and operations	India

### Accumulated balance of material non-controlling interest

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Accumulated balance of material non-controlling interest	(15.52)	2.03
Profit allocated to material non-controlling interest	(17.55)	4.60

The summarised financial information of Gokak Sugars Limited is provided below. This information is based on amounts before inter-company eliminations

### Summarised balance sheet

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Non-current assets	1,493.34	1,613.03
Current assets	1,098.39	637.89
<b>Total Assets</b>	<b>2,591.73</b>	<b>2,250.92</b>
Non-current liabilities	1,736.14	1.43
Current liabilities	1,099.32	2,217.26
<b>Total Liabilities</b>	<b>2,835.46</b>	<b>2,218.69</b>

### Summarised statement of profit and loss

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Total revenue</b>	1,326.86	2,380.58
<b>Less:</b>		
Cost of goods sold	960.64	1,794.37
Finance Cost	205.30	202.07
Other expenses	292.40	283.04
<b>Total cost</b>	<b>1,458.34</b>	<b>2,279.48</b>
<b>Profit before tax</b>	<b>(131.48)</b>	<b>101.10</b>
Tax expenses	144.52	28.51
<b>Profit after tax</b>	<b>(276.00)</b>	<b>72.60</b>
Other comprehensive income	0.05	0.12
<b>Total Comprehensive Income</b>	<b>(275.95)</b>	<b>72.72</b>

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for the year ended 31<sup>st</sup> March 2021

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### Note 41: Hedging activities and derivatives

During the year, Group has obtained External Commercial Borrowings (ECB) from its Holding Company, Wilmar Sugars Holdings Pte. Ltd. amounting to USD 300 million. The Company is also exposed to certain foreign currency risks relating to its on-going business operations. The primary risks managed using derivative instruments are foreign currency risk.

The risk management strategy and how it is applied to manage risk are explained in note 43.

#### Derivatives not designated as hedging instruments

The Group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 6 months.

#### Derivatives designated as hedging instruments

##### Cash flow hedges

##### Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges for outstanding ECB loan which has been denominated in USD.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the hedged item. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.

#### The Group is holding the following foreign exchange forward contracts

	Maturities		
	1 to 3 months	3 to 6 months	Total
<b>At 31 March 2021</b>			
Foreign exchange forward contracts			
Notional amount (million INR)	3,306.00	19,827.18	23,133.18
Average forward rate (INR/USD)	73.47	77.75	

#### The impact of the hedging instruments on the balance sheet is as follows:

	Notional amount	Carrying amount	Line item in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
<b>At 31 March 2021</b>				
Foreign exchange forward contracts	23,133.18	825.83	Other current financial liabilities	(352.24)

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for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

The impact of hedged items on the balance sheet is, as follows:

	Change in fair value used for measuring ineffectiveness	Effective portion of cash flow hedges	Cost of cash flow hedges
<b>At 31 March 2021</b>			
Foreign exchange forward contracts	(352.24)	(352.24)	(473.59)

The effect of the cash flow hedge in the statement of profit and loss is, as follows:

	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit and loss
<b>Year ended 31 March 2021</b>					
Net gain/(loss) on cash flow hedges	(352.24)	-	-	(352.24)	Foreign exchange loss/(gain) (net)
Net change in costs of hedging	-	-	(473.59)	574.42	Finance cost

### Note 42: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Financial assets:</b>				
<b>Fair value through profit or loss</b>				
Derivative instruments at fair value through profit or loss	-	56.93	-	56.93
Equity shares of Simbhaoli Sugars Limited	1.10	0.64	1.10	0.64
<b>Fair value through other comprehensive income</b>				
Investment in equity shares	599.98	179.59	599.98	179.59
<b>Other financial assets at amortised cost</b>				
Trade receivables	1,540.85	1,331.77	1,540.85	1,331.77
Cash and cash equivalents	386.26	705.08	386.26	705.08
Other bank balance	479.20	44.60	479.20	44.60
Other financial assets	1,004.78	965.98	1,004.78	965.98
<b>Total financial assets</b>	<b>4,012.17</b>	<b>3,284.59</b>	<b>4,012.17</b>	<b>3,284.59</b>
<b>Financial liabilities:</b>				
<b>Fair value through profit and loss</b>				
Derivative financial instruments	797.34	-	797.34	-
<b>Other financial liabilities at amortised cost</b>				
Borrowings				
Redeemable preference shares	-	1,365.07	-	1,365.07
Optionally convertible preference shares	-	1,477.04	-	1,477.04
Redeemable non-convertible debentures	2,212.46	5,021.46	2,212.46	5,021.46
IFCI (Sugar Development Fund)	30.70	179.65	30.70	179.65
SEFASU Loan	-	610.50	-	610.50
Other borrowings at floating rate of interest	42,072.17	15,537.24	42,072.17	15,537.24
Trade Payables	26,945.12	26,929.14	26,945.12	26,929.14
Other financial liabilities	2,266.42	23,271.13	2,266.42	23,271.13
<b>Total financial liabilities</b>	<b>74,324.21</b>	<b>74,391.23</b>	<b>74,324.21</b>	<b>74,391.23</b>

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for the year ended 31<sup>st</sup> March 2021

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The management assessed that cash and cash equivalents, trade receivables, trade payables, other current/non current assets and current/non current liabilities approximate their carrying amounts. The fair value are classified under Level 2 Fair value hierarchy.

### The following methods and assumptions were used to estimate the fair values:

Fair value of the unquoted equity shares recognised as FVTOCI has been estimated on the basis of offer received by the Group to sell its share holding.

The fair value of Redeemable preference shares, Optionally convertible preference shares, Redeemable non-convertible debentures outstanding as on 31<sup>st</sup> March 2020 issued to lenders are based on discounted cash flow using a current borrowing rate. They are classified as level-3 fair value 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, 2021, 31<sup>st</sup> March, 2020 are as shown below:

### Description of significant unobservable inputs to valuation:

	Valuation technique	Sensitivity of the input to fair value
Unquoted equity shares	Market realisable value estimated based on offer received by the Company to sell its share holding. .	5% (31 March 2021: increase/(decrease) in the market price per share would result in increase/(decrease) in fair value by INR 30.00 million (31 March 2020: INR 8.98 million)

### Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI:

	Amount
<b>As at 1<sup>st</sup> April 2019</b>	<b>179.59</b>
Measurement recognised in OCI	-
Purchases	-
Sales	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>179.59</b>
Measurement recognised in OCI	420.39
Purchases	-
Sales	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>599.98</b>

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for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### 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 2021:

	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value - recurring fair value measurement:</b>				
Derivative instruments at fair value through profit or loss	-	-	-	-
Investment in equity shares	601.08	1.10	599.98	-
<b>Asset measured at fair value:</b>				
Derivative financial instruments	797.34	-	797.34	-
<b>Borrowings</b>				
Redeemable non-convertible debentures	2,212.46	-	-	2,212.46

'There have been transfers of Investment in equity shares in NCDEX from Level 3 to level 2 based on offer received by the Company to sell its shareholding.

#### Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31<sup>st</sup> March 2020:

	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value - recurring fair value measurement:</b>				
Derivative instruments at fair value through profit or loss	56.93	-	56.93	-
Investment in equity shares	180.23	0.64	-	179.59
<b>Asset measured at fair value:</b>				
Derivative financial instruments	-	-	-	-
<b>Borrowings</b>				
Redeemable preference shares	1,365.07	-	-	1,365.07
Optionally convertible preference shares	1,477.04	-	-	1,477.04
Redeemable non-convertible debentures	5,021.46	-	-	5,021.46

There have been no transfers between Level 1 and Level 2 during the period.

### Note 43: Financial risk management objectives and policies:

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Group. The senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The board of directors reviews and agrees for managing each of these risks.

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### 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

### Interest rate sensitivity:

Particulars	As at 31 <sup>st</sup> March 2021	Composition	As at 31 <sup>st</sup> March 2020	Composition
Borrowing - Fixed interest rate	2,243.16	5.06%	8,653.72	35.77%
Borrowing - Floating interest rate	42,072.17	94.94%	15,537.25	64.23%
<b>Total</b>	<b>44,315.33</b>		<b>24,190.97</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/decrease in basis points	Effect on profit before tax
<b>31<sup>st</sup> March 2021</b>		
INR	50	210.36
<b>31<sup>st</sup> March 2020</b>		
INR	50	77.69

### Foreign exchange exposure and risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the ECB loan of USD 300 million availed from its holding company Wilmar Sugar Holdings Pte. Ltd and receivables and payables.

The Group manages its foreign currency risk by hedging transactions ranging from period of 2 months to 1 year. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable against operating activities.

The Group hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency forwards.

At 31 March 2021, the Group fully hedged against outstanding ECB loan, for 2 and 4 months and 60% of receivable and 24% of payable for 1 to 3 months. This foreign currency risk is hedged by using foreign currency forward contracts.

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### Foreign currency sensitivity:

As at 31<sup>st</sup> March 2021, net exposure of the Group to asset and liabilities is as follows:

Currency	Assets as at		Liabilities as at	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
United States Dollar (USD)	312.56	328.28	(20,985.40)	(35,655.84)
United Arab Emirates Dirham (AED)	21.45	2,392.54	(0.01)	(162.82)
European Union (EURO)	0.43	0.03	(1.07)	(1.03)
Japanese Yen (JPY)	0.17	-	-	(0.06)
Great Britain Pound (GBP)	-	-	-	(0.22)

5% increase and decrease in the foreign exchange rates will have the following impact on profit before tax:

Currency	Sensitivity Analysis Assets		Sensitivity Analysis Liabilities	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Increase by 5%</b>				
United States Dollar (USD)	15.63	16.41	(1,049.27)	(1,782.79)
United Arab Emirates Dirham (AED)	1.07	119.63	(0.00)	(8.14)
European Union (EURO)	0.02	0.00	(0.05)	(0.05)
Japanese Yen (JPY)	0.01	-	-	(0.00)
Great Britain Pound (GBP)	-	(0.01)	-	-
<b>Decrease by 5%</b>				
United States Dollar (USD)	(15.63)	(16.41)	1,049.27	1,782.79
United Arab Emirates Dirham (AED)	(1.07)	(119.63)	0.00	8.14
European Union (EURO)	(0.02)	(0.00)	0.05	0.05
Japanese Yen (JPY)	(0.01)	-	-	0.00
Great Britain Pound (GBP)	-	0.01	-	-

### 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 Group.

### Commodity price sensitivity:

	Sugar	Cane	Raw-sugar
<b>Increase in price by 5%</b>			
31 <sup>st</sup> March 2021	2,246.43	(806.01)	(1,468.63)
31 <sup>st</sup> March 2020	1,664.56	(1,276.10)	(504.27)
<b>Decrease in price by 5%</b>			
31 <sup>st</sup> March 2021	(2,246.43)	806.01	1,468.63
31 <sup>st</sup> March 2020	(1,664.56)	1,276.10	504.27

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### Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, thereby leading to a financial loss. The Group conduct thorough credit assessments before granting credit terms and limits to customers, who are then monitored closely for adherence. Group's export sales are majorly against advance or receipt against documents. The Group's domestic sugar sales are majorly to corporate customers after thorough credit assessments there by credit default risk is not significant and other domestic sales are based on advance collection. Further, ethanol being sold to public sector undertakings and Power is supplied to corporations run by state government, thereby the credit default risk is significantly mitigated.

### Trade receivables:

Trade receivables are non-interest bearing and are generally on credit terms of 7 to 180 days. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### Liquidity risk:

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, financial support from parent etc. The Group's policy is that not more than 25% of borrowings should mature in the next 12 month period. Post the recent debt restructuring process, the Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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 2021</b>				
Borrowings	12,309.36	26,242.04	-	38,551.40
Trade and other payables	26,945.12	-	-	26,945.12
Lease liabilities	13.70	16.99	918.56	949.25
Other financial liabilities	2,909.92	-	-	2,909.92
<b>Total</b>	<b>42,178.10</b>	<b>26,259.03</b>	<b>918.56</b>	<b>69,355.69</b>
<b>As at 31<sup>st</sup> March 2020</b>				
Borrowings	5,262.30	9,263.46	21,330.49	35,856.25
Trade and other payables	26,929.14	-	-	26,929.14
Lease liabilities	6.31	9.13	921.44	936.88
Other financial liabilities	23,143.75	114.73	-	23,258.48
<b>Total</b>	<b>55,341.50</b>	<b>9,387.32</b>	<b>22,251.93</b>	<b>86,980.75</b>

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for the year ended 31<sup>st</sup> March 2021

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### Note 44: Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of Group's management is to maximise shareholder's value.

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial and non financial covenants of any interest-bearing loans and borrowings in the current period.

The company manages its capital structure and make adjustments in light of changes in the financial conditions.

The calculation of capital for the purpose of capital management is as follows:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Equity share capital	2,128.49	1,916.82
Other equity (including securities premium)	(8,769.87)	(10,742.85)
	<b>(6,641.38)</b>	<b>(8,826.03)</b>

### Debt equity ratio

The debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a Group's financial leverage.

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Equity share capital	2,128.49	1,916.82
Other equity (including securities premium)	(8,769.87)	(10,742.85)
<b>Total Equity</b>	<b>(6,641.38)</b>	<b>(8,826.03)</b>
Total Borrowings	44,315.33	24,190.97
Debt equity ratio	(6.67)	(2.74)

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### Note 45: Segment information

#### Primary segment reporting for the year ended 31<sup>st</sup> March 2021

The management committee monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Group's financing (including finance costs and finance income) and income taxes are managed on a Group level and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Particulars	SUGAR		SUGAR - REFINERY		TRADING		CO-GENERATION		DISTILLERY		ENGINEERING		OTHER		ELIMINATIONS		TOTAL	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Revenue</b>																		
External sales	10,010.02	10,306.78	31,136.13	23,574.72	5,656.04	7259.44	1,415.40	1,259.73	7,014.58	4,712.53	169.54	158.02	151.97	136.70	-	-	55,553.68	47,407.92
Inter-segment sales	9,503.30	7,153.83	3,903.59	3,591.27	-	-	3,124.07	2,680.88	-	-	333.51	739.93	-	471	(16,864.47)	(14,170.62)	-	-
<b>Total Revenue</b>	<b>19,513.32</b>	<b>17,460.61</b>	<b>35,039.72</b>	<b>27,165.99</b>	<b>5,656.04</b>	<b>7,259.44</b>	<b>4,539.47</b>	<b>3,940.61</b>	<b>7,014.58</b>	<b>4,712.53</b>	<b>503.05</b>	<b>897.95</b>	<b>151.97</b>	<b>141.41</b>	<b>(16,864.47)</b>	<b>(14,170.62)</b>	<b>55,553.68</b>	<b>47,407.92</b>
Results	61.32	(284.29)	2,475.86	(389.16)	(5.73)	104.93	711.04	339.97	962.91	818.48	13.08	62.03	78.47	78.10	-	-	4,296.95	730.06
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,036.30)	(914.09)
<b>Operating profit</b>																	<b>3,260.65</b>	<b>(184.03)</b>
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,841.76	5,112.50
Foreign currency and derivative (gain)/loss (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(693.62)	1,729.00
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	370.86	587.65
<b>Profit from ordinary activities</b>																	<b>483.37</b>	<b>(6,437.88)</b>
Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34.26	2,888.63
<b>Profit/(loss) from continued operations</b>																	<b>517.62</b>	<b>(3,549.24)</b>
<b>Profit/(loss) from discontinued operations</b>																	-	<b>25,163.14</b>
<b>Total Profit/(loss) before tax</b>																	<b>517.62</b>	<b>21,613.90</b>
<b>Other Information</b>																		
Segment assets	22,060.55	21,410.42	23,044.94	18,622.94	385.73	2,581.93	11,420.86	11,661.43	8,464.95	7,892.05	426.29	380.56	551.11	580.46	-	-	66,354.42	63,129.78
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,711.39	3,617.95
<b>Total assets</b>	<b>22,060.55</b>	<b>21,410.42</b>	<b>23,044.94</b>	<b>18,622.94</b>	<b>385.73</b>	<b>2,581.93</b>	<b>11,420.86</b>	<b>11,661.43</b>	<b>8,464.95</b>	<b>7,892.05</b>	<b>426.29</b>	<b>380.56</b>	<b>551.11</b>	<b>580.46</b>	-	-	<b>69,065.81</b>	<b>66,747.73</b>
Segment liabilities	5,774.80	7,919.89	21,454.48	33,293.20	98.74	343.99	399.61	385.52	15,777	266.76	225.28	190.40	46.14	43.77	-	-	28,156.82	42,443.53
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,550.42	33,128.20
<b>Total liabilities</b>	<b>5,774.80</b>	<b>7,919.89</b>	<b>21,454.48</b>	<b>33,293.20</b>	<b>98.74</b>	<b>343.99</b>	<b>399.61</b>	<b>385.52</b>	<b>15,777</b>	<b>266.76</b>	<b>225.28</b>	<b>190.40</b>	<b>46.14</b>	<b>43.77</b>	-	-	<b>75,707.24</b>	<b>75,571.73</b>
Capital expenditure	2,094.8	45.42	132.31	-	-	-	202.70	933.54	384.87	614.50	1.18	5.47	0.19	0.59	-	-	930.73	1,599.52
Unallocated corporate capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32.10	1,297.1
<b>Total capital expenditure</b>	<b>2,094.8</b>	<b>45.42</b>	<b>132.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>202.70</b>	<b>933.54</b>	<b>384.87</b>	<b>614.50</b>	<b>1.18</b>	<b>5.47</b>	<b>0.19</b>	<b>0.59</b>	-	-	<b>962.83</b>	<b>1,796.63</b>
Depreciation	826.38	819.20	509.82	575.63	1.51	1.49	477.45	471.20	211.46	188.03	3.77	3.52	19.57	19.76	-	-	2,049.96	2,078.83
Unallocated corporate depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35.15	28.83
<b>Total depreciation</b>	<b>826.38</b>	<b>819.20</b>	<b>509.82</b>	<b>575.63</b>	<b>1.51</b>	<b>1.49</b>	<b>477.45</b>	<b>471.20</b>	<b>211.46</b>	<b>188.03</b>	<b>3.77</b>	<b>3.52</b>	<b>19.57</b>	<b>19.76</b>	-	-	<b>2,085.11</b>	<b>2,107.66</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 reconciliations.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Reconciliations to amounts reflected in the financial statements

#### Reconciliation of assets

	31 <sup>st</sup> Mar 2021	31 <sup>st</sup> Mar 2020
<b>Segment operating assets</b>	<b>66,354.42</b>	<b>63,129.78</b>
Deferred Tax asset (refer note 7)	-	1,581.35
Investment (refer note 4)	601.08	185.23
Cash and cash equivalents (refer note 10)	386.26	705.08
Other assets forming a part of unallocated segment	1,724.05	1,146.29
<b>Total assets</b>	<b>69,065.81</b>	<b>66,747.73</b>

#### Reconciliation of liabilities

	31 <sup>st</sup> Mar 2021	31 <sup>st</sup> Mar 2020
<b>Segment operating liabilities</b>	<b>28,156.82</b>	<b>42,443.53</b>
Non-current borrowings (refer note 15)	25,666.63	18,915.67
Current borrowings (refer note 19)	17,678.57	3,772.99
Current maturity of long-term borrowings (refer note 21)	970.13	1,502.31
Government grants (refer note 18)	257.35	30.48
Deferred tax liabilities (refer note 7)	127.26	43.46
Other liabilities forming part of unallocated segment	2,850.48	8,863.29
<b>Total liabilities</b>	<b>75,707.24</b>	<b>75,571.73</b>

#### Revenue from customers

	31 <sup>st</sup> Mar 2021	31 <sup>st</sup> Mar 2020
India	19,907.39	18,113.57
Outside India	35,646.29	29,294.35
<b>Total revenue</b>	<b>55,553.68</b>	<b>47,407.92</b>

#### Total assets

	31 <sup>st</sup> Mar 2021	31 <sup>st</sup> Mar 2020
India	68,602.35	63,909.11
Outside India	463.46	2,838.62
<b>Total assets</b>	<b>69,065.81</b>	<b>66,747.73</b>

#### Total liabilities

	31 <sup>st</sup> Mar 2021	31 <sup>st</sup> Mar 2020
India	26,103.77	38,761.47
Outside India	49,603.47	36,810.26
<b>Total liabilities</b>	<b>75,707.24</b>	<b>75,571.73</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 46: Statement pursuant to first provision to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Sr No.	Name of the Subsidiary	As % of consolidated net assets	Net assets i.e. Total assets minus total liabilities	As % of consolidated profit/loss after tax	Profit/(loss) for the year	As % of consolidated other comprehensive income	Other comprehensive income	As % of consolidated total comprehensive income	Total comprehensive income
I	<b>Parent</b>								
	Shree Renuka Sugars Limited	-32%	2,156.10	-48%	556.43	-502%	(439.53)	9%	116.90
II	<b>Indian subsidiaries</b>								
	Gokak Sugars Limited	4%	(243.72)	24%	(276.00)	0%	0.05	-22%	(275.95)
	Shree Renuka Agri Ventures Limited	3%	(220.62)	0%	(0.10)	0%	-	0%	(0.10)
	Monica Trading Private Limited	0%	24.85	2%	(20.14)	-2%	(2.08)	-2%	(22.22)
	Shree Renuka Tunaport Private Limited	0%	(8.03)	0%	(0.10)	0%	-	0%	(0.10)
	KBK Chem-Engineering Private Limited	17%	(1,150.30)	-1%	12.26	0%	(0.10)	1%	12.16
III	<b>Foreign subsidiaries</b>								
	Renuka Commodities DMCC, Dubai	156%	(10,381.62)	18%	(213.48)	0%	-	-17%	(213.48)
	Shree Renuka East Africa Agriventures PLC, Ethiopia	0%	0.01	0%	-	-	-	0%	-
IV	<b>Non controlling interest</b>	0%	(15.52)	2%	(17.55)	0%	0.00	-1%	(17.55)
V	<b>Consolidation adjustments / eliminations</b>	-48%	3,197.42	104%	(1,206.55)	404%	354.07	-68%	(852.48)
			<b>(6,641.43)</b>		<b>(1,165.22)</b>		<b>(87.59)</b>		<b>(1,252.81)</b>

### Note 47: Leases

#### Company as a lessee

The Company has lease contracts for various land, building and plant. Leases of land have a lease term of 30 years and 90 years, building generally 3 years and 5 years and plant 17 years and 30 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of building and leases of office with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Land	Buildings	Plant	Total
<b>ROU assets recognised as on 1<sup>st</sup> April 2019</b>				
Prepayments capitalised as ROU	-	-	1,260.32	1,260.32
ROU assets recognized to the extent to ROU liabilities	12.91	17.33	94.12	124.36
Transfer to ROU assets*	990.67	-	-	990.67
<b>Total</b>	<b>1,003.58</b>	<b>17.33</b>	<b>1,354.44</b>	<b>2,375.35</b>
Additions	-	1.70	23.26	24.96
Depreciation expense	(12.79)	(7.54)	(102.62)	(122.95)
Impairment recognised during the year	(311.92)	-	-	(311.92)
<b>As at 31<sup>st</sup> March 2020</b>	<b>678.87</b>	<b>11.49</b>	<b>1,275.08</b>	<b>1,965.44</b>
ROU assets recognized to the extent of ROU liabilities	-	21.96	-	21.96
Prepayments capitalised as ROU	-	-	10.98	10.98
ROU assets derecognized	-	(0.42)	-	(0.42)
<b>Total</b>	<b>678.87</b>	<b>33.03</b>	<b>1,286.06</b>	<b>1,997.96</b>
Depreciation expense	(8.79)	(10.79)	(102.62)	(122.20)
Impairment recognised during the year	-	-	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>670.08</b>	<b>22.24</b>	<b>1,183.44</b>	<b>1,875.76</b>

\* Net of accumulated depreciation

Set out below are the carrying amounts of lease liabilities (included under the head non-current and current financial liabilities) and the movements during the period:

	Amount
<b>As at 1<sup>st</sup> April 2019</b>	<b>124.36</b>
Additions	1.70
Accretion of interest	12.78
Payments	(8.66)
<b>As at 31<sup>st</sup> March 2020</b>	<b>130.18</b>
Additions	21.96
Deletion	(0.42)
Accretion of interest	14.49
Payments	(12.37)
<b>As at 31<sup>st</sup> March 2021</b>	<b>153.84</b>

The following are the amounts recognised in profit or loss:

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Depreciation expense of right-of-use assets	122.20	122.95
Interest expense on lease liabilities	14.49	12.77
Expense relating to short-term leases and low value leases	3.18	6.40
<b>Total amount recognised in profit or loss</b>	<b>139.87</b>	<b>142.12</b>

The Company had total cash outflows for leases of INR 15.54 million (31<sup>st</sup> March 2020: INR 15.06 million) during the financial year 31<sup>st</sup> March 2021. The Company do not have any future cash outflows relating to leases that have not yet commenced.

The Company has certain lease contracts that are non-cancellable for fixed period and considered will be terminated after completion of non-cancellable period.

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

### Note 48: Enterprises consolidated as subsidiary in accordance with Ind AS 112 – Disclosure of Interests in Other Entities.

Name of the Enterprise	Country of Incorporation	Proportion of ownership interest	
		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Renuka Commodities DMCC, Dubai	Dubai	100.00%	100.00%
Shree Renuka East Africa Agriventures PLC, Ethiopia*	Ethiopia	99.99%	99.99%
Gokak Sugars Limited	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 Private Limited	India	100.00%	100.00%
KBK Chem Engineering Private Limited	India	100.00%	100.00%

\* Liquidation application filed with concerned authorities

**Note 49:** The Group has considered all the possible impact of COVID-19 and associated internal and external factors, known to the management, in preparation of financial results for the quarter and year ended 31<sup>st</sup> March 2021, to assess and determine the carrying amount of its assets and liabilities. Accordingly, as on date, no material impact is estimated in the carrying values of the assets and their recoverability. As the situation continues to evolve, the Group will closely monitor and assess any material impact on the financial position of the Group.

### Note 50: Investment in an associate

The Group has a 17.12% interest in Shree Renuka Global Ventures Ltd, Mauritius , which further hold investment in Shree Renuka do Brasil Participacoes Ltda, Brazil which is involved in the manufacture of Sugar, power, Ethanol and allied products in Brazil. Shree Renuka Global Ventures Ltd, Mauritius is not listed on any public exchange. The Group's interest in Shree Renuka Global Ventures Ltd, Mauritius is accounted for using the equity method in the consolidated financial statements. The share of losses is restricted to the extent of Group's interest in the associate.

The following table illustrates the summarised financial information of the associate and Group's investment in Shree Renuka Global Ventures Ltd, Mauritius:

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current assets	8,068.25	1,667.89
Non-current assets	110,762.60	21,673.49
<b>Total assets</b>	<b>118,830.85</b>	<b>23,341.38</b>
Current liabilities	368,143.81	69,668.40
Non-current liabilities	125,944.83	20,419.75
Equity	(375,257.88)	(66,746.77)
<b>Total equity and liabilities</b>	<b>118,830.76</b>	<b>23,341.38</b>
<b>Group's share in equity restricted to the value of group's interest in associates (refer note 4)</b>	<b>(0.31)</b>	<b>(0.31)</b>
<b>Group's carrying amount of the investment (refer note 4)</b>	<b>-</b>	<b>-</b>

## Notes to consolidated financial statements

for the year ended 31<sup>st</sup> March 2021

All amounts in million Indian Rupees, unless otherwise stated

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>Income</b>		
Revenue from operations	54,227.93	7,871.14
Other income	4,043.59	1,284.01
<b>Total income</b>	<b>58,271.51</b>	<b>9,155.15</b>
<b>Expenses</b>		
Cost of raw materials consumed	50,896.01	9,693.87
Increase in inventories of finished goods, work-in-progress and traded goods	(211.14)	123.16
Finance costs	44,314.90	14,388.84
Other expenses	4,464.92	1,380.04
<b>Total expenses</b>	<b>99,464.70</b>	<b>25,585.91</b>
<b>Loss before exceptional items and tax</b>	<b>(44,193.18)</b>	<b>(16,430.76)</b>
Exceptional items	-	4.06
<b>Loss before tax</b>	<b>(41,193.18)</b>	<b>(16,426.70)</b>
Tax expense	-	-
<b>Loss after tax</b>	<b>(41,193.18)</b>	<b>(16,426.70)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(41,193.18)</b>	<b>(16,426.70)</b>
<b>Group's share of loss for the year</b>	<b>-</b>	<b>-</b>

**Note 51:** The Board of Directors of the Company at its meeting held on November 09, 2020 has approved the scheme of Merger of Gokak Sugars Limited, a subsidiary of the Company, with the Company. SRSL, being the listed Company, needs approval of Stock Exchanges and Securities and Exchange Board of India (SEBI). Accordingly, the Company has made an application to BSE Ltd (BSE) and National Stock Exchanges of India (NSE) on January 21, 2021 seeking their approval. BSE and NSE has forwarded the scheme to SEBI with their recommendation. After SEBI approval the Company will seek NCLT approval for the proposed merger.

**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**

**Atul Chaturvedi**  
 Executive Chairman  
**DIN: 00175355**  
 Date : 25<sup>th</sup> June 2021  
 Place: Ahmedabad

**Vijendra Singh**  
 Executive Director  
**DIN: 03537522**  
 Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

**Sunil Ranka**  
 Chief Financial Officer

**Deepak Manerikar**  
 Company Secretary  
**FCS No:F-6801**  
 Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

Date : 25<sup>th</sup> June 2021  
 Place: Mumbai

# AGM Notice

**NOTICE** is hereby given that the Twenty-Fifth Annual General Meeting of **Shree Renuka Sugars Limited** will be held on **Thursday, 2<sup>nd</sup> September 2021 at 11.00 a.m.** through Video Conferencing ('VC') to transact the following business:

## Ordinary Business

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 together with the Report of the Auditors thereon.
3. To appoint a Director in place of Mr. Vijendra Singh (DIN: 03537522), who retires by rotation and being eligible, offers himself for re-appointment.

## Special Business

### 4. Re-appointment of Mr. Atul Chaturvedi as Executive Chairman of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments thereto or statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration/Compensation Committee and approved by the Board of Directors in their meetings held on 25<sup>th</sup> June 2021 and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the aforesaid while granting such sanctions, approvals and permissions, consent of the members of the Company be and is hereby accorded to the re-appointment of

Mr. Atul Chaturvedi (DIN: 00175355) as 'Executive Chairman' of the Company for a period of 5 (Five) years with effect from 30<sup>th</sup> October 2021 to 29<sup>th</sup> October 2026, which includes approval to continue the appointment of Mr. Chaturvedi as Executive Chairman after he attains the age of 70 years during this term and to the revision in remuneration along with other terms and conditions with effect from 1<sup>st</sup> April 2021, as set out in the Explanatory Statement annexed to the notice and as enumerated in the agreement to be entered into between the Company and Mr. Chaturvedi, with the liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration/Compensation Committee of the Board) to revise, amend, alter and vary the terms and conditions of appointment and/or remuneration in such manner as may be permitted in accordance with the provisions of the Act and as may be agreed to by and between the Board and Mr. Chaturvedi;

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits of the Company in any financial year during the term of office of Mr. Atul Chaturvedi as Executive Chairman, he shall be paid remuneration as set out in the Explanatory Statement referred to above as the minimum remuneration;

**RESOLVED FURTHER THAT** the Board or a duly constituted Committee thereof be and is hereby authorised to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### 5. Re-appointment of Ms. Priyanka Mallick as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including

any statutory modification(s) or reenactment(s) thereof, for the time being in force), Ms. Priyanka Mallick (DIN: 06682955), who holds office of Independent Director up to 7<sup>th</sup> February 2022 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Ms. Mallick's candidature for the office of Director, and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, as recommended by the Nomination & Remuneration/Compensation Committee and by the Board of Directors in their meetings held on 25<sup>th</sup> June 2021, not liable to retire by rotation, to hold office for a second consecutive term of 5 (five) years on the Board of the Company w.e.f. 8<sup>th</sup> February 2022."

**RESOLVED FURTHER THAT** the Board or a duly constituted Committee thereof be and is hereby authorised to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## 6. Payment of Remuneration to Independent Directors for FY2020-21

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 197 and 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereto or statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination & Remuneration/Compensation Committee and by the Board of Directors in their meetings held on 25<sup>th</sup> June 2021, consent/approval of the members of the Company be and is hereby accorded for payment of remuneration to Independent Directors of the Company for the financial year 2020-21 as per following details:

Sr.	Name of Director	DIN	Remuneration (Amount)
1	Mr. Madhu Rao	02683483	INR 11,00,000
2	Mr. Surender Kumar Tuteja	00594076	INR 11,00,000
3	Mr. Bhupatrai Premji	07223590	USD 15,000
4	Mr. Dorab Mistry	07245114	USD 15,000
5	Dr. Bharat Kumar Mehta	00895163	INR 11,00,000
6	Ms. Priyanka Mallick	06682955	INR 11,00,000

**RESOLVED FURTHER THAT** the Board or a duly constituted Committee thereof be and is hereby authorised to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## 7. Issue of Redeemable Preference Shares (RPS) by conversion of Non-Convertible Debentures (NCDs)

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in super session, to the extent necessary, of the resolutions passed by the shareholders through Postal Ballot on 19<sup>th</sup> July 2019 and at the 24<sup>th</sup> Annual General Meeting of the Company held on 7<sup>th</sup> September 2020 and pursuant to the provisions of Sections 42, 55, 62 and all other applicable provisions of the Companies Act, 2013 and the Rules framed

thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, ("the Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") to the extent applicable, and all other laws including the Foreign Exchange Management Act, 1999, the Foreign Exchange (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, various rules, regulations, press notes, notifications, any other guidelines and clarifications issued by the Government of India, all applicable regulations, circulars, notifications issued by the Securities and Exchange Board of India ("SEBI Regulations"), the Reserve Bank of India ("RBI"), stock exchanges on which the Non-convertible debentures of the Company are listed and also by any other statutory/regulatory authorities as may be applicable, and

subject to all such other approvals, permissions, consents and/or sanctions of any authorities, as may be necessary, and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company, consent of the shareholders of the Company be and is hereby given to the Board of Directors of the Company (the Board), which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution, to create, offer, issue and allot, on private placement basis, upto 1,25,00,000, 5% Redeemable Cumulative Preference Shares having face value of ₹ 100 (Rupees One hundred) each ("RPS"), at par, aggregating up to ₹ 125 Crores, in one or more tranches, from time to time, to the following lender of the Company i.e., Life Insurance Corporation of India ("Lender"), upon conversion of a part of the debt given by the lender to the Company pursuant to the subscription by the lender to the debentures issued pursuant to Debenture Trust Deed dated 30<sup>th</sup> June 2012 and Debenture Trust Deed dated 16<sup>th</sup> March 2013 (collectively, the "Debentures"), and the RPS will carry a dividend of 5% per annum, on the terms mentioned herein and such other terms and conditions, as may be decided by the Board;

**RESOLVED FURTHER THAT** upon allotment of the RPS to the Lender pursuant to conversion of the Debentures into RPS, and such Debentures so converted shall cease to carry any interest from the date of allotment of the RPS;

**RESOLVED FURTHER THAT** subject to applicable laws, the terms of issue of the RPS are as follows:

- (a) The RPS shall carry a dividend of 5% per annum and rank for dividend in priority to the equity shares of the Company ("Equity Shares"), for the time being of the Company;
- (b) The RPS shall, in winding up be entitled to rank, as regards repayment of capital and dividend, upto the commencement of the winding up, in priority to the Equity Shares but shall not be entitled to any further participation in profits or assets or surplus fund;
- (c) The RPS shall not be convertible into Equity Shares and the payment of dividend

shall be on cumulative basis. Any accrued dividend that remains unpaid shall be paid on redemption, out of profits available for payment of Dividend.

- (d) The voting rights of the persons holding the said RPS shall be in accordance with the provisions of Section 47 of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force);
- (e) The RPS shall be redeemed in 12 structured installments commencing from 2029-30 ending on 2031-32, on terms approved by LIC of India vide its letter dated 11th October 2018, in accordance with the provisions of the Companies Act, 2013, SEBI Regulations and applicable laws.
- (f) The securities to be issued upon conversion of NCDs shall be allotted within the period prescribed under the relevant provisions of the Companies Act, 2013, provided that where the allotment is pending on account of pendency of any regulatory, Stock Exchange or Government of India (GOI) or other statutory approval(s), as may be applicable; the allotment shall be completed within the prescribed period, after receipt of such approval(s);
- (g) The allotment of RPS shall only be made in dematerialized form;
- (h) The Board be and is hereby authorised to decide and approve the other terms and conditions of the issue of RPS, and shall also be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to compliance with the Act, the applicable Listing Regulations, applicable SEBI Regulations and other applicable laws and requisite approval of the Lender(s) in their capacity as allottees of the RPS (as applicable);
- (i) The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any Committee of Directors or employee(s) or officer(s) of the Company, as it may consider appropriate, to give effect to the aforesaid resolution;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, execute such documents, and to take all such steps and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to allot such number of securities in one or more tranches to the lender pursuant to this resolution, as may be thought fit or decided by the Board, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the Preferential Issue of the RPS without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolution to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in the foregoing

resolution be and are hereby approved, ratified and confirmed in all respects.”

#### 8. **Approval for material related party transactions**

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, 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 Million)
1	Adani Wilmar Ltd.	Entity is a Joint Venture and Company is a subsidiary of the same third party i.e. Wilmar International Ltd.	<ul style="list-style-type: none"> <li>• Purchase/Sale of Sugar/coal</li> <li>• Promotional/ Advertisement arrangements</li> <li>Duration – 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022</li> </ul>	10,000
2	Wilmar Sugar Pte. Ltd	Entity & Company are subsidiaries of the same third party, Wilmar International Ltd.	<ul style="list-style-type: none"> <li>• Purchase of Raw Sugar</li> <li>• Interest on Imports and Advance</li> <li>• Sale of Sugar (Raw Sugar + White Sugar) and other materials</li> <li>• Demurrage/ Dispatch</li> <li>• Debit Note for Interest</li> <li>• Advance received and novated</li> <li>Duration – 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022</li> </ul>	75,000
3	Wilmar Sugar Holdings Pte. Ltd.	Holding Company of Shree Renuka Sugars Limited	<ul style="list-style-type: none"> <li>• Sale of Sugar</li> <li>• Interest</li> <li>• Advance- Novated</li> <li>• Interest Waiver</li> <li>Duration – 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022</li> </ul>	20,000
4	Wilmar Sugar India Private Limited	Entity & Company are Subsidiaries of the same third party, Wilmar Sugar Holdings Pte. Ltd.	<ul style="list-style-type: none"> <li>• Management services @ ₹ 100/- per metric tonne of sugar purchased by Wilmar Sugar India Pvt. Ltd.</li> <li>• Purchase/ Sale of Sugar</li> <li>Duration – 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022</li> </ul>	13,000

**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 party; 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."

#### 9. Ratification of remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and

the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of ₹ 5,25,000 (Rupees Five Lakhs Twenty Five Thousand only) (plus applicable tax and out of pocket expenses, if any, for the purpose of Audit) to M/s. B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) appointed as Cost Auditors by the Board of Directors of the Company for conducting the cost audit for the financial year ending 31<sup>st</sup> March 2022, 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."

#### 10. Approval for issue of equity shares through Qualified Institutions Placement (QIP)

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the applicable provisions of Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any amendments thereto, statutory modification(s) and/or re-enactment thereof, for the time being in force (collectively, the "Companies Act"), in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to the extent applicable, and the listing agreements entered into with the stock exchange(s) where the equity shares of the Company ("**Equity Shares**") are listed, and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**SEBI ICDR Regulations**"), the provisions of the Foreign Exchange Management Act, 1999, including any amendments thereto, statutory modification(s) and/or re-enactment thereof ("**FEMA**") and rules and regulations framed there under as amended from time to time, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (the "**GOI**"), as amended, and subject to other applicable rules, regulations and guidelines issued by the GOI, the Ministry of Corporate Affairs ("**MCA**"), the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**") and / or any other competent governmental or regulatory authorities from time to time to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, Stock Exchanges, RBI, and any other governmental or regulatory authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed

or imposed by any of them while granting any such approvals, permissions, consents and/ or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to include any committee(s) thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), consent of the members be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), such number of Equity Shares by way of a qualified institutions placement ("**QIP**") in accordance with Chapter VI of SEBI (ICDR) Regulations, 2018, in one or more tranches, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, of qualified institutions placement, through issue of placement document or other permissible/ requisite offer document to any eligible person, including Qualified Institutional Buyers, in accordance with Chapter VI of the SEBI ICDR Regulations, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares or not, as may be decided by the Board, at its sole and absolute discretion and permitted under applicable laws and regulations, in one or more tranches, for an aggregate amount not exceeding INR 15,000 Mn (Rupees Fifteen Thousand Million) or equivalent thereof, in such manner and on terms and conditions, as may be permitted by the relevant regulatory/ statutory authority, together with any amendments and modifications thereto in consultation with any merchant banker(s) or other advisor(s) appointed and / or to be appointed by the Company but without requiring any further approval or consent from the shareholders".

**"RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions:

- a) the Equity Shares to be so created, offered, issued and allotted shall be subject to

the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and applicable laws;

- b) the Equity Shares that may be issued by the Company shall rank pari-passu inter-se and with the existing Equity Shares of the Company in all respects including dividend, voting rights as may be provided under the terms of issue and in accordance with the placement document(s);
- c) the Equity Shares to be offered and allotted shall be in dematerialized form;
- d) No single allottee shall be allotted more than fifty per cent of the Issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;
- e) Equity Shares allotted pursuant to the Issue shall not be sold for a period of 1 year from the date of allotment, except on a recognized Stock Exchange or except as may be permitted from time to time by the SEBI ICDR Regulations;
- f) Any subsequent QIP shall not be issued until the expiry of two weeks from the date of the prior QIP made pursuant to this special resolution;
- g) the Relevant Date for determination of the price of the Equity Shares shall be the date of the meeting at which the Board (which term shall be deemed to include any Committee thereof), decides to open the proposed QIP, in terms of the provisions of the Act, the SEBI ICDR Regulations and other applicable laws, rules, regulations; and
- h) the allotment of Equity Shares as may be decided by the Board to each QIB shall be on a fully paid-up basis and the allotment of such Equity Shares shall be completed within a period of 365 days, from the date of passing of the Special Resolution by the members of the Company or such other time as may be allowed under the SEBI ICDR Regulations from time to time.

**"RESOLVED FURTHER THAT** any issue of equity shares by way of a QIP shall be at a price which is not less than the price determined in accordance with Regulation 176(1) provided under the SEBI

ICDR Regulations (the **"QIP Floor Price"**), subject to a discount of not more than 5% on the QIP floor price so arrived at, as may be approved by the Board of Directors or the Committee as mentioned above".

**"RESOLVED FURTHER THAT,** subject to applicable law, in the event that Equity Shares are issued to QIBs by way of the QIP in terms of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or a committee thereof decides to open the QIP of Equity Shares."

**"RESOLVED FURTHER THAT** the Board or any one of Mr. Atul Chaturvedi, Executive Chairman, Mr. Vijendra Singh, Executive Director, Mr. Sunil Ranka, Chief Financial Officer and Mr. Deepak Manerikar, Company Secretary of the Company, authorised by the Board in this behalf, or a committee of the Board authorised by the Board in this behalf, be and is hereby authorised to do all such acts to give effect to the aforesaid resolutions, including but not restricted to :

- a. appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, debenture trustees and all such agencies as are or may be required to be appointed, involved or concerned in the QIP and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies;
- b. Determining the form and manner of the issue;
- c. The number of Equity Shares to be allotted;
- d. Timing of the issue;
- e. Determination of person(s) to whom the Equity Shares will be offered and allotted, in accordance with applicable laws, the issue price, face value, discounts permitted under applicable laws (now or hereafter), premium amount on issue of the Equity Shares, rate of interest, execution of various agreements, deeds, instruments and other document;
- f. Settle all questions, difficulties or doubts that may arise with regard to the issue, offer

or allotment of Equity Shares (including in relation to issue of such Equity Shares in one or more tranches from time to time) and utilisation of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the Registrar of Companies, the Book Running Lead Manager(s), or other authorities or agencies involved in or concerned with the issue of Equity Shares;

- g. Negotiate, modify, sign, execute, register, deliver including sign any declarations or notice required in connection with the placement document for issue of the Equity Shares, escrow agreement, placement agreement, and other necessary agreements, memorandum of understanding, deeds, general undertaking / indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the Regulatory Authorities, if any) (the **"Transaction Documents"**) (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the **"Ancillary Documents"**) as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all such other acts, deeds, matters and things, mentioned herein as they may deem necessary in connection with the issue of the Equity Shares, in one or more tranches, from time to time and matters connected therewith;
- h. Approve execution of all contracts, including but not limited to the placement agreement, the escrow agreement and all other agreements and documents, deeds and instruments as may be required or desirable in connection with the raising of funds through issue of securities by the Company;

- i. Approve opening of the issue;
- j. Approve the price at which the shares are to be issued, in accordance with the SEBI ICDR regulations and this approval granted by the shareholders;
- k. Approve opening and operation of bank accounts as may be required for the transaction;
- l. List the Equity Shares, on BSE Ltd. and National Stock Exchange of India Ltd.
- m. Approve the offer document and make such changes as may be required to be made in accordance with the requirements of law or any regulatory or statutory authority, and filing the same with the Stock Exchange and / or such other authorities or persons as may be required;
- n. Settle any questions or difficulties that may arise in this regard to the QIB and give all such directions as may be considered necessary, expedient or desirable and take all steps which are incidental and ancillary in connection with the said issue of equity shares;
- o. Do such acts, deeds, matters and things as it may at its sole and absolute discretion consider necessary, desirable or appropriate, including submitting the relevant application to the Stock Exchange(s), for obtaining in-principle approval for listing of Equity Shares, filing of requisite documents/making declarations with the MCA, RBI, SEBI and any other Statutory / Regulatory Authority(ies), including filing of form FC-GPR, and any other deed(s), document(s), declaration(s) as may be required under the applicable laws;
- p. Do all such acts or things, execute and file such documents as may be required to give effect to the resolution;

without being required to seek any further consent or approval of the Members or otherwise **AND THAT** all or any of the powers conferred herein on the Company and the Board pursuant to this Special Resolution may be exercised by the Board or a duly authorised Committee thereof with the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Special

Resolution, and all actions taken by the Board or a duly authorised Committee thereof, to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed, in all respects”

**“RESOLVED FURTHER THAT** the Board and / or the aforesaid Committee be and is hereby authorised to delegate all or any of the powers herein conferred upon it to any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the QIP.”

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

2<sup>nd</sup> August 2021,  
Mumbai

**Deepak Manerikar**  
Company Secretary

**Regd. Office:**

2<sup>nd</sup> and 3<sup>rd</sup> Floor,  
Kanakashree Arcade,  
CTS No.10634, JNMC Road, Nehru Nagar,  
Belagavi – 590010, Karnataka  
CIN: L01542KA1995PLC019046

## Notes for e-AGM Notice

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed. There continue to be restrictions on movement of persons at several places in the country. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020, 5<sup>th</sup> May 2020 and 13<sup>th</sup> January 2021 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12<sup>th</sup> May 2020 and 15<sup>th</sup> January 2021 respectively issued by the Securities and Exchange Board of India (“SEBI Circulars”) and in compliance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 25<sup>th</sup> Annual General Meeting of the company (AGM) is being conducted through Video Conferencing/ Other Audio Visual Means (VC/OAVM), which does not require physical presence of members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM.
2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid circulars, the 25<sup>th</sup> Annual General Meeting (AGM) of the company being conducted through VC/OAVM herein after called as “e-AGM”.
3. Company has appointed M/s KFin Technologies Private Limited (KFin), Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
4. Pursuant to the provisions of the circulars of MCA on the VC/OAVM:
  - a. Members can attend the e-AGM through log in credentials provided to them to connect to Video conference.
  - b. Up to 1000 members will be able to join the e-AGM on FIFO basis.
  - c. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and remuneration/ Compensation Committee and Stakeholders Relationship Committee, Auditors etc.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA / SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Companies Act, 2013 (‘the Act’), authorized representative of the Corporate Member(s) may be appointed for the purpose of voting through remote e-Voting, for participation in the e-AGM through VC/OAVM and e-Voting during the e-AGM.
6. The presence of the Members attending the e-AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. An Explanatory Statement pursuant to Section 102 of the Act relating to the Special Business to be transacted at the Meeting is annexed hereto. The Board of Directors of the Company at its meeting held on 2<sup>nd</sup> August 2021 considered that the special business under Item Nos. 4 to 10, being considered unavoidable, be transacted at this e-AGM.
8. Members may note that the details of the Director seeking appointment / re-appointment as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) forms an integral part of the notice. The statement as required under Section II of Part II of the Schedule V to the Act with reference to Special Resolutions at Item No. 4 and 5, is enclosed as Annexure. Requisite declarations have been received from the Director for seeking his appointment / re-appointment.
9. Applicable statutory records and all the documents referred to in the accompanying Notice of the 25<sup>th</sup> AGM and the Explanatory Statement shall be available for inspection by the members at the Registered Office and Corporate Office of the Company on all working days during business hours up to the date of the Meeting. Such documents will also be available electronically for inspection by the members from the date of circulation of this notice upto the date of e-AGM and during the e-AGM. Members seeking to inspect such documents can send an email to [groupcs@renukasugars.com](mailto:groupcs@renukasugars.com)
10. The Company has appointed Ms. Tehseen Khatri of M/s. T F Khatri & Associates, Practicing Company Secretary having membership No. F9093 and CP No. 10417, to act as Scrutinizer to scrutinize the remote e-voting process and e-voting at the e-AGM in a fair and transparent manner. The members desiring to vote through remote e-voting / e-voting at e-AGM are requested to refer to the detailed procedure given hereinafter.
11. The Scrutinizer after scrutinizing the votes cast at the meeting and through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with Scrutinizer's Report shall be placed on the website of the Company. The results shall simultaneously be communicated to stock exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited.
12. Members are requested to notify immediately any change in their address, bank account details and / or e-mail id to their respective Depository Participant (DP) in respect of their electronic shares / demat accounts.  
  
In respect of physical shareholding, the details may be sent to the Registrar and Transfer Agent (RTA) of the Company at M/s. Kfin Technologies Private Limited, Unit: Shree Renuka Sugars Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032. Toll free No.: + 1800 309 4001, E-mail id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
  
Alternatively, members holding shares in physical form can update their e-mail ID/mobile no. on the website of RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
13. Members can avail the nomination facility in respect of shares held by them in physical form pursuant to Section 72 of the Act read with relevant rules. Members desiring to avail this facility may send their nomination in the prescribed Form SH. 13 duly filled in, signed and send to the Company or RTA.
14. In terms of Listing Regulations, the securities of the listed companies can only be transferred in dematerialized form with effect from 1<sup>st</sup> April 2019. In view of the same, members are advised to dematerialize shares held by them in physical form.
15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
16. 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 with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the RTA at the address mentioned above.
17. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and

amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. The Company had, accordingly, transferred 31,22,620/- being the unpaid and unclaimed dividend amount pertaining to Financial Year 2012-13 to the IEPF during the year. The Company had also transferred 21,48,181 equity shares of ₹ 1/- each to the IEPF Authority on which the dividends remained unpaid or unclaimed for seven consecutive years after following the prescribed procedure.

Details of the unpaid / unclaimed dividend, shares/dividend transferred to IEPF Authority are uploaded as per the requirements on the Company's website at [www.renukasugars.com](http://www.renukasugars.com). The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed at [www.iepf.gov.in](http://www.iepf.gov.in)

The shareholders whose dividend / shares have been transferred to the IEPF Authority can claim their dividend / shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority.

18. Subject to approval of the requisite number of votes, the Resolutions set out in this Notice for the e-AGM shall be deemed to be passed on the date of the meeting i.e. 2<sup>nd</sup> September 2021.
19. Communication through e-mail: Members may note that the Company would communicate important and relevant information, notices, intimation, circulars, annual reports, financial statements, any event based documents etc. in electronic form to the e-mail address of the respective members.

Further, as per the statutory requirement, the above stated documents are also disseminated on the Company's website [www.renukasugars.com](http://www.renukasugars.com). To support green initiative, Members who have not registered their e-mail addresses with the Depositories / Company / RTA, so far, are requested to register / update their e-mail addresses in the following manner:

- a. In respect of electronic/demat holdings with the Depository, through their concerned Depository Participants. However, the

members may temporarily register the same with the Company's RTA M/s. Kfin Technologies Private Limited at <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> in the Investor services tab by providing details such as Name, DP ID, Client ID, PAN, mobile number and email address.

- b. Members who hold shares in physical form are requested to register their e-mail ID with the Company's RTA M/s. Kfin Technologies Private Limited at [einward.ris@kfintech.com](mailto:ris@kfintech.com) in the Investor services tab by providing details such as Name, Folio No., Certificate number, PAN, mobile number and email address and also upload the image of share certificate in PDF or JPEG format (upto 1 MB).

On submission of the above details, a One-Time Password (OTP) will be received by the Member which needs to be entered in the link for verification.

This initiative would enable the members to receive communication promptly besides paving way for reduction in paper consumption and wastage. You would appreciate this initiative taken by the Ministry of Corporate Affairs and your Company's desire to participate in the initiative. If there is any change in e-mail id, shareholder can update his / her e-mail id in the same manner as mentioned above.

Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 25<sup>th</sup> AGM and the Annual Report for the financial year 2020-21, the notice and Annual Report are being sent only by email to the Members. This Notice of AGM and Annual Report 2020-21 will be send electronically only to the members, whose name appears in the Register of members / depositories as at closing hours of business on 30<sup>th</sup> July 2021. Members may note that this Notice and Annual Report 2020-21 will be available on the Company's website [www.renukasugars.com](http://www.renukasugars.com), website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

### Instructions for the Members for attending the e-AGM through Video Conference:

1. Attending e-AGM Video conference : Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com/> and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
2. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
4. Further, Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. AGM Questions prior to e-AGM: Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only if the shareholder continue to hold the shares as of cut-off date benpos, the link to post the questions shall commence on **30<sup>th</sup> August 2021 (9.00 a.m.)** and will be closed on **1<sup>st</sup> September 2021 (5 p.m.)**.
7. Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM conference.

8. Speaker Registration during e-AGM session: In case of decision to allow the Q&A session in the meeting, meeting may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on **30<sup>th</sup> August 2021 (9.00 a.m.)** and will be closed on **1<sup>st</sup> September 2021 (5 p.m.)**.

### Procedure for Remote E-Voting

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFin, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting:	<b>Monday, 30<sup>th</sup> August 2021 (9.00 a.m.)</b>
End of remote e-voting:	<b>Wednesday, 1<sup>st</sup> September 2021 (5.00 p.m.)</b>

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e 26<sup>th</sup>, August 2021

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). However, if he / she is already registered with KFintech for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in

demat mode."

The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

- Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
- Step 3 : Access to join virtual meetings(e-AGM) of the Company on KFIn system to participate e-AGM and vote at the AGM.

**Details on Step 1 are mentioned below:**

- I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. User already registered for IDeAS facility: <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> </li> <li>2. User not registered for IDeAS e-Services <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in points 1</li> </ol> </li> <li>3. Alternatively by directly accessing the e-Voting website of NSDL <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>II. Click on the icon "Login" which is available under 'Shareholder/ Member' section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>

Individual Shareholders holding securities in demat mode with CDSL	1.	Existing user who have opted for Easi / Easiest
	I.	Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>
	II.	Click on New System Myeasi
	III.	Login with your registered user id and password.
	IV.	The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal.
	V.	Click on e-Voting service provider name to cast your vote.
	2.	User not registered for Easi/Easiest
	I.	Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	II.	Proceed with completing the required fields.
	III.	Follow the steps given in point 1
	3.	Alternatively, by directly accessing the e-Voting website of CDSL
	I.	Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>
Individual Shareholder login through their demat accounts / Website of Depository Participant	II.	Provide your demat Account Number and PAN No.
	III.	System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
	IV.	After successful authentication, user will be provided links for the respective ESP, i.e KFinTech where the e- Voting is in progress.
	I.	You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.
	II.	Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
	III.	Click on options available against company name or e-Voting service provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**Details on Step 2 are mentioned below:**

- II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 6084, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Shree Renuka Sugars Limited - AGM" and click on "Submit"
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [tfkhatriassociates@gmail.com](mailto:tfkhatriassociates@gmail.com) with a copy marked to [groupcs@renukasugars.com](mailto:groupcs@renukasugars.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No."
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice

of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFin, by accessing the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- ii. Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**Details on Step 3 are mentioned below:**

- III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.
  - i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and

select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

- ii. Facility for joining AGM through VC / OAVM shall open at least 30 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vi. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- vii. Facility of joining the AGM through VC / OAVM shall be available for at least 1,000 members on first come first served basis.

- viii. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

### Other Instructions

**Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from **30<sup>th</sup> August 2021 (9 a.m.) to 1<sup>st</sup> September 2021 (5 p.m.)**. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

**Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from **30<sup>th</sup> August 2021 (9 a.m.) to 1<sup>st</sup> September 2021 (5 p.m.)**.

In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFin Website) or contact at KFin's toll free No. 1-800-309-4001 for any further clarifications.

- I. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Thursday, 26<sup>th</sup> August, 2021**, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for

information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- II. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she 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> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members who may require any technical assistance or support before or during the AGM are requested to contact KFin at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com) .

- III. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4: Re-appointment of Mr. Atul Chaturvedi as Executive Chairman of the Company

The Board of Directors (based on the recommendation of Nomination & remuneration/compensation Committee) has re-appointed Mr. Atul Chaturvedi as Executive Chairman of the Company for a period of 5 (Five) years w.e.f. 30<sup>th</sup> October 2021. The re-appointment and the terms and conditions of his re-appointment were subject to approval of the shareholders at the General Meeting, as per Section 196(4) of the Companies Act, 2013 (the Act). The Board of Directors have further approved revision in the remuneration of Mr. Atul Chaturvedi with effect from 1<sup>st</sup> April 2021, on the recommendation of the Nomination & Remuneration/Compensation Committee as per details given below.

In accordance with provisions of Section 196 read with Schedule V of the Companies Act, 2013 no Company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who has attained the age of seventy years unless a special resolution is passed to that effect. Mr. Atul Chaturvedi, aged 66, will be attaining the age of 70 as on 6<sup>th</sup> October 2025 i.e during his 2<sup>nd</sup> term as Executive Chairman and his continuation as Executive Chairman beyond this age will be subject to approval by the shareholders by way of a special resolution. Hence the approval of the shareholders is also sought for his continuation on the Board as Executive Chairman of the Company after attaining the age of 70 years.

The Board of the Company is of the opinion that Mr. Chaturvedi has four decades of rich experience in the areas of management, manufacturing and trading of agricultural commodities. He has contributed significantly to the turnaround of the Company during his tenure as an Executive Chairman. The Company will benefit significantly from his continuation on the Board. Therefore, the Nomination and Remuneration / Compensation Committee and Board is of the view that he is a fit and proper person to hold the said office, and his continuation as Executive Chairman will be in the interest of the Company and hence, recommends the continuation of Mr. Chaturvedi as Executive Chairman even after attaining the age of seventy years during this tenure.

The Nomination & Remuneration/Compensation Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his re-appointment as Executive Chairman will be in the interest of the Company.

The major terms of appointment are as given below:

#### Term of Office:

5 years with effect from 30<sup>th</sup> October 2021

#### Salary, Perquisites and Allowances of Mr. Atul Chaturvedi (with effect from 1<sup>st</sup> April 2021)

- A. Salary: 19,198,356 per annum
- B. Special Allowance: 1,292,160 per annum
- C. House Rent Allowance: 10,118,100 per annum
- D. Leave Travel Allowance : 1,292,160 per annum
- E. Ex-Gratia: 1,599,228 per annum

In addition to the above, Mr. Atul Chaturvedi will be entitled to the following perquisites and benefits as per the rules of the Company:

- i. Leave or encashment thereof as per the Leave Policy of the Company.
- ii. Free use of Company's car for Company's work as well as for personal purposes along with driver.
- iii. Free Telephone, Telefax and other communication facilities at residence including Mobile to be used for the business of the Company.
- iv. Performance based incentive not exceeding ₹ 30,00,000 (Rupees Thirty Lacs only) per annum.
- v. Gratuity as per the Payment of Gratuity Act, 1972.
- vi. Other Perquisites: Subject to the ceiling on remuneration as mentioned herein above, Mr. Chaturvedi may be given such other allowance, perquisite, benefits as the Board or Nomination & Remuneration/ Compensation Committee thereof may determine from time to time. The nomenclature of allowance/ reimbursement and corresponding amount thereof can be revised as per the rules of the Company
- F. Evaluation of perquisites: Perquisites shall be evaluated as per Income Tax Rules wherever

applicable and in the absence of any such Rule, perquisites shall be evaluated at actual cost.

- G. Minimum Remuneration: In the event of absence or inadequacy of profits of the Company in any financial year, the remuneration as mentioned herein above shall not be reduced but shall be payable as per the provisions of Schedule V of the Companies Act, 2013 ("the Act") and rules made thereunder. The maximum remuneration payable to Mr. Atul Chaturvedi, Executive Chairman by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, etc., as the case may be, shall not exceed ₹ 3,65,00,000/- (Rupees Three Crore Sixty Five Lacs only) per annum.

Mr. Atul Chaturvedi will not be paid any sitting fees for attending any meetings of the Board of Directors or Committees thereof.

In the absence of adequate profits during the previous financial year, the remuneration is proposed to be paid to Mr. Atul Chaturvedi as per the provisions of Schedule V to the Companies Act, 2013 and the provisions of Section 196, 197 and other applicable provisions, if any, of the Act.

Hence, the approval of the shareholders is being sought by way of a special resolution for the proposed re-appointment for 5 years with effect from 30<sup>th</sup> October 2021 to 29<sup>th</sup> October 2026 and also for revision in his remuneration with effect from 1<sup>st</sup> April 2021 as per details given herein above. The statement as required under Section II of Part II of the Schedule V to the Act with reference to Special Resolution at Item No. 4 is enclosed as Annexure.

In compliance with the provisions of Section 196, 197, 198 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013, the re-appointment and revised terms of remuneration of Mr. Atul Chaturvedi as 'Executive Chairman' as specified above are now being placed before the members for their approval.

Except Mr. Chaturvedi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

The Board recommends the Resolution at Item No. 4 of the Notice for approval of the members by way of a Special Resolution.

### **Item No. 5: Re-appointment of Ms. Priyanka Mallick as an Independent Director**

Ms. Priyanka Mallick (DIN: 06682955) was appointed as Non-Executive & Independent Director with effect from 8<sup>th</sup> February 2019, to hold office for a term of three years ending on 7<sup>th</sup> February 2022.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the members of the Company for another consecutive term of up to five years on the Board of a Company, and the term of office of an Independent Director shall not be liable to retire by rotation. The Independent Director can be so appointed for 2 consecutive terms only.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Mallick, being eligible, is offering herself for re-appointment and is proposed to be re-appointed as an Independent Director, on the recommendation of the Nomination & Remuneration/ Compensation Committee and on the basis of the outcome of her performance evaluation up to the Financial Year 2020-21, for a second consecutive term of 5 (five) years commencing 8<sup>th</sup> February 2022 up to 7<sup>th</sup> February 2027. Ms. Mallick is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a notice from a member proposing Ms. Mallick's candidature for the office of an Independent Director of the Company.

In the opinion of the Board, Ms. Mallick fulfills the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 along with the rules made thereunder for her re-appointment as an Independent Director of the Company and she is independent of the management. The Board believes that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, the Board of Directors recommends her re-appointment as a Director of the Company, who shall not be liable to retire by rotation.

The brief profile of Ms. Mallick, nature of her expertise, names of companies in which she holds Directorships, shareholding in the Company, etc. is given in the Appendix - 1 to the Notice. The terms & conditions of her re-appointment, consent to act as a Director, declaration by proposed appointee and notice received

under section 160 of the Companies Act, 2013, shall be open for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary of the Company.

The Board recommends the Special Resolution at Item No. 5 for approval by the Members.

Except Ms. Mallick, being an appointee, none of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

This Explanatory Statement may also be regarded as a disclosure under Regulation 26(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

#### **Item No. 6: Payment of Remuneration to Independent Directors for FY 2020-21**

Ministry of Corporate Affairs (MCA) has notified amendments relating to remuneration of Non-Executive Directors (including Independent Directors) effective from 18<sup>th</sup> March 2021. The amendments were introduced vide the Companies (Amendment) Act, 2020. The amendment prescribes quantum of remuneration payable to Non-Executive Directors in case if a company has no profits or its profit are inadequate.

In view of the above amendment, the Board of Directors at its meeting held on 25<sup>th</sup> June 2021 approved the payment of remuneration of ₹ 11,00,000/- to all Independent directors (USD 15,000 in case of foreign directors) for FY 2020-21 subject to the approval of the shareholders of the Company in the forthcoming General Meeting of the Company.

Since all the members of Nomination & Remuneration Committee (the Committee) are Independent Directors and therefore, interested in the agenda item, the Committee left it to the discretion of the Board of Directors to approve their remuneration.

The remuneration proposed is within the limits prescribed under Section II of Part II of the Schedule V of the Act.

In view of above, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice.

Except the Independent directors of the Company none of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

A statement pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 with reference to the resolution is given herewith as Annexure.

This Explanatory Statement may also be regarded as a disclosure under Regulation 26(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

#### **Item No. 7: Issue of Redeemable Preference Shares (RPS) by conversion of Non-Convertible Debentures (NCDs)**

The Company had issued 11.7% 1,500 Secured Non-Convertible Debentures (11.7% NCDs) and 11.3% 1,000 Secured Non-Convertible Debentures (11.3% NCDs) of ₹ 10 Lakhs each to LIC of India on 3<sup>rd</sup> April 2012 and 24<sup>th</sup> December 2012, both aggregating to ₹ 250 Crores, redeemable in 20 structured quarterly installments commencing from financial year 2019-20. Both the series of NCDs are listed on the debt segment of the BSE Limited.

As part of the Debt Restructuring exercise, the Company had approached LIC of India to restructure the repayment of these NCDs. Accordingly, LIC of India, vide its sanction letter dated 11<sup>th</sup> October 2018, agreed to convert the debt of ₹ 125 crores (represented by 50% of the total NCDs), into 5% Redeemable Cumulative Preference Shares (RPS) of ₹ 100/- each, repayable in 12 equal quarterly installments commencing from FY 2029-30 to FY 2031-32. The balance NCDs amounting to ₹ 125 Crores in the aggregate, will be repayable in 39 structured installments as agreed between the Company and LIC of India.

Whilst the Company had, vide the special resolution passed by the shareholders at the 24<sup>th</sup> Annual General Meeting held on 7<sup>th</sup> September 2020, granted consent to the Board to issue and allot, on a preferential basis, upto 1,25,00,000 (One crore Twenty-Five lakh) 5% Redeemable Cumulative Preference Shares having face value of ₹ 100 (Rupees One hundred) each (RPS) at par, aggregating up to INR 125 Crores, in one or more tranches, from time to time, to LIC of India ("Lender"), upon conversion of a part of the debt given by the lender to the Company, such Redeemable Preference Shares are required to be allotted within 12 months from the date of such resolution as per Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014.

The said period of 12 months will lapse on 6<sup>th</sup> September 2021. However, since the allotment of the RPS will not be completed by 6<sup>th</sup> September 2021 pending

execution of the necessary agreements with the lender, the aforesaid approval of the shareholders will lapse on 6<sup>th</sup> September 2021.

The BSE Ltd. has given its in-principle approval for the aforesaid issue which is valid till 1<sup>st</sup> September 2021. The Company proposes to seek fresh approval for the same on the expiry of validity of approval of BSE Ltd. This resolution is subject to the in-principle approval from BSE Ltd.

The Board therefore, seeks approval of the members again, for issue of the aforesaid NCDs on preferential basis to the lenders.

On receiving the approval of the shareholders, the Company will issue 1,25,00,000 5% RPS of ₹ 100 each by way of preferential allotment, repayable in 12 equal quarterly installments commencing from FY 2029-30 to FY 2031-32. The terms of issue of the RPS are more specifically enumerated in the special resolution.

**Disclosures as per Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 read with Rule 14(1) of the Companies (Prospectus and Allotment) Rules 2014, are as follows.**

- a. The objects of the issue – Conversion of debt (Non- Convertible Debentures issued to the LIC of India) into Redeemable Preference Shares, as part of the Debt Restructuring Exercise.
- b. The total number and kind of shares or other securities to be issued and the issue price – 1.25 Crores 5% RPS of ₹ 100/- each, aggregating to ₹ 125 Crores.
- c. Material terms of issue of RPS – As specifically enumerated in the resolution.
- d. Principal Terms of Assets Charged – Not applicable
- e. The price or price band at/within which the allotment is proposed – ₹ 100/- per share.
- f. The amount which the Company intends to raise by way of such securities – Not Applicable as the RPS are being issued on conversion of existing debt of the Company.
- g. Basis on which the price has been arrived at along with report of the registered valuer – As per report of the Registered Valuer M/s. Kakode Associates Consulting Private Limited, Mumbai, the value of the RPS has been arrived at ₹ 45.99 per share. Hence, the shares are being issued at ₹ 100/- per share.
- h. Relevant date with reference to which the price has been arrived at – 31<sup>st</sup> March 2019.
- i. The class or classes of persons to whom the allotment is proposed to be made – LIC of India, Financial Institution.
- j. Intention of promoters, directors or key managerial personnel to subscribe to the offer – None of the promoters, Directors or Key Managerial Personnel intend to subscribe to this offer.
- k. The proposed time within which the allotment shall be completed – Within 12 months from the passing of this resolution.
- l. The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them – The shares will be entirely allotted to LIC of India on part conversion of the NCDs issued to them. Post preferential offer the allottee will hold 100% of total preference share capital of the Company.
- m. The change in control, if any, in the company that would occur consequent to the preferential offer – There will not be any change of control consequent to the preferential allotment.
- n. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price – Nil
- o. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer – Not Applicable.
- p. Date of Passing of Board Resolution – 8<sup>th</sup> May 2019

The pre and post shareholding pattern of equity shares of the Company will be as follows:

Category	Pre-issue		Proposed issue	Post-issue	
	Shares	%		Shares	%
Promoters (A)					
Individuals	-	-		-	-
Body Corporates	132,98,75,232	62.48		132,98,75,232	62.48
<b>Total</b>	<b>132,98,75,232</b>	<b>62.48</b>		<b>132,98,75,232</b>	<b>62.48</b>
Public (B)					
Institutional Investors	28,98,58,308	13.62	-	28,98,58,308	13.62
Non Institutional Investors	-	-		-	-
Indian Public	40,35,38,656	18.96		40,35,38,656	18.96
Others (including NRI)	10,52,17,577	4.94		79,86,14,541	37.52
<b>Total</b>	<b>79,86,14,541</b>	<b>37.52</b>		<b>79,86,14,541</b>	<b>37.52</b>
<b>Grand Total</b>	<b>212,84,89,773</b>	<b>100.00</b>		<b>212,84,89,773</b>	<b>100.00</b>

**Notes:**

1. Pre issue equity shareholding pattern has been prepared based on shareholding of the Company as on 30<sup>th</sup> July 2021.
2. Post issue holding of all the other shareholders is assumed to remain the same, as it was on the date, on which the pre-issue shareholding pattern was prepared.

The pre and post shareholding pattern of Preference Shares of the Company will be as follows:

Category	Pre-issue		Proposed issue	Post-issue	
	Shares	%		Shares	%
Promoters (A)					
Individuals	-	-		-	-
Body Corporates	-	-		-	-
<b>Total</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>
Public (B)					
Institutional Investors	-	-	1,25,00,000	1,25,00,000	100
Non Institutional Investors	-	-		-	-
Indian Public	-	-		-	-
Others (including NRI)	-	-		-	-
<b>Total</b>	<b>-</b>	<b>-</b>		<b>1,25,00,000</b>	<b>100</b>
<b>Grand Total</b>	<b>-</b>	<b>-</b>		<b>1,25,00,000</b>	<b>100</b>

The Board of Directors, in its meeting held on 8<sup>th</sup> May 2019, had approved the aforesaid restructuring subject to the approval of the lenders and shareholders of the Company. As per Section 42, read with Section 62 and other applicable provisions of the Companies Act, 2013 (the Act), a Company may make an issue of securities to persons other than the shareholders of the Company, by way of private placement, after obtaining approval of the shareholders of the Company by way of a special resolution.

Further, as per Regulation 59 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Company shall not make material modification without prior approval of the stock exchange(s) where the non-convertible debt securities are listed, to the structure of the debentures in terms of coupon, conversion, redemption or otherwise.

LIC of India, the lender, has approved the proposed restructuring of the NCDs.

The Board of Directors recommends the Special Resolution as set out at Item No. 7 of the accompanying Notice for approval of the Members of the Company. None of the Directors or their relatives, Key Managerial Personnel or their relatives are in any way concerned or interested, financial or otherwise, in the proposed Resolution.

**Item No. 8: Approval for material related party transactions**

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. 8 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. 8, 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 held on 25<sup>th</sup> June 2021, and has noted most of these transactions are in the ordinary course of business and all the transactions are at arm's length. 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.

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 who is Managing Director in Wilmar Sugar Pte. Ltd. and Director in Wilmar Sugar Holding Pte. Ltd and Wilmar Sugar India Pvt. Ltd., Mr. Charles Loo Cheau Leong who is Director in Wilmar Sugar Pte. Ltd. and Wilmar Sugar Holding Pte. Ltd; and Mr. Madhu Rao and Mr. Dorab Mistry by virtue of their positions as Director in Adani Wilmar Limited.

The Directors recommend the Resolution as stated at item No. 8 of the Notice for approval of the members by way of an Ordinary Resolution.

### **Item No. 9: Ratification of remuneration of Cost Auditors**

The Board of Directors, on the recommendation of the Audit Committee, in its meeting held on 2<sup>nd</sup> August 2021, has approved appointment of M/s. B. M. Sharma and Co., Cost Accountants, as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year 2021-22. The Board has also approved payment of remuneration of ₹ 5,25,000 (Rupees Five lakhs Twenty Five thousand only) (plus applicable tax and out-of-pocket expenses, if any,) to the aforesaid firm to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2022.

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. 9 of the Notice.

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

The Board recommends the passing of the resolution as set out at item No. 9 for approval of the Members as an Ordinary Resolution.

### **Item No. 10: Approval for issue of equity shares through Qualified Institutions Placement (QIP)**

The Company recognizes significant growth opportunities in the area of its operations and adjacencies and continues to evaluate such avenues for organic and inorganic growth. The Company continues to require capital for its growth and expansion. The Company proposes to raise capital for the purposes of funding some of these growth opportunities and the capital expenditure needs of the ongoing or new projects, working capital requirements, general corporate requirements and/or any other purposes, as may be permissible under the applicable laws and approved by the Board. The growth expansion plans will enhance profitability and deleverage the balance sheet, thus creating more value and improved rating.

In line with the above, the Company proposes to raise funds through the issuance of Equity Shares for an aggregate amount of up to ₹ 15,000 Mn (Rupees Fifteen Thousand Million) to Qualified Institutional Buyers as defined under the SEBI ICDR Regulations ("QIBs"), for cash, in one or more tranches by way of qualified institutions placement ("QIP"), under the SEBI ICDR Regulations. Accordingly, the Board of Directors of the Company (herein referred to as "**Board**" which term shall include any committee thereof, constituted/to be constituted by the Board, from time to time, to exercise the powers conferred by this resolution), at its meeting held on 2<sup>nd</sup> August 2021, subject to the approval of the members of the Company, approved the issuance of Equity Shares at such price and on such terms and conditions as may be deemed appropriate by the Board or a duly authorised committee of the Board, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager and/or other advisor(s) appointed in relation to the Issue, in accordance with applicable laws and regulations, and subject to approval of the shareholders and other regulatory approvals as necessary. The Equity Shares so allotted will be listed and traded on stock exchange(s) where Equity Shares are currently listed, subject to obtaining necessary approvals.

In terms of Section 62(1)(c) of the Companies Act, 2013, shares may be issued to persons who are not the existing shareholders of a company, if the Company is authorised by a special resolution passed by its members. Therefore, consent of the Members is being sought by passing a special resolution as set out in the Notice, pursuant to applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the SEBI ICDR Regulations, 2018 and any other law for the time being in force and being applicable.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Companies Act, 2013, only after receipt of prior approval of its Members by way of a Special Resolution. Consent of the Members would therefore be necessary pursuant to the provisions of Sections 42 and 62(1)(c) of the Companies Act, 2013 read with applicable provisions of the SEBI ICDR Regulations and the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015, for issuance of the Equity Shares.

The pricing of the Equity Shares shall be determined by the Board in accordance with the applicable laws and regulations on pricing of securities prescribed, including under Chapter VI of the SEBI ICDR Regulations. The Board (including any Committee so authorised by the Board) may offer a discount of not more than 5% on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations.

The 'relevant date' for the purpose of the pricing of the Equity Shares to be issued and allotted in the proposed QIP shall be decided in accordance with the applicable provisions of the SEBI ICDR Regulations, which shall be the date of the meeting in which the Board or a Committee authorised by the Board decides to open the QIP, which shall be subsequent to receipt of members' approval in terms of provisions of Companies Act and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares.

The Board of Directors, accordingly, at their meeting held on 2<sup>nd</sup> August 2021 has recommended to the shareholders to give their consent to the Board of Directors or a Committee thereof, by way of a special resolution, to raise funds through issuance of Equity Shares to Qualified Institutional Buyers (**QIB**) by way of Qualified Institutional Placement (**QIP**). The QIBs may or may not be the existing shareholders of the Company.

The allotment of Equity Shares shall be completed within 365 days from the date of resolution passed by the Members.

The Equity Shares offered, issued, and allotted by the Company pursuant to the QIP in terms of the resolution would be subject to the provisions of the memorandum of association and articles of association of the Company and any Equity Shares that may be created, offered, issued and allotted by the Company shall rank, in all respects, pari-passu with the existing Equity Shares of the Company.

The Equity Shares shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognised stock exchange, or except as may be permitted under the SEBI ICDR Regulations from time to time.

In view of the above, it is proposed to seek approval from the Shareholders of the Company to offer,

create, issue and allot above Equity Shares, in one or more tranches, to investors inter alia through QIP by way of private placement or otherwise and to authorise the Board to do all such acts, deeds and things on the matter.

The Company has not allotted any securities on a preferential basis in the current year.

The Promoters and Directors of the Company would not contribute to the proposed issue of equity shares.

Directors or key managerial personnel of the Company or their relatives may be deemed to be concerned or interested in the Resolution to the extent of their shareholding in the Company.

The approval of the Members is being sought to enable the Board or a duly authorised Committee thereof, to decide on issuance of Equity Shares, to the extent and in the manner stated in the Special Resolution, as set out in Item No. 10 of this Notice, without the need for any fresh approval from the Members of the Company, in this regard.

The Special Resolution as set out in Item No. 10 of this Notice, is an enabling resolution and therefore the proposal seeks to confer upon the Board or a duly authorised Committee thereof, the sole and absolute discretion to determine the terms of the said issue of Equity Shares, including the exact price, proportion and timing of such issue, based on an analysis of the specific requirements. The detailed terms and conditions of such issue will be determined by the Board or a duly authorised Committee thereof, considering the prevailing market conditions, practices and in accordance with applicable laws.

The proposed QIP is in the interest of the Company and the Board recommends this resolution as set out at item No. 10 in the Notice for your approval as Special Resolution.

## APPENDIX-1 to the explanatory statement of the AGM Notice

### Information of Directors seeking re-appointment at the AGM

[In pursuance of SEBI (LODR) Regulations, 2015 & Secretarial Standards (SS)-2]:

NAME OF THE DIRECTOR	Vijendra Singh	Atul Chaturvedi	Priyanka Mallick
Date of Birth	1 <sup>st</sup> February 1960	6 <sup>th</sup> October 1955	13 <sup>th</sup> January 1985
Date of Appointment	10 <sup>th</sup> May 2020	30 <sup>th</sup> October 2021	8 <sup>th</sup> February 2022
Qualification	B.Sc from Meerut University in 1979. Post-Graduation in Sugar Technology from National Sugar Institute in 1981	Post graduate from St. Johns College (Agra University)	Bachelors' Degree from the prestigious St. Xavier's College Mumbai. Masters Degree in Biotechnology from the Edinburgh University.
Expertise in specific functional area / Brief Profile	<p>Mr. Singh has rich experience in agro processing industry for over 30 years. He began his career from Sugar Company - DCM Shriram Industries Ltd, as a Management Trainee and then gradually reached to the position of Senior General Manager and thereafter has held various senior positions in the top sugar companies of the country. During his stint with these companies, he has efficiently handled activities like production, commercial, expansion, modernization, construction of Co-generation plant and other related activities. Under his leadership, the overall efficiencies of the plants improved, productivities increased and operation streamlined.</p> <p>He is associated with our Company since September 2010.</p>	<p>Mr. Chaturvedi is a veteran in the Vegetable Oil/ Oil seeds and Agro Business of the Country. He has close to four decades of successful and varied general and strategic management experience in the field of Manufacturing, Trading and Agri Infrastructure Development. He has been associated with Adani Group since 1998 and has played a key role in the development of the Agro and Agri Infrastructure business of the Group. He is currently Director of Adani Agri Fresh Limited, as well as Executive Chairman of Shree Renuka Sugar Limited. The Companies where he serves as Director are market leaders in their category and have done pioneering work. A widely travelled International Trader, he has hands on experience in handling Agro Products, Vegetable Oils, Grains, Sugar, Oilseeds, Apples, Agri Infrastructure etc. both within and outside India.</p> <p>Mr. Chaturvedi has received many awards/recognitions over the years, like Best Analyst award from ZEE, Agri leadership award etc. He was declared as "Globoil Man of the Year-2013" for his contribution to Vegetable Oil Industry.</p> <p>Mr. Chaturvedi is associated with various Organisations and Trade Bodies. Currently he is President of Solvent Extractors Association of India (SEA) a leading trade body of Vegetable Oil Industry. He has been Dy. Chairman of SOPA. He is also associated with CII and headed the Task Force on Edible Oil and Oilseeds.</p>	<p>Ms. Mallick is the Managing Director of Q&amp;Q Research Insights Private Limited (Q&amp;Q). For over 15 years she has been at the forefront of market research in India. Ms. Mallick has been instrumental in shifting analytical models from those based on self-reporting of consumer behaviour to the fusion of data from a broad variety of sources, including the integration of consumers' passive online and offline behaviour. Under her leadership, Q&amp;Q pioneered Agriculture Market Research and became the only Indian company to make a mark in the Asian Agriculture Research space competing with MNC's that used to dominate the market then. Prior to Q&amp;Q, she was a consultant at the award winning London based Food manufacturing consultancy firm CPA, for 2 years</p>

NAME OF THE DIRECTOR	Vijendra Singh	Atul Chaturvedi	Priyanka Mallick
		Mr. Chaturvedi writes a regular Blog for Economic Times on Agriculture which is widely read. An eminent Speaker, his views are widely respected by Trade and Industry.	–
Directorship in all other public Companies except foreign companies and companies under Section 8 of the Companies Act, 2013	<ul style="list-style-type: none"> <li>➤ Gokak Sugars Limited</li> <li>➤ KBK Chem-Engineering Pvt. Ltd.</li> <li>➤ Shree Renuka Agri Ventures Limited</li> </ul>	Adani Agri Fresh Limited KBK Chem- Engineering Pvt. Ltd. The Solvent Extractors Association of India	–
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	Nil	5,00,000	Nil
Terms and Condition of appointment	To be reappointed as Whole time Director of the Company liable to retire by rotation.	Please refer the proposed Special Resolution No. 4 and its Explanatory Statement.	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. 8 <sup>th</sup> February 2022.
Number of meetings of the Board attended during the financial year 2020-21	6	6	6
Remuneration last drawn	Basic salary of ₹ 1,43,34,672 per annum and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company	Basic salary of ₹ 1,55,05,944 per annum and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company	–
Remuneration proposed to be paid	Basic salary of ₹ 1,67,34,672 per annum and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company	Please refer Explanatory Statement to Resolution No. 4	–
Relationship with Directors / Promoters inter-se	NA	NA	NA

## Statement pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 with reference to the Resolutions at Item No. 4 and 6

### I. General Information:

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

(₹ in Millon)

Sr. No.	Particulars	Audited figures for the year ended 31.03.2021	Audited figures for the year ended 31.03.2020	Audited figures for the year ended 31.03.2019	Audited figures for the year ended 31.03.2018
1.	Total Revenue (Gross)	54,615.25	44,387.23	44,703.36	59,031.22
2.	Profit/(Loss) before tax	2,153	(3,396)	(3,963.31)	(36,098.03)
3.	Net Profit/(Loss)	556.43	(5,512.03)	(3,818.95)	(29,821.36)
4.	Paid up share capital	2,128.49	1,916.82	1,916.82	1,916.82
5.	Reserves & Surplus	(8,618.43)	(12,488.12)	3,547.67	6,998.56

5. Foreign Investments or Collaborations, if any: Investments in Overseas Companies as on 31<sup>st</sup> March 2021 is ₹ 10.16 million. There are no foreign Collaborations.

### II. Information about the appointee:

#### Mr. Atul Chaturvedi

1. Background details: Mr. Atul Chaturvedi (Age: 66) is a veteran in the Vegetable Oil/ Oil seeds and Agro Business of the Country. He has more than 'four decades of successful and varied general and strategic management experience in the field of Manufacturing, Trading and Agri Infrastructure Development. He has been associated with Adani Group since 1998 and has played a key role in the development of the Agro and Agri Infrastructure business of the Group. He is currently a Director of Adani Agri fresh Limited as well as Executive Chairman of Shree Renuka Sugars Limited. The Companies where he serves/ served as Director are market leaders in their category and have done pioneering work. A widely travelled International Trader, he has hands on experience in handling Agro Products, Vegetable Oils, Grains, Sugar, Oilseeds, Apples, Agri Infrastructure, etc. both within and outside India.

Mr. Chaturvedi is associated with various Organizations and Trade Bodies. Currently, he is the President of Solvent Extractors Association of India (SEA), a leading trade body of Vegetable Oil Industry. He has been the Dy. Chairman of SOPA. He is also associated with CII and headed the Task Force on Edible Oil and Oilseeds. Mr. Chaturvedi is a regular face on Business Channels like CNBC, Bloomberg, Zee Business etc. and his views are well respected by the trade and industry.

2. Past Remuneration: Basic Salary ₹ 1,55,05,944 per annum and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company.
3. Recognition or awards: Mr. Chaturvedi has received many awards/recognitions over the years like Best Analyst award from ZEE, Agri leadership award etc. He was declared as "Globoil Man of the Year 2013" for his contribution to Vegetable Oil Industry.

4. **Job Profile and his Suitability:** Mr. Chaturvedi is in-charge of overall operations of the Company with substantial powers of management, except in the matters which may be specifically required to be done by the Board either by the Companies Act, 2013 or by the Articles of Association of the Company and shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and shall also do and perform all other acts and things which in the ordinary course of business may be considered necessary or proper or in the interest of the Company.  
  
Payment of proposed remuneration to Mr. Chaturvedi is considered suitable, considering the size of the Company, his qualifications, knowledge and his rich experience as mentioned above.
5. **Remuneration proposed/Terms & Conditions of appointment:** As detailed in the Explanatory Statement.
6. **Comparative remuneration profile:** Taking into consideration the size and past performance of the Company and the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to Mr. Chaturvedi is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
7. **Pecuniary Relationship:** Except remuneration as mentioned above, Mr. Chaturvedi does not have any pecuniary relationship directly or indirectly with the Company or any relationship with the managerial personnel of the Company.
8. **Directorship and committee membership/chairmanship of other companies:** Mr. Chaturvedi holds directorship in Adani Agri Fresh Limited, KBK-Chem Engineering Private Limited, Natural Growers Private Limited, Aalst Wilmar (India) Private Limited and The Solvent Extractors Association of India.

### **Other Information:**

1. **Reasons for loss or inadequate profits:**  
  
During the financial year ended 31st March, 2021, the Company has earned net profit of ₹ 556 Mn mainly due to improved realisations coupled with various cost saving initiatives taken by the Company, as against a net loss of ₹ 5512 Mn last year. The Board is of the view that the proposed remuneration of Mr. Atul Chaturvedi – Executive Chairman, the Company is commensurate with his rich knowledge and experience in the field. Therefore, the profits of the Company are inadequate considering the limits on remuneration as per Section 197 of the Companies Act, 2013.
2. **Steps taken or proposed to be taken for improvement:**  
  
The Company is taking various initiatives to reduce costs such as reduction in finance costs (by replacing high cost borrowings with low cost borrowings from the Wilmar Sugar Holdings Pte. Ltd., its holding company) and operating costs and improving efficiencies. The Company is also diversifying into manufacture of ethanol for supply to the Oil Marketing Companies (OMC) for the Ethanol Blending Programme of the Government of India. The Company is taking various steps to increase the manufacturing capacities for ethanol production, which, the Company believes would improve realisation and save valuable interest costs for the Company. Increase in the sugar prices and favourable environment for exports coupled with higher export realisations have helped the Company in improving its operational income. This trend is expected to continue resulting in better financial performance of the Company. The government has also provides various initiatives under its ethanol blending program, which is resulting in reviving the growth in sugar industry.
3. **Expected increase in productivity and profits in measurable terms:**  
  
Considering the favorable policy initiatives of the Government for sugar industry and other favorable factors as mentioned above, the various steps taken by the Company for reducing finance and operating cost and increasing efficiencies and the increased thrust of the Company on production of ethanol, the Company is hopeful of further improving profitability in the years to come.



**Shree Renuka Sugars Limited**

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