

**ASHOK KUMAR, PRABHASHANKAR & CO.**  
CHARTERED ACCOUNTANTS  
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**INDEPENDENT AUDITORS' REPORT**

To the Members of  
**GOKAK SUGARS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying Ind AS financial statements of **GOKAK SUGARS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

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

### **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 in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder;
  - e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and




- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company have disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27(v) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Mumbai  
Date: 27.04.2018



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

Chartered Accountants  
Firm Regn No. 004982S

  
**A. Umesh Patwardhan**

Partner  
Membership No. 222945

**Annexure A to the Auditors' Report**

The Annexure referred to in our report to the members of Gokak Sugars Limited for the year ended March 31, 2018. We report that:

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, all fixed assets have been physically verified by the management during the year periodically which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) With regard to inventory, physical verification has been conducted by the management at reasonable intervals and no significant material discrepancies were noticed on the physical verification of stocks and the differences between the book stocks and the physical stocks have been properly dealt with in the books of account.
- iii) a) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 except to its Holding Company which is extended as Trade Advance.
- b) Since the Company has not granted any loans as specified in clause (a) other than Trade Advance to the Holding Company, the question of reporting whether rate of interest and other terms and conditions of loan are prejudicial to the interest of the company does not arise.
- iv) The Company has no loans, investments, guarantees and security that requires the compliance under section 185 and 186 of the Companies Act, 2013.
- v) According to the information and explanations given to us, the company has not accepted any deposits, hence reporting on clause (v) of the order is not applicable.
- vi) The Central Government has prescribed maintenance of cost records u/s. 148(1) of the Companies Act, 2013 for some products of the Company. We have broadly reviewed these records of the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records.
- vii) a) According to the information and explanations given to us and as per books and records examined by us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities outstanding as at 31<sup>st</sup> March 2018 for a period exceeding six months from the date they became payable.
- b) According to the information and explanations given to us and as per the records examined by us, there are no disputed amounts in respect of Income tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax as at 31<sup>st</sup> March 2018 except the following:

Sl No	Name of the Statute	Nature of Dues	Amount (Rs in Mn)	Period	Forum where Dispute is pending
1	Central Excise Act, 1944	Excise Duty	0.12	2009-10 and 2010-11	CESTAT
<b>Grand Total</b>			<b>0.12</b>		



- viii) The Company has borrowed funds from banks and financial institutions but has not raised funds by way of debentures. There is no default in repayment of dues to banks and financial institutions.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans borrowed during the year have been utilised for the purposes for which they were raised.
- x) As per information and explanations given to us and on the basis of our examinations of books and records, there were no frauds on or by the company has been noticed or reported during the year.
- xi) No managerial remuneration has been paid by the Company during the year and hence reporting on clause (xi) of the order is not applicable.
- xii) This is not a Nidhi Company, hence reporting under clause (xii) does not apply.
- xiii) As per information and explanations given to us and on the basis of our examinations of books and records, all the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence reporting on this clause is not applicable.
- xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

Place: Mumbai  
Date: 27.04.2018



**For Ashok Kumar Prabhaskar & Co.**

Chartered Accountants  
Firm Regn No: 004982S

  
**A. Umesh Patwardhan**  
Partner

Membership No: 222945

## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Gokak Sugars Limited** ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with our audit of the Ind AS 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 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.

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

Place: Mumbai  
Date: 27.04.2018



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

Chartered Accountants  
Firm Regn No. 004982S

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**A. Umesh Patwardhan**  
Partner  
Membership No. 222945

**GOKAK SUGARS LIMITED**  
 Regd. Office: Sy. No. 238 & 263, Kolavi Village, Tal: Gokak Dist : Belagavi  
**Balance Sheet as at 31st March, 2018**

(Amount in Rupees)

	Notes	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>I ASSETS</b>				
<b>(1) Non-Current Assets</b>				
Property, Plant and Equipments	2A	1,422,021,932	1,484,087,536	1,485,291,132
Capital Work-In-Progress - Tangible	2A	9,854,274	8,010,442	25,008,447
Other Intangible assets	2B	1,285	35,226	75,855
<b>Financial Assets</b>				
Investments	3	5,000,000	-	-
Trade receivables		-	-	-
Loans		-	-	-
Other Advances	5	365,351,171	16,387,375	17,340,725
Deferred Tax Assets (Net)	4	88,202,369	-	-
<b>(2) Current Assets</b>				
Inventories	6	751,566,376	228,949,180	214,713,374
<b>Financial assets</b>				
Trade Receivables	7	196,493,800	291,115,809	81,458,234
Cash and Cash Equivalents	8	80,602	14,188	440,523
Other Bank Balances	9	80,943,640	66,168,170	33,027,655
Other Advances	10	11,956,738	21,946,559	19,096,800
<b>Total</b>		<b>2,931,472,187</b>	<b>2,116,714,485</b>	<b>1,876,452,746</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	11	351,745,400	351,745,400	351,745,400
Other Equity	12	(149,682,006)	195,955,818	243,619,519
<b>(1) Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	13	47,750,000	104,894,794	157,342,191
(ii) Trade payables		-	-	-
<b>Provisions</b>				
(c) Deferred Tax Liabilities (Net)	4	1,205,065	1,192,146	886,075
(d) Other non Current Liabilities		-	56,576,523	60,026,318
<b>(2) Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	15	495,000,000	32,380,696	11,952,208
Trade Payables	16	2,019,611,585	1,081,720,018	794,847,319
Other Financial Liabilities	17	165,548,480	292,151,655	255,955,415
Provisions	18	293,663	97,435	77,701
<b>Total</b>		<b>2,931,472,187</b>	<b>2,116,714,485</b>	<b>1,876,452,746</b>

Accompanying Notes 1 to 27 form Integral part of the financial statements

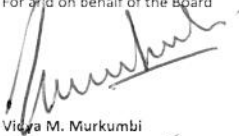
To be read with our report of even date  
 For Ashok Kumar, Prabhshankar & Co.  
 Chartered Accountants  
 Firm Regn.No : 0049825

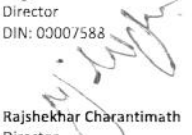
  
**A. Umesh Patwardhan**  
 Partner  
 Membership No. 222945



Place : Mumbai  
 Date : April 27, 2018

For and on behalf of the Board

  
**Vidya M. Murkumbi**  
 Director  
 DIN: 00007588

  
**Rajshekhhar Charantimath**  
 Director  
 DIN : 01663747

  
**K K Kumbhat**  
 Chief Financial Officer



**GOKAK SUGARS LIMITED**  
 Regd. Office: Sy. No. 238 & 263, Kolavi Village, Tal: Gokak Dist : Belagavi  
**Statement of Profit & Loss for the year ended 31st March, 2018**

(Amount in Rupees)

	Notes	Year ended 31st Mar 2018	Year ended 31st March 2017
Revenue from Operations	19	962,072,101	1,298,965,957
Other Income		25,224,198	80,484
<b>Total Revenue</b>		<b>987,296,299</b>	<b>1,299,046,441</b>
<b>Expenditure</b>			
Cost of Materials Consumed	20	1,525,005,975	1,038,647,636
Cost of Traded Goods	21	-	-
Changes In Inventories of Finished Goods, Work-In-Progress & Stock in Trade	21	(518,617,805)	(6,204,510)
Excise Duty on Goods Sold During the year		6,431,752	56,201,514
Employee Benefit Expenses	22	87,807,757	86,305,733
Finance Costs	23	26,338,294	15,577,935
Depreciation and Amortization Expenses	24	69,035,276	67,997,584
Other Expenses	25	99,464,623	91,007,570
<b>Total Expenses</b>		<b>1,295,465,872</b>	<b>1,349,533,462</b>
<b>Profit/(Loss) Before Exceptional, Extraordinary Items and Tax</b>		<b>(308,169,573)</b>	<b>(50,487,021)</b>
Exceptional Items		-	-
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(308,169,573)</b>	<b>(50,487,021)</b>
Exceptional Items		181,424,194	-
<b>Profit/(Loss) Before Tax</b>		<b>(489,593,767)</b>	<b>(50,487,021)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		(144,778,892)	(3,449,795)
<b>Total Tax Expenses</b>		<b>(144,778,892)</b>	<b>(3,449,795)</b>
<b>Profit/(Loss) for the Year</b>		<b>(344,814,876)</b>	<b>(47,037,226)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		308,250	(626,475)
<b>Total comprehensive income for the year</b>		<b>(344,506,626)</b>	<b>(47,663,701)</b>
<b>Earning Per Equity Share:</b>			
Basic (in Rs.)	26	(9.80)	(1.34)
Diluted (in Rs.)		(9.80)	(1.34)

Accompanying Notes 1 to 27 form Integral part of the financial statements

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

  
 A. Umesh Patwardhan  
 Partner  
 Membership No. 222945



Place : Mumbai  
 Date : April 27, 2018

For and on behalf of the Board

  
 Vidya M. Murkumbi  
 Director  
 DIN: 00007588

  
 Rajsheshkar Charantimath  
 Director  
 D:N : 01663747

  
 K/K Kumbhat  
 Chief Financial Officer

**GOKAK SUGARS LTD**

Regd. Office: Sy. No. 238 & 263, Kolavi Village, Tal: Gokak Dist : Belagavi

**Cash Flow Statement for the year ended 31st March, 2018**

(Amount in Rupees)

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>Cash Flow From Operating Activities:</b>		
Profit before taxation	(489,593,767)	(50,487,021)
<b>Adjustments to reconcile profit before tax to net cash provided by operating activities:</b>		
Depreciation	69,035,276	67,997,584
Financial expenses	26,338,294	15,577,935
Loss/(Profit) on sale of fixed assets	-	-
<b>Operating profit before working capital changes</b>	<b>(394,220,197)</b>	<b>33,088,498</b>
<b>Changes in operating assets and liabilities:</b>		
Trade receivables	94,622,009	(209,657,575)
Other receivables	9,989,821	3,071,900
Inventories	(522,617,196)	(14,069,887)
Trade and other payables	938,212,735	317,634,043
Provisions	196,228	-
Other Financial Liabilities	(126,603,175)	-
<b>Cash generated from operations</b>	<b>(419,775)</b>	<b>130,066,979</b>
Income-tax Refund	-	-
<b>Net Cash Flow From Operating Activities</b>	<b>(419,775)</b>	<b>130,066,979</b>
<b>Cash Flow From Investing Activities:</b>		
Purchase of fixed assets	(9,910,760)	(49,755,354)
Investments	(5,000,000)	-
<b>Net Cash Flow From Investing Activities</b>	<b>(14,910,760)</b>	<b>(49,755,354)</b>
<b>Cash Flow From Financing Activities:</b>		
(Proceeds)/Repayment from short-term borrowings	462,619,304	20,427,888
Proceeds/ Repayment of long-term borrowings	(57,144,794)	(52,447,397)
Other Advances	(348,963,796)	-
Interest paid	(26,338,294)	(15,577,935)
<b>Net Cash Flow From Financing Activities</b>	<b>30,172,420</b>	<b>(47,597,444)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,841,884</b>	<b>32,714,180</b>
Opening cash and cash equivalents	66,182,358	33,468,178
<b>Closing cash and cash equivalents</b>	<b>81,024,242</b>	<b>66,182,358</b>

Accompanying Notes 1 to 27 form Integral part of the financial statements

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



**A. Umesh Patwardhan**  
Partner  
Membership No: 222945



Place : Mumbai  
Date : April 27, 2018



**Vidya M. Murkumbi**  
Director  
DIN: 00007588



**K K Kumbhat**  
Chief Financial Officer



**Rajshekhar Charantimath**  
Director  
DIN : 01663747

**GOKAK SUGARS LIMITED**

Regd Office: Sy No 238 & 263, Kolavi Village, Tal: Gokak Dist: Belagavi.

**Notes to Accounts forming part of Financial Statements for the year ended 31st March, 2018**

**Note 1: Significant Accounting Policies**

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

**a. Basis of presentation**

The accompanying financial statements have been presented for the year ended 31st March, 2018 along with comparative information for the year ended 31st March, 2017. These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) on going concern basis under the historical cost convention on the accrual basis of accounting and the relevant provisions prescribed in the Companies Act 2013, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**b. Use of estimates**

In preparing the Company's financial statements in conformity with Ind AS, the Company's management is required to make estimates, judgements and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise and if material, their effects are disclosed in the notes to the financial statements.

**c. Property, plant and equipment:**

i. **Property, plant and equipment** (Tangible and Intangible) are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to the location and condition necessary for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar, power generation and ethanol units on a reasonable basis. Subsidy received from the Government has been recognised as deferred income and recognized in the profit and loss on a systematic basis over the useful life of assets.

ii. Land, Building and Plant and Machinery are carried at revalued amount and the surplus on revaluation is credited to Revaluation Reserve account. The useful lives of the depreciable assets remain to be the same as that of prior to revaluation.

**d. Borrowing costs**

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

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

**e. Depreciation**

i. Depreciation is provided in the manner prescribed in Schedule II of the Companies Act, 2013. The Carrying Value of Fixed assets are depreciated over the revised remaining useful lives. Fixed assets having nil useful life has been charged to the opening balance of retained earnings as per the transitional provision prescribed in note 7 (b) of Schedule II of the Companies Act 2013.

ii. Depreciation on the value of Revaluation is reduced from revaluation Reserve.



**f. Inventories**

Inventories are valued as follows:

*Raw materials, stores and spares, Material in transit and packing materials*

Valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a Moving Weighted Average basis.

*Finished goods*

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

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

*Work-in-process*

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

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

*By-products*

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

**g. Revenue recognition**

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

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

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

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

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

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

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



#### ***h. Employee benefits***

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

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

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

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

#### ***i. Income tax***

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

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

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

#### ***j. 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.

#### ***k. Provisions, contingent liabilities and contingent assets***

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

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

Contingent Liability is disclosed in the case of

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



- A possible obligation, unless the probability of outflow of resources is remote.

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

Contingent Assets are neither recognized nor disclosed.

***l. Earnings per share***

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

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

***m. Segment reporting***

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

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

***n. Impairment of assets***

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

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

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

***o. Classification of Assets and Liabilities as Current and Non-Current:***

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current, non-current classification of assets and liabilities.





Note 2A. Property, Plant and Equipments

(Amount in Rupees)

PARTICULARS	1st April, 2017	Additions	Disposal	Revaluation	31st Mar, 2018
<b>Gross Carrying Value</b>					
Land Lease Hold	-	-	-	-	-
Land Free Hold	200,464,354	-	-	-	200,464,354
Building	321,849,720	-	-	-	321,849,720
Plant & Machinery	1,405,428,012	10,731,928	28,437,731	-	1,387,722,208
Furniture & Fittings	10,687,660	378,471	220,324	-	10,845,807
Vehicles	1,080,152	-	-	-	1,080,152
<b>Total</b>	<b>1,939,509,897</b>	<b>11,110,399</b>	<b>28,658,055</b>	-	<b>1,921,962,241</b>
<i>Previous Year</i>	<i>1,873,093,648</i>	<i>66,753,359</i>	<i>337,109</i>	-	<i>1,939,509,897</i>
<b>Accumulated Depreciation</b>					
Land Lease Hold	-	-	-	-	-
Land Free Hold	-	-	-	-	-
Building	75,155,532	9,190,027	-	-	84,345,559
Plant & Machinery	371,116,778	58,859,509	24,263,062	-	405,713,225
Furniture & Fittings	8,315,304	872,995	220,324	-	8,967,975
Vehicles	834,748	78,803	-	-	913,551
<b>Total</b>	<b>455,422,362</b>	<b>69,001,335</b>	<b>24,483,386</b>	-	<b>499,940,310</b>
<i>Previous Year</i>	<i>387,802,516</i>	<i>67,956,955</i>	<i>337,109</i>	-	<i>455,422,362</i>
<b>Net Carrying Value</b>					
Land Lease Hold	-	-	-	-	-
Land Free Hold	200,464,354	-	-	-	200,464,354
Building	246,694,188	-	-	-	237,504,160
Plant & Machinery	1,034,311,234	-	-	-	982,008,984
Furniture & Fittings	2,372,356	-	-	-	1,877,832
Vehicles	245,404	-	-	-	166,601
<b>Total</b>	<b>1,484,087,536</b>				<b>1,422,021,932</b>
<i>Previous Year</i>	<i>1,485,291,132</i>				<i>1,484,087,536</i>
Capital Work-in-progress	8,010,442				9,854,274

Note 2B. Other Intangible Assets

PARTICULARS	1st April, 2017	Additions	Deduction Adjustments		31st Mar, 2018
<b>Gross Carrying Value</b>					
Computer Software	675,961	-	-	-	675,961
<b>Total</b>	<b>675,961</b>	-	-	-	<b>675,961</b>
<i>Previous Year</i>	<i>675,961</i>	-	-	-	<i>675,961</i>
<b>Accumulated Depreciation</b>					
Computer Software	640,735	33,941	-	-	674,676
<b>Total</b>	<b>640,735</b>	<b>33,941</b>	-	-	<b>674,676</b>
<i>Previous Year</i>	<i>600,106</i>	<i>40,629</i>	-	-	<i>640,735</i>
<b>Net Carrying Value</b>					
Computer Software	35,226				1,285
<b>Total</b>	<b>35,226</b>				<b>1,285</b>
<i>Previous Year</i>	<i>75,855</i>				<i>35,226</i>



## NON-CURRENT ASSETS

## Note 3: Investments

(Amount in Rupees)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>Investment in Equity Instruments</b>			
<b>Un-Quoted Investments:</b>			
BDCC BANK LTD. BELGAUM 10000 shares of Rs 500 each (Previous year - Rs Nil)	5,000,000	-	-
	5,000,000	-	-

## Note 4: Deferred Tax Asset / (Liability) (Net)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>i. Deferred Tax Liability</b>			
Depreciation	332,012,783	375,011,758	359,696,791
<b>Gross Deferred Tax Liability</b>	<b>332,012,783</b>	<b>375,011,758</b>	<b>359,696,791</b>
<b>ii. Deferred Tax Asset</b>			
Leave Encashment	463,107	438,329	327,587
Unabsorbed Business Loss	419,752,045	317,996,906	299,342,887
<b>Gross Deferred Tax Asset</b>	<b>420,215,152</b>	<b>318,435,235</b>	<b>299,670,474</b>
<b>Net Deferred Tax Asset/(Liability)</b>	<b>88,202,369</b>	<b>(56,576,523)</b>	<b>(60,026,318)</b>

## Note 5: Other Advances

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>Unsecured &amp; Considered good:</b>			
Capital Advances	121,758	120,981	27,500
Security Deposit	301,075	511,313	1,305,772
Mat Credit Entitlement	15,755,081	15,755,081	15,755,081
Amount paid under protest	-	-	252,372
Advance to Holding company	55,937,197	-	-
Other Advances	293,236,060	-	-
	<b>365,351,171</b>	<b>16,387,375</b>	<b>17,340,725</b>

## CURRENT ASSETS

## Note 6: Inventories

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>Raw Materials:</b>			
Co-Generation	-	81,615	2,004,656
<b>Consumables, Stores &amp; Spares:</b>			
Stores & Spares	48,742,949	40,451,178	36,910,053
Consumables	1,690,750	2,582,946	1,553,315
Packing Materials	3,618,547	7,028,231	1,841,344
Fuel	854,517	763,402	566,708
<b>Finished Goods</b>			
Sugar (Manufactured)	693,200,654	177,357,274	157,930,682
Co-Generation	2,987	3,189	44,398
By-Products- Molasses & Baggasse	3,455,972	681,345	13,862,218
	<b>751,566,376</b>	<b>228,949,180</b>	<b>214,713,374</b>

## Note 7: Trade Receivables

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>Unsecured, Considered Good :</b>			
Debts over six months	40,059,626	23,630,914	-
Others	156,434,175	267,484,896	81,458,234
	<b>196,493,800</b>	<b>291,115,809</b>	<b>81,458,234</b>

## Note 8: Cash and Cash Equivalents

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Cash on Hand	80,602	14,188	440,523
	<b>80,602</b>	<b>14,188</b>	<b>440,523</b>

## Note 9: Other Bank Balances

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>Balances with Banks:</b>			
On current accounts	80,918,640	66,138,145	33,000,254
On deposit accounts	25,000	30,025	27,401
	<b>80,943,640</b>	<b>66,168,170</b>	<b>33,027,655</b>

## Note 10: Other Advances

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Interest Receivable	5,069,530	18,471,881	15,433,132
Advance to Vendors	429,103	1,132,801	1,518,571
Advance to Staff	374,184	316,844	392,515
Prepaid Expenses	3,666,864	2,023,094	1,630,773
Income Tax Refund Due (Net)	2,417,057	1,939	121,809
	<b>11,956,738</b>	<b>21,946,559</b>	<b>19,096,800</b>





**Note 11: Equity Share Capital**

(Amount in Rupees)

		As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
a)	<b>Authorised :</b> 36,000,000 Equity Shares of Rs.10/- Each	360,000,000	360,000,000	360,000,000
		<b>360,000,000</b>	<b>360,000,000</b>	<b>360,000,000</b>
b)	<b>Issued, Subscribed &amp; Paid up</b> 35,174,540 Equity Shares of Rs.10/- Each	351,745,400	351,745,400	351,745,400
		<b>351,745,400</b>	<b>351,745,400</b>	<b>351,745,400</b>
<b>c) Reconciliation of number of shares and Equity Shares outstanding :</b>				
	At the beginning of the year	35,174,540	35,174,540	35,174,540
	Addition/deletion during the year	-	-	-
	<b>At the end of the year</b>	<b>35,174,540</b>	<b>35,174,540</b>	<b>35,174,540</b>

- d) The Company has only one class of equity shares . The company declares and pays dividend in Indian rupees . The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share .
- e) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential dues . The distribution will be in proportion to the number of equity shares held by the shareholders .

**f) Details of Shareholders holding more than 5% of Equity Share Capital of the Company**

Name of Shareholder	As at 31st March 2018		As at 31st March, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Shree Renuka Sugars Limited (including holding by representatives)	32,937,140	93.64	32,937,140	93.64



**Note 12- Other Equity**

(Amount in Rupees)

	Attributable to Equity Share Holders			Total Equity attributable to the Equity holders of the Company
	Reserves and Surplus			
	Share Premium	Revaluation Reserve	Retained Earnings	
As on 1st April 2016	128,700,000	376,482,175	(261,562,656)	243,619,519
Profit for the year	-	-	(47,037,226)	(47,037,226)
Other Comprehensive Income	-	-	(626,475)	(626,475)
	128,700,000	376,482,175	(309,226,357)	195,955,818
Depreciation of Revalued Assets	-	(20,290,630)	20,290,630	-
<b>As on 31st Mar 2017</b>	<b>128,700,000</b>	<b>356,191,544</b>	<b>(288,935,727)</b>	<b>195,955,818</b>
As on 1st April 2017	128,700,000	356,191,544	(288,935,727)	195,955,817
Profit for the year	-	-	(344,814,876)	(344,814,876)
Other Comprehensive Income	-	-	308,250	308,250
Depreciation of Revalued Assets	-	(18,347,208)	18,347,208	-
Revaluation Reserve reversed on Sale of Asset	-	(1,131,198)	-	(1,131,198)
<b>As on 31st Mar 2018</b>	<b>128,700,000</b>	<b>336,713,138</b>	<b>(5,095,145)</b>	<b>(149,682,006)</b>



**NON-CURRENT LIABILITIES**
**Note 13: Borrowings**
*(Amount in Rupees)*

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>i. Secured</b>			
Term Loan from Banks & Financial Institutions			
Excise Duty Loan	15,559,246	104,894,794	157,342,191
Ratnakar Bank Limited- Term Loan	50,000,000	150,000,000	150,000,000
	<b>65,559,246</b>	<b>254,894,794</b>	<b>307,342,191</b>
Less: Current Maturity of Long-Term Borrowings transferred to Other Current Liabilities (Refer Note 17)	17,809,246	150,000,000	150,000,000
	<b>47,750,000</b>	<b>104,894,794</b>	<b>157,342,191</b>

**Term Loans**

Loans from RBL Bank is secured by first charge on Current assets, movable and immovable fixed assets of the company, Unconditional & Irrevocable corporate guarantee of the company.

**Terms of Repayment**

Term Loans	Amount O/s as on 31st March, 2018		Date of Maturity	Amt of Each Installment	Amt of Each Installment
	Current	Non Current			
<b>From Banks/Financial Institutions:</b>				Rs	Rs
Ratnakar Bank- Term Loan	2,250,000	47,750,000	June 30, 2022	12,500,000	12,500,000
Ratnakar Bank Excise Duty Loan	15,559,246	-	March 05, 2019	13,111,849	13,111,849
<b>Total :</b>	<b>17,809,246</b>	<b>47,750,000</b>		<b>25,611,849</b>	<b>25,611,849</b>

**Note 14: Provisions**

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>Provision For Employee Benefits:</b>			
Provision For Gratuity	242,693	-	-
Provision For Leave Encashment	1,256,035	1,289,581	963,776
	<b>1,498,728</b>	<b>1,289,581</b>	<b>963,776</b>
Less: Short-Term Liability (transferred to short-term provisions (Refer Note 18))			
Provision For Gratuity	196,958	-	-
Provision For Leave Encashment	96,705	97,435	77,701
	<b>1,205,065</b>	<b>1,192,146</b>	<b>886,075</b>

**CURRENT LIABILITIES**
**Note 15: Borrowings**

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>Secured</b>			
<b>Unsecured</b>			
<b>From Related Party:</b>			
Shree Renuka Sugars Limited - Holding Company	-	32,380,696	11,952,808
<b>From Others:</b>			
BDCC Short term loan	495,000,000	-	-
	<b>495,000,000</b>	<b>32,380,696</b>	<b>11,952,808</b>

**Note 16: Trade Payables**

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
For Goods and Services*	2,019,611,585	1,081,720,018	794,847,319
Others	-	-	-
	<b>2,019,611,585</b>	<b>1,081,720,018</b>	<b>794,847,319</b>

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

**Note 17: Other Financial Liabilities**
*(Amount in Rupees)*

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Current Maturity of Long-Term Borrowings (Refer Note 13)	17,809,246	150,000,000	150,000,000
Interest accrued but not due on Borrowings	-	-	292,213
Advance From Customers	132,082,720	133,755,888	103,920,139
Salary Payables	2,523,214	2,617,872	2,311,075
Balances with customs, excise, etc.	12,788,147	4,295,153	(673,156)
Other Payables	345,153	1,482,742	105,144
	<b>165,548,480</b>	<b>292,151,655</b>	<b>255,955,415</b>

**Note 18: Provisions**

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<b>Provision for Employee Benefits : Current Portion of Liability (Refer Note 14)</b>			
Provision For Gratuity	196,958	-	-
Provision For Leave Encashment	96,705	97,435	77,701
	<b>293,663</b>	<b>97,435</b>	<b>77,701</b>

**Note 19: Revenue from Operations**

	Year ended 31st Mar 2018	Year ended 31st March 2017
<b>Sale of Products (Gross)</b>		
Sale of Manufactured Sugar	756,942,409	1,073,614,424
Sale of By products of Sugar	148,662,411	182,808,655
Sale of Power	56,172,438	42,381,000
Sale of By products of Power	294,843	161,878
	<b>962,072,101</b>	<b>1,298,965,957</b>



**Note 20: Cost of Materials Consumed**

(Amount in Rupees)

	Year ended 31st Mar 2018	Year ended 31st March 2017
Opening stock	81,615	2,004,656
Add: Purchases & Related Expenses	1,689,927,270	1,162,429,500
Less: Inter Segment Expenses	165,002,910	125,704,905
	<b>1,525,005,975</b>	<b>1,038,729,251</b>
Less: Closing Stock	-	81,615
	<b>1,525,005,975</b>	<b>1,038,647,636</b>

**Note 21: Changes In Inventory of Finished Goods, Work-in-Progress & Stock in trade**

	Year ended 31st Mar 2018	Year ended 31st March 2017
<b>Opening stock</b>		
Finished Goods :		
Sugar	177,357,274	157,930,682
By-Products	681,345	13,862,218
Co-Generation	3,189	44,398
	<b>A</b>	<b>171,837,298</b>
<b>Closing Stock</b>		
Finished Goods :		
Sugar	693,200,654	177,357,274
By-Products	3,455,972	681,345
Co-Generation	2,987	3,189
	<b>B</b>	<b>178,041,808</b>
<b>Net (Increase)/Decrease in stock</b>	<b>(A-B)</b>	<b>(6,204,510)</b>

**Note 22: Employee Benefit Expenses**

	Year ended 31st Mar 2018	Year ended 31st March 2017
Salaries, Wages & Bonus	83,234,274	82,114,231
Contribution to Provident Fund & Others	1,931,499	1,871,535
Leave Encashment	238,949	260,718
Contribution to Gratuity	372,029	103,072
Staff Welfare Expenses	2,031,006	1,956,177
	<b>87,807,757</b>	<b>86,305,733</b>

**Note 23: Financial Costs**

	Year ended 31st Mar 2018	Year ended 31st March 2017
<b>Interest:</b>		
On Term Loans	26,144,524	10,527,848
On Others	16,377	2,200,604
On Cash Credit	49,452	5,795
Others:		
Bank Charges	127,941	2,843,688
	<b>26,338,294</b>	<b>15,577,935</b>

**Note 24: Depreciation and Amortization Expenses**

	Year ended 31st Mar 2018	Year ended 31st March 2017
Depreciation on Tangible Assets*	69,001,335	67,956,955
Depreciation on Intangible Assets*	33,941	40,629
	<b>69,035,276</b>	<b>67,997,584</b>

\*Refer Note 2A and 2B



**Note 25: Other Expenses**

**Manufacturing, Administrative and Selling & Distribution Expenses:**

(Amount in Rupees)

	Year ended 31st Mar 2018	Year ended 31st March 2017
<b>i. Manufacturing Expenses</b>		
Consumption of Stores & Spares	16,035,723	20,261,623
Consumption of Chemicals, Consumables, Oil & Lubricants	14,786,117	8,672,162
Sugar House Loading, Unloading & Handling Charges	5,470,289	5,010,597
Packing Materials	16,972,880	12,049,033
Power & Fuel	146,225,786	112,976,139
Repair & Maintenance		
Plant & Machinery	4,220,260	4,478,189
Buildings	943,003	1,423,145
Other Manufacturing Expenses	785,191	446,616
Less: Inter Segment Expenses	(142,997,282)	(109,122,177)
	<b>62,441,967</b>	<b>56,195,327</b>
<b>ii. Administrative Expenses</b>		
Rent, Rates & Taxes	2,329,592	969,547
Insurance	1,233,953	1,407,156
Traveling & Conveyance	20,400,357	22,989,048
Printing & Stationery	352,784	349,329
Communication Expenses	389,021	291,231
Legal & Professional Fees	1,991,579	935,396
Repair & Maintenance-Others	996,853	1,110,446
Auditor's Remuneration	200,500	200,998
Safety & Security Expenses	4,474,962	4,378,035
Books, Subscription and Membership fees	72,293	-
Others	465,086	789,109
	<b>32,906,980</b>	<b>33,420,295</b>
<b>iii. Selling and Distribution Expenses</b>		
Freight	2,781,805	(40,375)
Advertising & Sales Promotion	128,760	316,683
Commission/Brokerage On Sales	209,987	304,945
Excise Duty borne by the Company	995,124	810,695
	<b>4,115,676</b>	<b>1,391,948</b>
	<b>(A+B+C)</b>	<b>91,007,570</b>
	<b>99,464,623</b>	<b>91,007,570</b>

**Note 26: Earnings Per Share**

The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.

	Year ended 31st Mar 2018	Year ended 31st March 2017
<b>Reconciliation of earnings</b>		
Profit/(Loss) for the year ended 31st March, 2016	(344,814,876)	(47,037,226)
<b>Net profit/(Loss) attributable to equity shareholders</b>	<b>(344,814,876)</b>	<b>(47,037,226)</b>
<b>Reconciliation of number of shares</b>	<b>Shares</b>	<b>Shares</b>
Shares outstanding at the beginning of the year	35,174,540	35,174,540
Shares outstanding at the end of the year	35,174,540	35,174,540
<b>Weighted average number of equity shares</b>	<b>35,174,540</b>	<b>35,174,540</b>
<b>Basic and Diluted Earnings Per Share (in rupees)</b>	<b>(9.80)</b>	<b>(1.34)</b>
(Nominal value of shares Re. 10/- each)		



## Note 27: Other Notes to the Financial Statements

All amounts in Indian Rupees, unless otherwise stated.

### i. Excise Duty on Finished Goods

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

### ii. Outstanding Commitments

As at 31st March, 2018, the Company had the following outstanding commitments:

- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs 1,641,367 (Previous year Rs.1,135,529/-).
- iii. Balances appearing under the head Trade Payables, Trade Receivables, loans and advances are subject to confirmation, adjustments, if any, on the receipt/reconciliation of such accounts.
- iv. In terms of Ind AS 36 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.

### v. Contingent Liability

Liabilities classified and considered contingent due to contested claims and legal disputes	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Excise Demand	119,572	119,572

### vi. Consumption of Raw Material, Stores and Spares

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
	Amount in Rs	% of total consumption	Amount in Rs	% of total consumption
<b>Raw material</b>				
Domestic	1,525,005,975	100%	1,038,481,717	100%
Total	<b>1,525,005,975</b>	<b>100%</b>	<b>1,038,481,717</b>	<b>100%</b>
<b>Stores &amp; Spares</b>				
Domestic	16,035,723	100%	20,261,623	100%
Total	<b>16,035,723</b>	<b>100%</b>	<b>20,261,623</b>	<b>100%</b>

### vii. Auditors Remuneration

	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	Audit Fee	100,000	100,000
B	Certification charges	Nil	Nil
C	Tax audit services	100,000	100,000
D	Reimbursement of expenses	Nil	Nil

### viii. Expenditure in Foreign Currency – Nil

### ix. Earnings in Foreign Currency – Nil



## xi. Defined Benefit Plans

S.NO	Particulars	Gratuity Benefits		Compensated Absences	
		Year Ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>1</b>	<b>Change in Benefit obligation</b>				
	Opening Defined Benefit Obligation	2,405,430	1,610,201	1,289,581	963,776
	Current service cost	552,244	407,540	177,296	138,745
	Interest cost	170,673	124,847	72,349	55,462
	Actuarial loss/(gain) due to change in financial assumptions	(118,758)	192,059	(41,214)	74,608
	Actuarial loss/(gain) due to change in demographic assumption	-	-	-	-
	Actuarial loss/ (gain) due to experience	30,376	258,142	(137,700)	69,209
	Past Service Cost	2,762	-	-	-
	Benefits paid	(229,723)	(187,359)	(19,871)	(12,219)
	<b>Closing Defined Benefit Obligation</b>	<b>2,813,004</b>	<b>2,405,430</b>	<b>1,256,035</b>	<b>1,289,581</b>
<b>2</b>	<b>Change in Plan Assets</b>				
	Opening value of plan assets	2,277,991	1,742,326	-	-
	Interest Income	181,601	151,887	-	-
	Return on plan assets excluding amounts included interest income	40,954	(14,593)	-	-
	Contributions by employer	784,874	585,730	-	-
	Benefits paid	-229,723	(187,359)	-	-
	<b>Closing value of plan assets</b>	<b>3,055,697</b>	<b>2,277,991</b>	<b>-</b>	<b>-</b>
<b>3</b>	<b>Fund Status of Plan Assets</b>				
	Present value unfunded obligations	-	-	1,256,035	984,342
	Present value funded obligations	2,813,004	2,405,430	-	-
	Fair Value of plan assets	3,055,697	2,277,991	-	-
	<b>Net Liability (Assets)</b>	<b>(242,693)</b>	<b>127,439</b>	<b>1,256,035</b>	<b>984,342</b>
<b>4</b>	<b>Other Comprehensive Income for the current period</b>				
	Due to Change in financial assumptions	(118,758)	192,059	(41,214)	74,608
	Due to change in demographic assumption	-	-	-	-
	Due to experience adjustments	30,376	258,142	(137,700)	69,209
	Return on plan assets excluding amounts included in interest income	(40,954)	14,593	-	-
	<b>Amounts recognized in Other Comprehensive Income</b>	<b>(129,336)</b>	<b>464,794</b>	<b>(178,914)</b>	<b>143,817</b>
<b>5</b>	<b>Defined benefit liability</b>				
	Net opening provision in books of accounts	2,405,430	1,610,201	984,342	963,776
	Current service cost	552,244	407,540	177,296	138,745
	Interest cost	170,673	124,847	72,349	55,462
	Actuarial Loss/(gain) recognized in Other Comprehensive Income	(88,382)	450,201	(178,914)	143,817
	Past Service Cost	2,762	-	-	-
	Benefits paid by the Company	(229,723)	(187,359)	(19,871)	(12,219)
	<b>Closing provision in books of accounts</b>	<b>2,813,004</b>	<b>2,405,430</b>	<b>1,256,035</b>	<b>1,289,581</b>
<b>6</b>	<b>Principal Actuarial Assumption</b>				
	Discount rate	7.70%	7.35%	7.70%	7.35%
	Salary Growth rate	5.00%	5.00%	5.00%	5.00%
	Withdrawal Rates	5% at Younger 1% at Older age	5% at Younger 1% at Older age	5% at Younger 1% at Older age	5% at Younger 1% at Older age



xii. Related Party Disclosures

Related parties

(a) Holding Company

Shree Renuka Sugars Ltd.,

(b) Fellow subsidiary

KBK Chem Engineering Pvt. Ltd

(c) Transactions with Holding Company

Shree Renuka Sugars Ltd.

	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	<b>Nature of transaction</b>		
	Advances Received/(paid) during the year	(44,091,948)	102,073,681
	Interest paid on Advances	-	1,980,543
	Sale of By-products of Sugar	173,602,625	183,334,879
	Sale of Sugar	38,362,196	3,822,610
	Sale of Stores and Spares	3,546,475	1,081,445
	Purchase and others	6,613,030	(48,280,290)
	Purchase of Services	(77,979,381)	(60,090,366)
	Purchase of Asset	(7,977,045)	-
	Outstanding as at the end of the period	55,937,198	(36,138,754)

(d) Fellow subsidiary

KBK Chem Engineering Pvt. Ltd

	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	<b>Nature of transaction</b>		
	Purchase of Plant & machinery/Stores & Spares	-	(31,977,748)
	Payments against Purchase	1,176,306	30,801,442
	Sale of Stores & Spares	-	-
	Outstanding as at the end of the period	-	1,176,306

xiii. Exceptional items includes cane payment arrears for the year 2013-14 and 2016-17.

xiv. Holding Company in Board meeting held on March 12, 2018 decided that it will not charge any more interest to the company i.e. Q4, FY 18 onwards.

xv. Previous year's figures have been regrouped/ rearranged wherever necessary to conform to the current year grouping.

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

**A. Umesh Patwardhan**  
Partner  
Membership No.222945



For and on behalf of the Board

**Vidya M Murkumbi**  
Director  
DIN : 00007588

**Rajshekhhar Charantimath**  
Director  
DIN : 01663747

Place: Mumbai  
Date: April 27, 2018

**K K Kumbhat**  
Chief Financial Officer