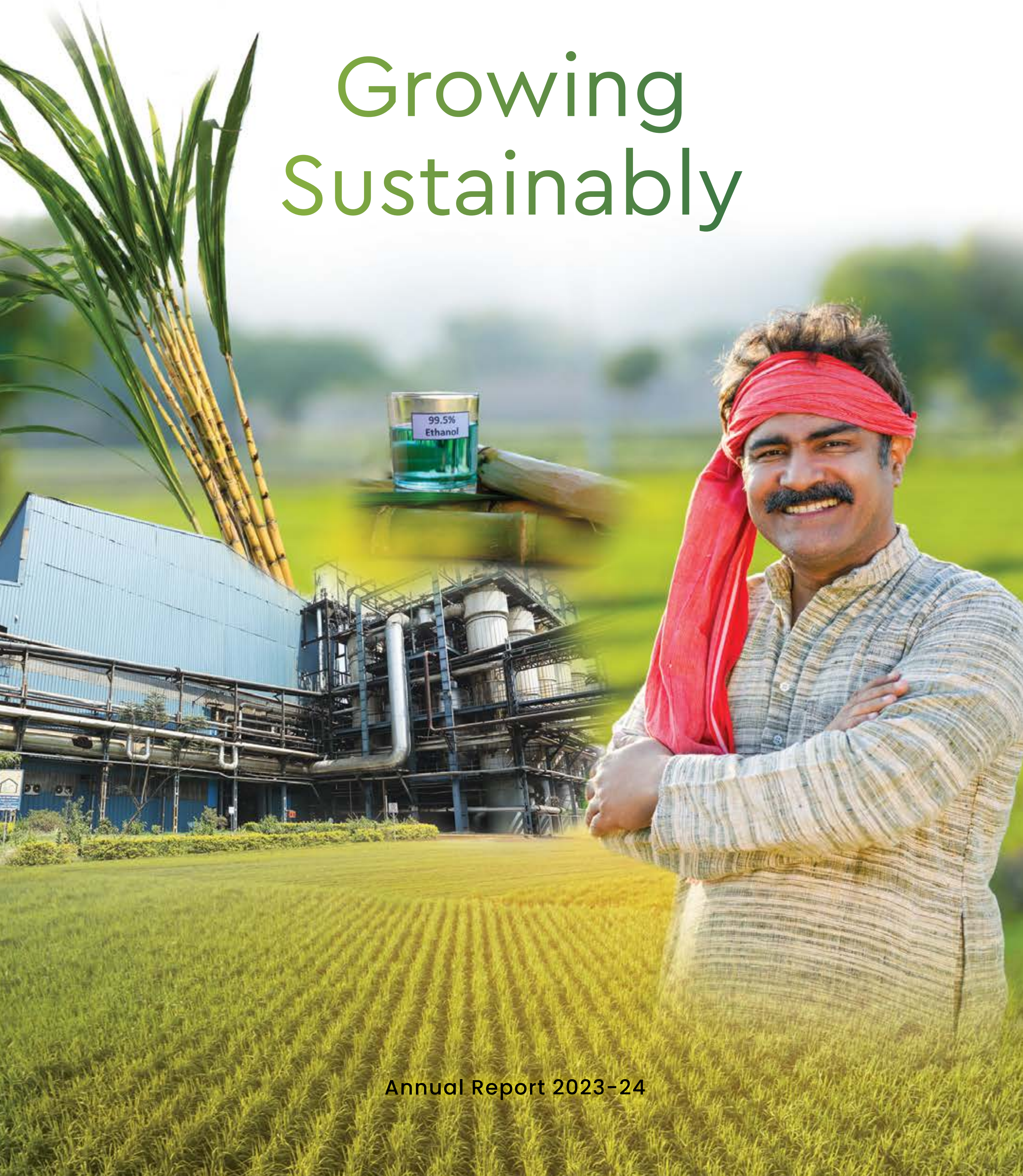
Shree Renuka Sugars Limited
A Wilmar Subsidiary

Growing Sustainably



Annual Report 2023-24

Corporate Overview

Statutory Reports

Financial Statements

Forward-looking statements

Growing Sustainably

We are driving a responsible and ethical business by ramping up our manufacturing facilities, streamlining our supply chains, economising our input costs and ensuring timely deliveries to address market demand across India.

Leveraging the strength of our integrated business model, a dedicated workforce and strategic investments to improve our core capacities, we aim to capitalise on emerging opportunities.

As a true testament of consistent quality and growing popularity, our flagship sugar brand has emerged as a formidable market leader in many regions of India. Notwithstanding temporary headwinds in FY24, we are enhancing the resilience of our business and embracing sustainable practices.

In the coming years, we are confident that we will strengthen our growth trajectory and progress in a

sustainable manner.

About Us

Partnering India's sustainable socio-economic growth

> We are India's leading producer of sugar and ethanol, and a prominent global agribusiness and bio-energy corporation, present across the entire sugar value chain.

Our manufacturing facilities include six advanced sugar mills, many of which have integrated ethanol and power co-generation capabilities. Additionally, we manage two of India's largest port-based refineries. From refining raw sugar to producing ethanol to generating power from bagasse and producing bio compost, we cater to diverse segments of the industry.

We have an integrated business model that ensures exceptional product quality, with a strong commitment to sustainability.

Sugar (Refining)

Performance Highlights

15,13,247 MT

Raw sugar melted

Financial Highlights (In ₹ Mn)

83,695

Revenue from refinery business

Sugar (Milling)

Performance Highlights

4,26,127 MT

Production

Financial Highlights (In ₹ Mn)

13,007

Revenue from Milling business

Madhur pure and hygienic sugar is India's premier packed sugar brand

Performance Highlights

165,528 MT
Sales of packaged sugar

Financial Highlights (In ₹ Mn)

5.4%
Increase in Madhur sales

6,835
Revenue from packaged sugar

One of the largest contributors to India's ethanol blending programme

Performance Highlights

156 Mn Litres
Ethanol production

Financial Highlights (In ₹ Mn)

8,604
Revenue from ethanol business

Focus on sustainable growth using energy generated by Baggasse for meeting our energy requirements

Performance Highlights

441 Mn Kwh
Clean energy produced

Financial Highlights (In ₹ Mn)

4,144
Revenue from Co-generation business

Chairman's Perspective

Our flagship brand, Madhur, has established itself as a market leader in various parts of the country. This has been possible owing to our persistent emphasis on providing great quality sugar and offering strong marketing and sales support.

Dear Shareholders,

Over the years, your Company has emerged as one of India's leading producers of sugar and ethanol and solidified its status as a prominent agribusiness and bio-energy Company. We have consistently built on the strength of our integrated business model, a dedicated workforce and made judicious investments to bolster our core capacities. In doing so, we have established a robust presence across the entire sugar value chain.

While FY 2023–24 presented a challenging environment due to climatic and regulatory factors, we managed to grow our turnover and maintain our EBITDA driven by a strong performance by our refinery division. Our deep commitment to delivering consistent product quality and our growing brand recall has resulted in our flagship sugar brand Madhur emerging as a formidable market leader in several regions across India. These core competencies have not only set us apart in a competitive industry but have also enabled us to navigate the transient headwinds in the reporting year; thereby enhancing our business resilience and positioning us for sustainable growth.

A snapshot of the sugar industry in India

The year gone by was not without its fair share of challenges. In FY 2023–24, El Nino resulted in a decline in cane production in India. This led to the Government suspending production of ethanol from Sugarcane Juice and B-Heavy Molasses, to ensure ample sugar supply to keep its prices in check. To compensate the loss due to ban of ethanol from sugarcane juice and B Heavy Molasses, the Government increased the prices of ethanol produced from C Heavy Molasses by 14% over the previous year.

Despite these adversities, the domestic sugar industry has demonstrated sheer resilience. In FY 2023–24, production levels at 34.3 Million MT (including 2.3 Million MT diverted for ethanol) exceeded initial forecasts of the Government. This has resulted in likely closing stock at the end of the year to rebound to comfort level of around 9.0 Million MT in the country .

The Government thrust on ethanol blending continued this year with the Government taking efforts to increase supply of grain based ethanol to supplement the shortfall in ethanol production from sugar based sources. This has resulted in volume of ethanol made from grain based sources outpacing sugar based ethanol. However, considering good monsoon performance, an above normal monsoon forecast for the season and higher closing stocks for the year 2023–24, we expect Government allowing more sugar to be diverted toward ethanol up to the extent of 4.5 Million MT, as against 2.3 Million MT in the previous year.

Performance highlights

Despite the adversities during the year, our revenue surged by 26% to ₹108,981 million. The growth in revenue was due to a stellar performance of our refinery division, which recorded a growth of around 48% in revenues.

On the other hand, lower cane production and Government's regulatory interventions concerning ethanol production, resulted in lower revenues from our milling and distillery division.

While our EBITDA remained almost constant at ₹ 7,195 Mn, our PBT loss for the year widened to ₹ 3,935 Million from ₹ 1,227 Million in the previous year. Higher interest costs were driven mainly by higher share of imported raw sugar and increase in interest rates on our ECB loan, coupled with the weakening of the Indian Rupee.

India's premier sugar brand, Madhur

Our flagship brand, Madhur, has established itself as a market leader in various parts of the country. This has been possible owing to our persistent emphasis on providing great quality sugar and offering strong marketing and sales support. Our commitment to providing pure and hygienic sugar has resonated with discerning consumers, leading to steady growth in sales. We focused on enhancing our distribution channels and strengthening our brand presence, which has enabled us to capture a larger share of the market. From local stores to leading supermarket chains across the country, Madhur has become a household name. The reporting year has been no different, with Madhur sustaining its growth trajectory by delivering a growth of 5.4% in sales and 7% in realisations.

Unlocking synergies long-term growth

In order to de-risk our operations geographically, and to expand our footprint in the northern and eastern markets, it was imperative to establish manufacturing presence in Uttar Pradesh. Uttar Pradesh, is a key sugar manufacturing state with a steady supply of sugarcane, as the cane plantation is supported by irrigation, borewells and other water sources.

To achieve these objectives, we invested ₹3,450 million in acquiring a 100% stake in Anamika Sugar Mills Pvt. Ltd, (Anamika) near Bulandshahr in Uttar Pradesh. Investment in Anamika, which has a crushing capacity of 4000 TCD, has enabled the Company to gain access to existing sugarcane catchment area with a significant reduction in lead time for setting up the plant in Uttar Pradesh and easy access to skilled/unskilled labour. The Company plans to expand and modernize the plant based on its need and preference. Anamika will also help in anchoring Madhur's leading position in Northern India by securing in-house supply of high-quality refined sugar near to main market in Northern India at a reduced cost.

Committed to progressing sustainably

We continued to prioritise sustainability as integral to our operations. This can be evidenced by our focus on sugarcane, a renewable resource for ethanol production.

Besides this, we fulfil a large portion of our energy requirements through energy generated through eco-friendly cogeneration units, which rely on renewable sources such as bagasse and solar power. This approach, coupled with various other energy saving measures implemented across our locations, has helped us considerably reduce greenhouse gas emissions. Further to this, we have implemented recycling and waste reduction programmes and are utilising sugarcane byproducts for producing organic manure. All our facilities are equipped with Zero Liquid Discharge facilities to strengthen our sustainability initiatives.

Corporate Social Responsibility

At SRSL, we value our stakeholders. We stand committed to help improve not just the quality of life of our workforce, but also of the people that are directly or indirectly associated with the organization.

In recent years we have made a conscious effort to uplift villages and communities in the vicinity of our plants & refineries, focusing on some key areas such as health, education, water conservation, provision of clean drinking water and environment. We also partner with Solidaridad in providing continuous training and education to the farmers on good agricultural practices.

Our dedication to sustainability and community welfare drives us to continuously innovate and invest in impactful initiatives. We hope to make a lasting impact, by empowering communities for a brighter, more sustainable tomorrow.

Our way forward

Going forward, we remain committed to driving consistent innovation and staying responsive to market trends—all while expanding our footprint and becoming more geographically diversified and derisked.

Before closing, I would like to reiterate that our success is a result of our collective efforts and persistent dedication to our shared objectives. I believe that with the sustained trust and cooperation of our stakeholders, we will be able to attain new milestones and consolidate our position as a leader in the industry.

We remain grateful to all our stakeholders for their continued support. It keeps us well on track to write a new chapter in our journey of sustainable growth.

Best Regards,

Atul Chaturvedi
Executive Chairman
DIN: 00175355

An integrated agribusiness model,

encompassing the entire value chain is enabling us to march ahead and create value for all stakeholders.

Value creation model

What we depend on

Finance

₹ 108,981 Mn
Turnover

9.47
RoCE

Manufacturing

37,500 TCD
Crushing capacity

156 Mn litres
Ethanol production

46,07,782 MT
Cane crushed

9%
Increase in raw sugar melting

People

2,132
Total number of employees

27,520
Total hours of training for employees

Environment

441 Mn KWh
Clean energy produced

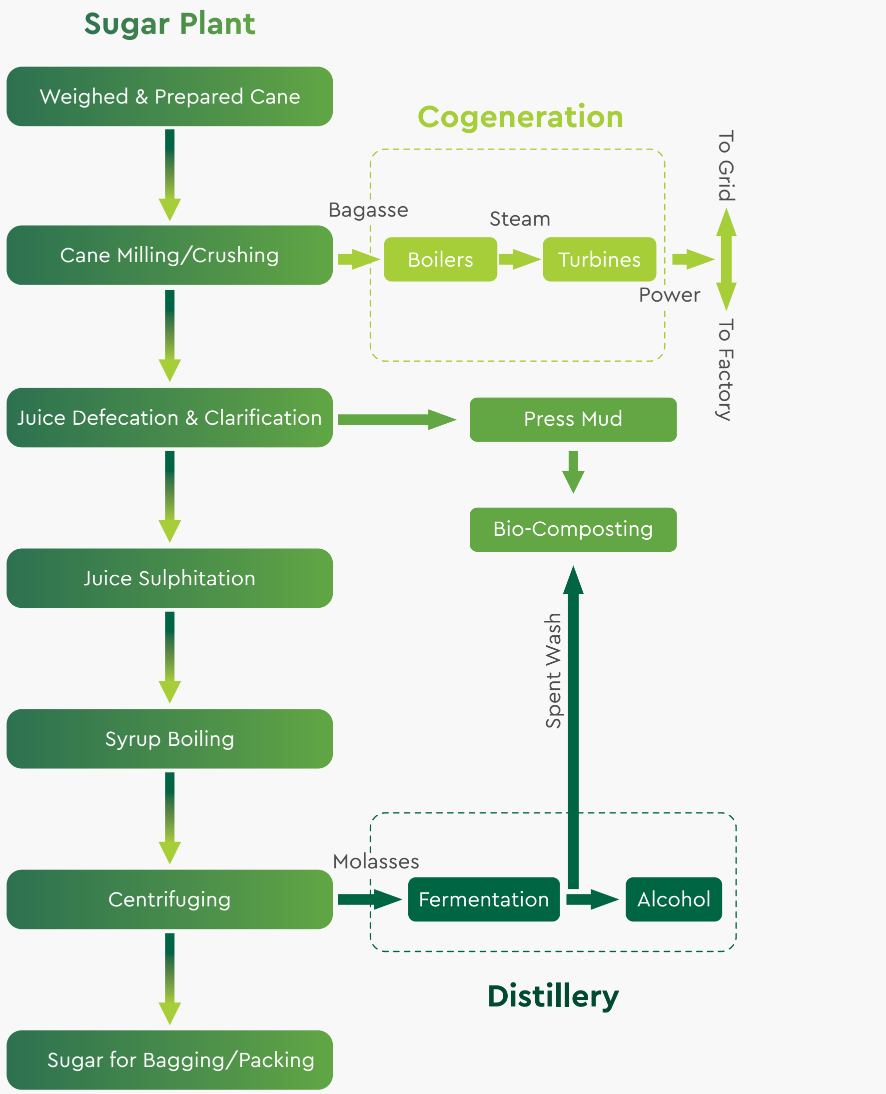
2,10,373.8 KWh
Energy conserved

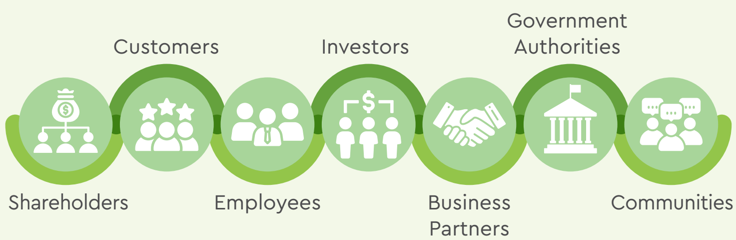
Social

₹ 23.92 Mn
CSR expenditure

44,727
Farmer network

What we do



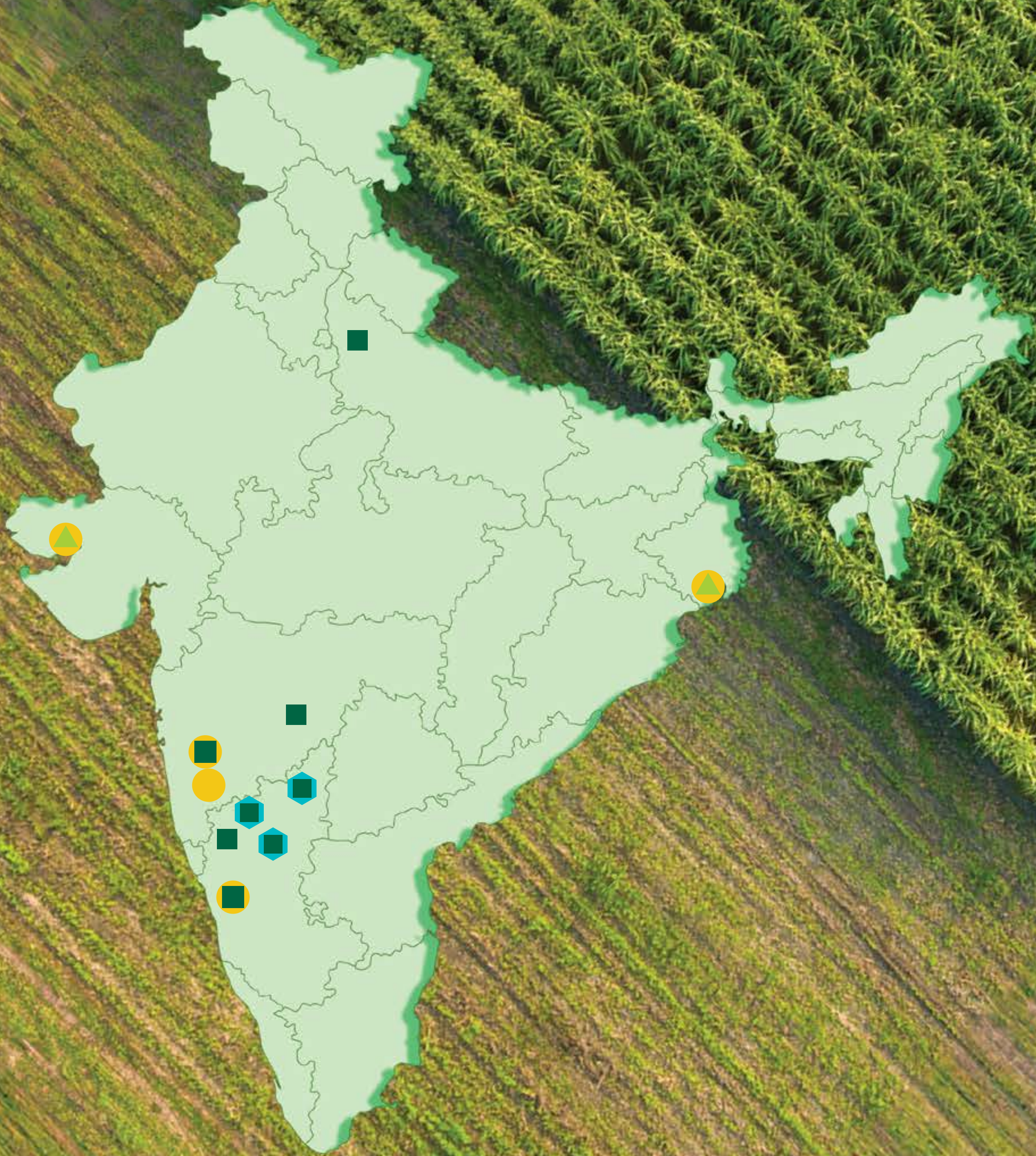


Accomplishments	Impact	SDG linked
₹ 7,195 Mn EBITDA ₹ 82,297 Mn Export Revenue	Investing in a variety of projects aimed at sustainable development.	12 Responsible Consumption and Production 17 Partnerships for the Goals 8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure
4,26,127 MT Total sugar manufactured 156 Mn litres Total ethanol production 441.47 Mn KWh Clean energy produced	Enhancements in crushing rates and overall efficiency improvements.	6 Clean Water and Sanitation 7 Affordable and Clean Energy 9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities 12 Responsible Consumption and Production 13 Climate Action 15 Life on Land 17 Partnerships for the Goals
7.9 years Average years of service 86% Employees retention rate	Creating a workforce that is engaged, diverse, and prepared for the future.	3 Good Health and Well-Being 5 Gender Equality 8 Decent Work and Economic Growth
8,133 Trees planted 3,17,455.72 MT Reduction in waste discharge	Reduction in air, water and soil pollution	6 Clean Water and Sanitation 7 Affordable and Clean Energy 9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities 12 Responsible Consumption and Production 13 Climate Action
4,000+ Students benefitted 35 Medical camps conducted	Enhancing accessibility to healthcare	1 No Poverty 2 Zero Hunger 3 Good Health and Well-Being 4 Quality Education 5 Gender Equality 6 Clean Water and Sanitation 7 Affordable and Clean Energy 8 Decent Work and Economic Growth 11 Sustainable Cities and Communities 13 Climate Action 15 Life on Land 17 Partnerships for the Goals

We believe the long-term prospects of our business is robust.

Therefore, as a group we are gradually expanding our footprint and becoming more geographically diversified and derisked.

Presence in strategic locations



Sugar mills

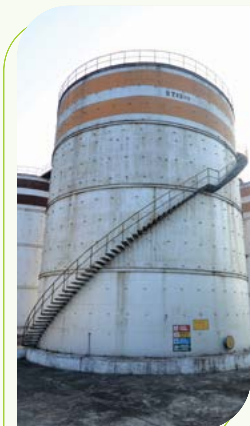
- Munoli
- Athani
- Havalga
- Pathri
- Panchaganga
- Raibag
- Kolavi (Gokak Sugars Ltd. – Subsidiary of SRSL)
- Bulandshahr (Anamika Sugar Mills Pvt. Ltd. – Subsidiary of SRSL)

Power Plants

- Munoli
- Athani
- Havalga
- Panchaganga
- Ajinkyatara (SRSL Co-gen unit on BOOT basis)
- Haldia
- Kandla
- Kolavi (Gokak Sugars Ltd. – Subsidiary of SRSL)

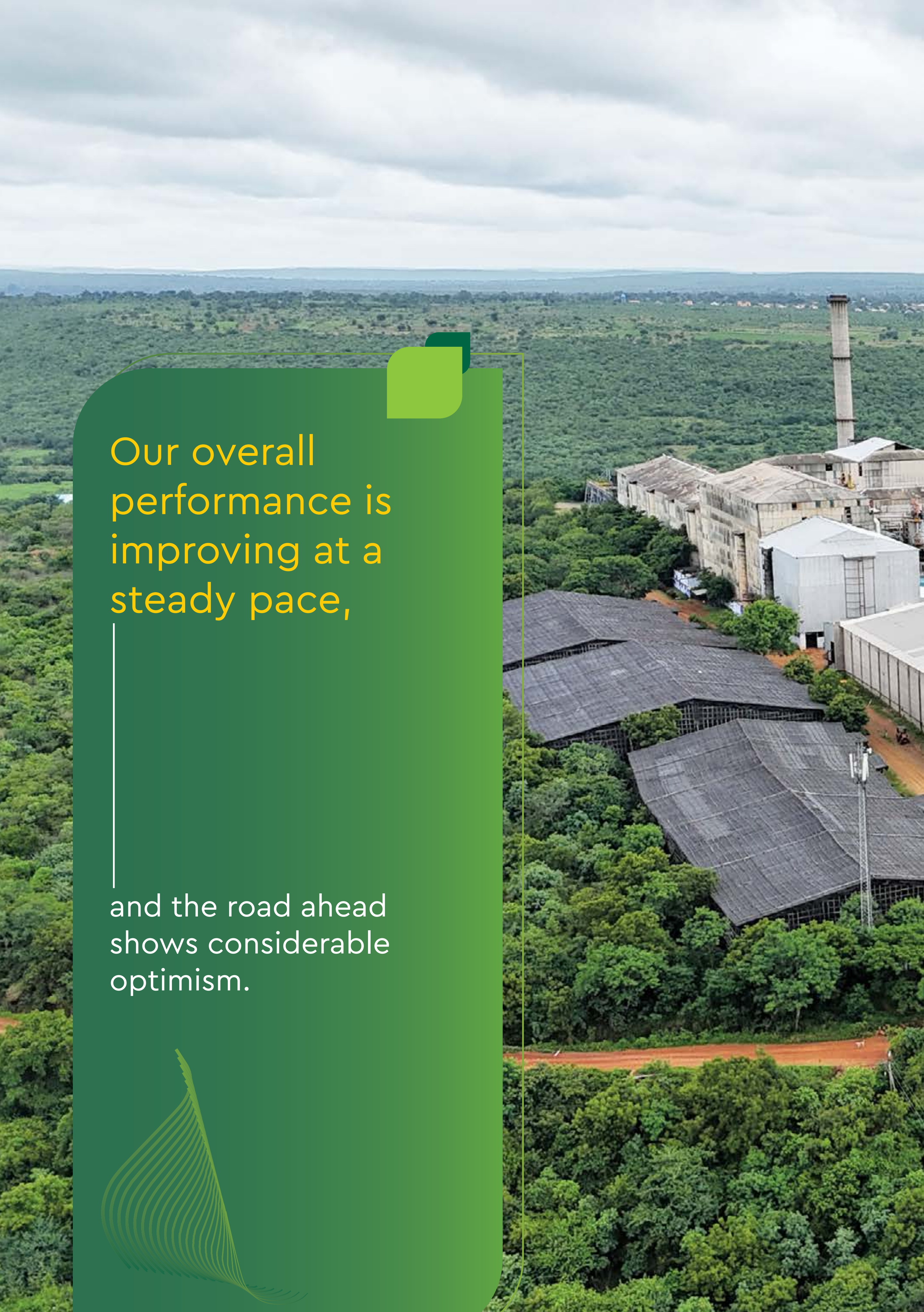
Refineries

- Kandla
- Haldia



Distilleries

- Munoli
- Athani
- Havalga

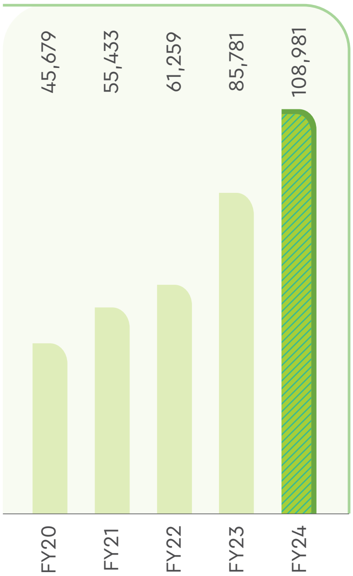


Our overall performance is improving at a steady pace,

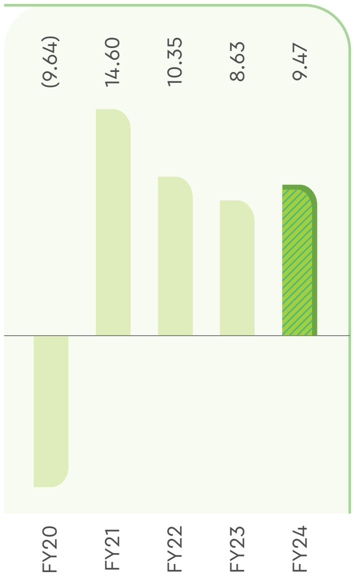
and the road ahead shows considerable optimism.

Financial Performance

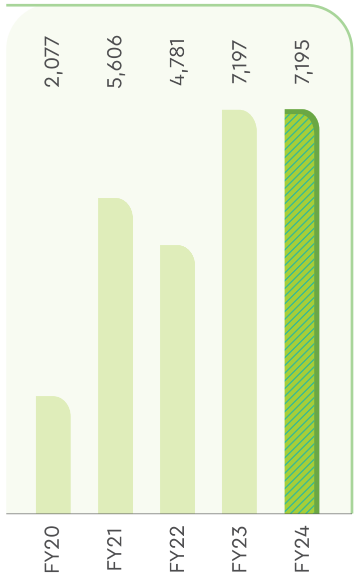
Revenue
(₹ in million)



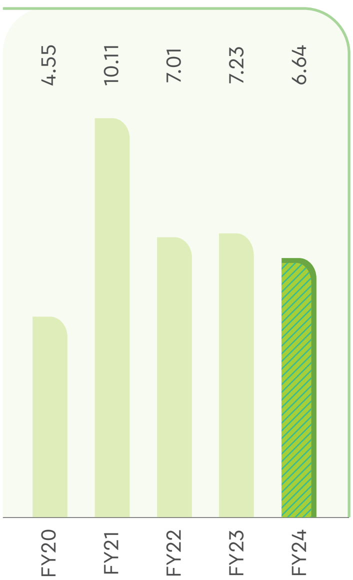
ROCE
(in %)



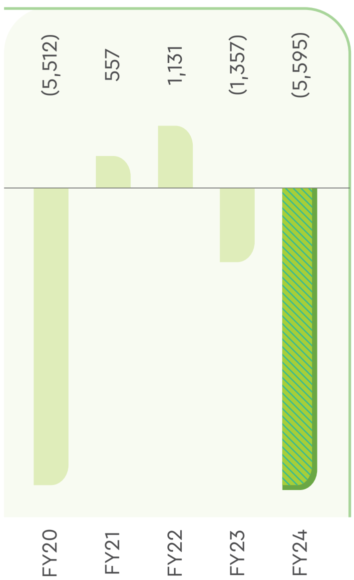
EBITDA
(₹ in million)



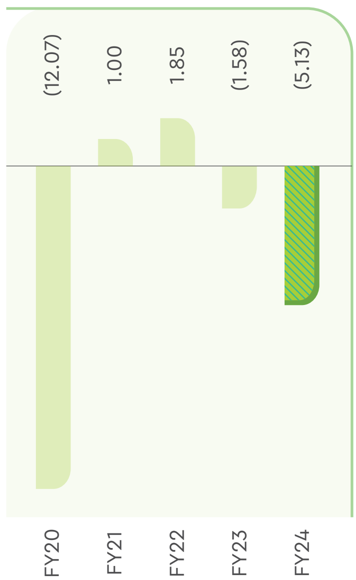
EBITDA Margin
(in %)



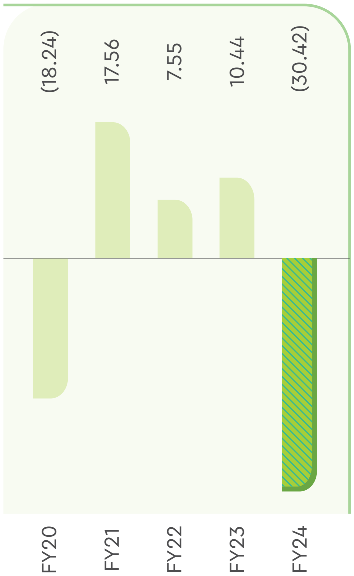
PAT
(₹ in million)



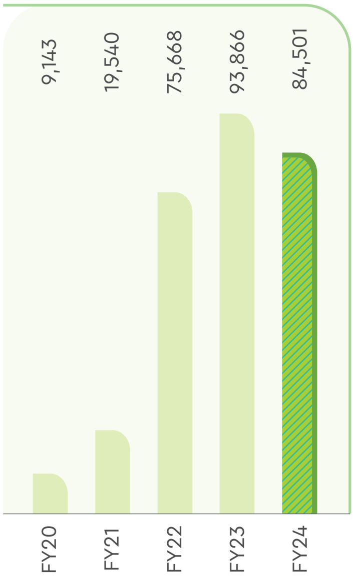
PAT margin
(in %)



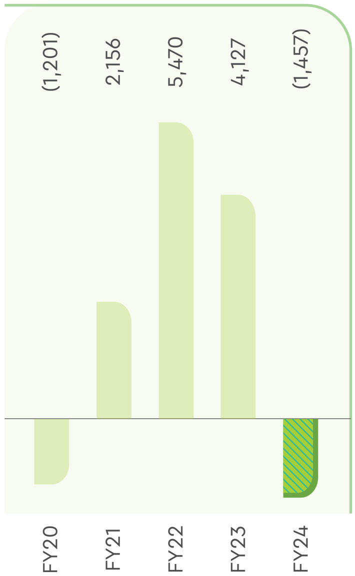
Debt/Equity ratio
(in times)



Market Capitalisation
(₹ in million)*



Net Worth
(₹ in million)



* As on 31st March of every financial year

Brownfield expansion has always been on the top of our radar,

and we have been agile in capitalising on emerging opportunities.

Leveraging Inorganic Opportunities

In a decisive move that strengthens our hold on India's sugar market, we have acquired Anamika Sugar Mills for ₹ 235.5 crore. This strategic buyout involving a 100% stake in the Uttar Pradesh-based company, marked a significant step towards expanding our presence in a key sugar-producing state and unlocking new opportunities in North and East India.

Financial Performance

3,323 Mn
Revenue

79 Mn
PAT

4,000 TCD
Crushing capacity

Acquisition Rationale

Market Expansion

Uttar Pradesh is India's leading sugar producer. By acquiring Anamika Sugar Mills, we have gained a foothold in this crucial state. This strengthens our national presence and gives a chance to compete more effectively with other major sugar players.

Improved Reach

Uttar Pradesh's location provides excellent access to the vast markets of North and East India. This acquisition allows us to directly cater to these areas, potentially reducing transportation costs and improving efficiency.

Sugar Business

We source sugarcane from the rich farmlands of South, West and North India. Our unique approach involves operating state-of-the-art sugar mills in these sugarcane-belt regions. These mills are equipped with cutting-edge technology, enabling us to efficiently extract juice and produce sugar.

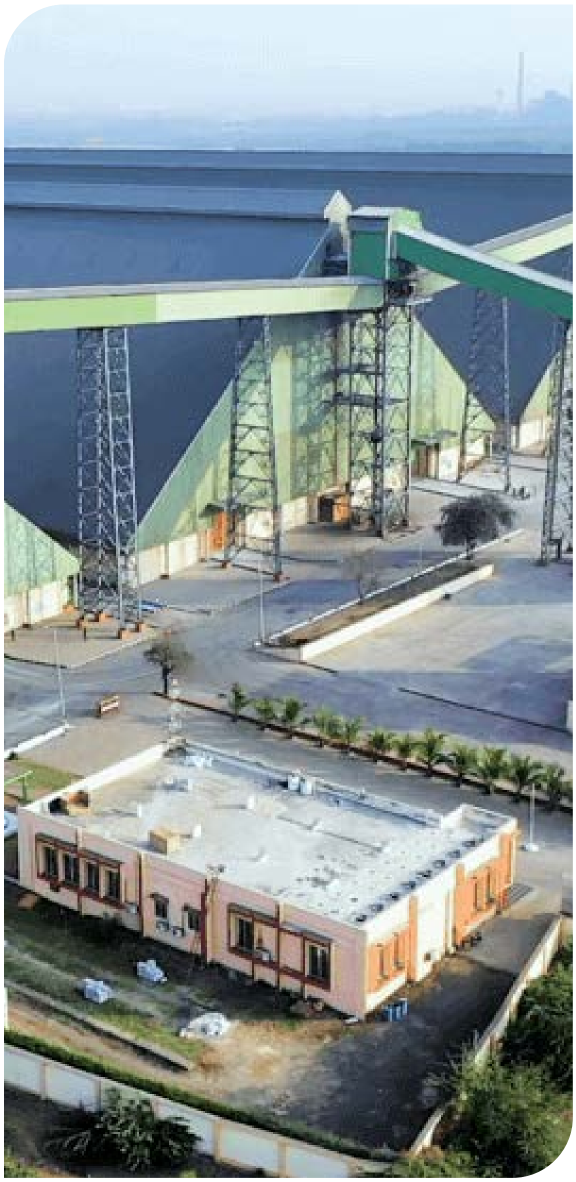
This commitment to quality allows us to consistently provide good quality sugar to our customers. The process begins with crushing sugarcane to extract the juice, which is then meticulously converted into sugar crystals.

Market environment

While sugar production dipped in FY24, compared to the previous year the number of operational factories significantly declined. Notably, the sugarcane crushing season concluded earlier for 516 factories this year compared to 460 factories in the previous year.

Looking at the market and trade landscape, the Government of India is likely to maintain export cap on sugar estimated at 3.7 MMT to prioritise domestic consumption. The Government of India had also banned the use of sugarcane juice and B-Heavy molasses for ethanol production in the 2023–24 supply year to keep sugar prices in check. However, the Government has allowed use of C-Heavy molasses for ethanol production in 2023–24, a move which sugar industry welcomed. Furthermore, C Molasses prices has increased as Government had curtailed CH & BH Molasses production.

India's sugar consumption is expected to remain stable at around 29 MMT due to factors such as festivals, the pre-packaged food market and the catering industry. Going forward, we expect the regulatory landscape will be more favourable for all players in the sugar sector.



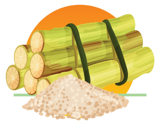
Our performance

Sugar

Our domestic sugar sales volume, including co-packing, were recorded at 347K MT, down by 9% compared to previous year volume due to lower cane availability caused by adverse climatic conditions. Our flagship brand, Madhur, achieved a sales growth of 5.4%, reaching 165K MT.

Refinery

Our refinery division delivered a strong performance by melting 1,513K MT of raw sugars which was up by 9.02% higher than previous year 1,388K MT. The refineries sales were 1,510K MT up by 16% over the previous year. This growth shows that we have established ourselves as a reliable exporter of refined sugar, contributing to our overall success. Elevated white sugar premiums in the market further enhanced the profitability of our refinery operations.



Cane crushing

We are a major player in India's sugar industry, and cane crushing forms the backbone of our operations. We process a significant volume of sugarcane, with our recent figure reaching 4.61 million metric tonnes. Although, this volume was lower by 12.3% over the previous year but was better than what was anticipated at the beginning of the season.

2
Refineries

3,000 TPD
Kandla

2,500 TPD
Haldia

46,07,782 MT
Cane crushed

Short to medium term outlook

Short-term

- Expand distribution channels and brand visibility to capture even greater market share.
- Maximize profitability in the refining sector through elevated white sugar premiums
- Invest in partnerships and optimize channels to widen product availability (including Madhur brand).
- Enhance cost-effectiveness and adapt processes to address immediate market shifts.

Medium term

- Continue to invest in systems and processes that enable us to navigate future challenges effectively.
- Closely monitor market trends and develop long-term strategies that capitalize on emerging opportunities and mitigate potential risks.
- Be prepared to adjust strategies based on market changes, such as potential shifts in consumer demand or export regulations.
- Maintain a track on market fluctuations in sugar prices, consumer trends, and government policies to identify and capitalise on opportunities.
- Explore opportunities for organic and inorganic growth

Ethanol Business

We are a leading player in ethanol production. Ethanol is a clean-burning biofuel blended with petrol to reduce emissions. We are one of the biggest contributors to the Government's Ethanol Blending Programme thereby contributing to conservation of precious foreign exchange and energy security of the nation. Our distilleries are adept at generating ethanol from either sugarcane juice or molasses, ensuring we maximise efficiency and minimise waste.

We produce three distinct grades of ethanol:

01
Absolute Alcohol (AA)
This pure form of ethanol is ideal for blending with petrol, contributing to cleaner-burning fuel options.

02
Extra Neutral Alcohol (ENA)
This versatile grade finds application in various industries beyond fuel. Its neutral taste and high purity make it perfect for use in the production of alcoholic beverages.

03
Rectified Spirit (RS)
This specific grade has its own industrial applications within the chemical sector.

We supply various grades of Ethanol to our customer groups:

Oil Marketing Companies (to blend with petrol)

Potable Alcohol Industry

Chemical Industries

75,166 MT
Sugar diverted for ethanol

1,56,364 KL
Ethanol produced

Distilleries (KLPD)

450
Athani distillery

500
Munoli distillery

300
Havalga distillery

Market environment

The ethanol market thrives on its eco-friendly reputation. As environmental concerns escalate and emission regulations tighten, the transportation sector is actively seeking cleaner alternatives. Ethanol's seamless blending with gasoline and its ability to reduce carbon emissions make it a compelling solution.

Innovation is also playing a key role, with new technologies unlocking sustainable feedstock options by utilising non-food crops. This confluence of factors has led to a positive trend, with both ethanol production and off-takes experiencing consistent year-on-year growth. The future of the ethanol market appears bright, as it continues to address environmental concerns and offer a clean energy solution for the transportation sector.

Our performance

We have established ourselves as a frontrunner in India's ethanol production industry. Our ethanol supply to Oil Marketing Companies translates to a significant contribution to the Government's blending targets. As on 14th July 2024, India achieved an impressive 13.14% blending percentage.

We prioritise sustainability by focusing on sugarcane, a renewable resource for the ethanol production. This focus on sugarcane-based ethanol production not only benefits the environment, but also aligns with the Government's push for cleaner energy sources.

Short to medium term outlook

Short-term

- We expect to see a steady rise in both production and offtake driven by existing trends.
- Government support for biofuel blends creates a reliable market for us and other producers.
- Our focus remains on utilizing current sustainable practices, primarily sugarcane-based ethanol production, which aligns perfectly with market demands and government policies.

- We anticipate wider adoption of new technologies utilizing damaged food grains and maize for sustainable ethanol production.
- The ethanol market has potential to grow beyond transportation, presenting new opportunities in aviation biofuels, bio-based chemicals, power generation and industrial applications for producers.

Co-generation Business

Our growth is reflected in our innovative use of bagasse, a by-product of sugar manufacturing. This readily available, renewable fuel source powers our co-generation plants, generating both electricity and steam to meet the majority of our energy requirements. This not only reduces our dependence on fossil fuels and promotes energy independence, but also maximises efficiency by utilising a single source for dual purposes.

Additionally, the bagasse-fuelled plants contribute to a greener environment by lowering greenhouse gas emissions. The excess electricity generated is fed back into the state grid and power exchanges, contributing to a cleaner and more secure national energy landscape. By embracing a circular economy approach and harnessing the potential of bagasse, we are making significant strides towards a sustainable future.

259 MW

Total capacity of power plants

441 Mn Kwh

Clean energy produced

Market environment

The co-generation market witnessed mixed trends in June 2024. While bagasse power generation witnessed growth of 4.11% (excluding Uttar Pradesh and Tamil Nadu), biomass power generation contracted by 5.09%. Additionally, there was marginal growth of 0.25% in waste-to-energy power generation (excluding Uttar Pradesh and West Bengal). These varying performances across different segments indicate a complex and dynamic market environment.

[1] https://waste-management-world.com/resource-use/sugar-mill-waste-to-energy-in-india-successful-co-generation/#:~:text=As%20of%2030%20June%20 2023,and%20Renewable%20Energy%20(MNRE).

Our performance

Our co-generation business presents a mixed picture. Co-generation production witnessed a 12% decline due to lower cane crushed and early closure of the season, reaching 441 Mn Kwh. Power sales realisations reduced to ₹ 5.3 per unit compared to ₹ 5.5 per unit for the previous year. This was mainly due to reduction of PPA and spot rates.

Short to medium term outlook

Short-term

- We focus on strategies to improve efficiency and maximise the utilisation of our existing co-generation capacity.
- We will focus on managing our power sales to maximize revenue.

Medium-term

- Expand bagasse co-generation capacity to leverage market growth.
- Monitor bioenergy & waste-to-energy options for future integration.

Stakeholder engagement for a sustainable way forward

We regularly engage with our stakeholders to acquire valuable insights and integrate these insights into our business operations and strategies, foster collaboration and cultivate trust.

Growing fraternity of stakeholders

- Our shareholders
- Our Suppliers and Farmers
- Our customers
- Regulators
- Our Employees

Our Shareholders

Why investors and shareholders are important:

- Both retail shareholders and institutional investors are crucial contributors to our success

How we engage:

- Website
- General Meetings
- Stock Exchange filings
- Press releases
- Quarterly Results
- Newspaper publications

Key concerns:

- Maximising shareholder value
- Long-term viability and sustainable growth
- High standards of governance

How we are addressing stakeholder concerns:

- Consistent revenue expansion
- Timely disclosures and compliance

Our Customers

Why customers are important:

- The end users encompass a range of products, including sugar, ethanol, co-generated electricity and organic manure.

How we engage:

- Customer surveys
- Social media
- Customer care
- Backend office support for B2B customers

Key concerns:

- Product availability
- Affordability
- Active brand engagement

How we are addressing stakeholder concerns:

- Value for money product
- Product information dissemination
- Convenient availability of products

Our Employees

Why employees are important:

- Our people enable us to accomplish a multitude of objectives and construct a sustainable organization.

How we engage:

- Email, Intranet
- Newsletter
- Notice Boards
- Programmes and activities on multiple issues
- Town-hall
- Virtual meetings

Key concerns:

- Skill-building and Progression
- Well-being and Security
- Fair Compensation

How we are addressing stakeholder concerns:

- Employee wellness programmes
- Professional development
- Incentives and employee benefits

Regulatory Bodies

Why regulatory bodies are important:

- Compliance with laws are essential to ensuring the long-term sustainability of businesses

How we engage:

- Meetings with Industry body/association forums
- Participation in government body meetings
- Representation before relevant forums

Key concerns:

- Legislative amendments
- Tax regime alterations
- Trade developments
- Variations in alternative energy tariffs

How we are addressing stakeholder concerns:

- Adherence to regulations
- Regular tax contributions

Our Suppliers and Farmers

Why Suppliers and Farmers are important:

- Empower us with operational strength to optimize the value chain, maintain long-term cost competitiveness, and exceed customer expectations.

How we engage:

- Face-to-face meetings
- Training camps
- Communicating via emails / phone
- Timely correspondence
- Audits

Key concerns:

- Ethical supply chain
- Sustainable logistics Payment terms

How we are addressing stakeholder concerns:

- Ethical and sustainable Practices
- Transparency and continuous communication
- Support for sustainable agricultural practices

Madhur Brand

Madhur Sugar, our flagship brand of refined sugar is India's no. 1 packed sugar brand with one in every three packed sugar consumers trusting only Madhur sweetness. Its journey from a dominant regional brand to a national leader, with distribution in over 1.3 Lacs General trade outlets and almost all major modern trade and E-commerce platforms is nothing short of inspiring.

Radio campaign

To elevate brand awareness and establish Madhur sugar as the go-to-choice for consumers, we executed a strategic radio campaign. The campaign leveraged a powerful network of 8 radio stations across India, reaching a wide cross-section of audience in 56 cities. We catered to diverse listeners by broadcasting the message in Hindi, Kannada, and Telugu languages. To ensure maximum impact, an average of 250 catchy radio spots were played daily. These spots used an entertaining approach to highlight the drawbacks of loose sugar. This radio campaign effectively targeted a wide audience and positioned Madhur sugar as the superior safe and more convenient option for every household.

madhur
Pure & Hygienic Sugar

Madhur Utsav

In this Diwali campaign, we partnered with the Robin Hood Army (RHA) and distributed dry ration and madhur mithaas (laddoos made with Madhur sugar) bringing a festive cheer to over a 1000 underprivileged families. We have also created opportunities for people to volunteer and participate through collaborations with social media influencers. Our goal is to inspire people to sign up for future donation drives, fostering a spirit of sharing and humanity that embodies the true essence of festivals.

Social Media Reach

Facebook: 5,896,217

Instagram: 6,470,926

Engagements

Facebook: 23,219

Instagram: 21,192

Concert Associations

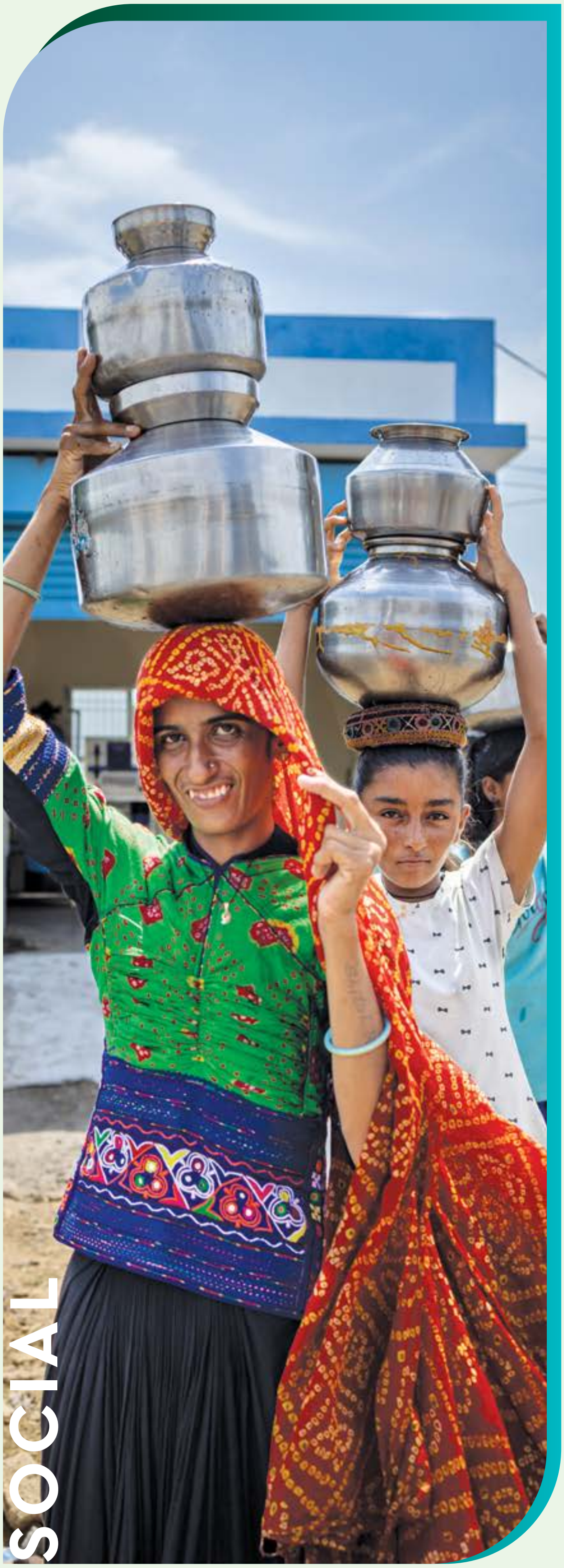
In an effort to enhance brand awareness and engagement, we leveraged partnerships with many media houses. One such activity was a series of music concerts by Hindustan Times owned Fever FM. Over 150 trade partners and their families had madhur time at the gala across 3 cities. This is estimated to have indirectly reached an audience of 20,000 people across 3 cities. Additionally, we were also the sweetness partner for 'Jalsavad', a premium on-ground event in Ahmedabad, attended by over 15000 family audiences on the Riverfront. We have aimed to build positive brand perception and strengthen relationships with both with customer and end-consumer.

ESG is our 24X7 commitment

Considering the energy and water extensive nature of the sugar industry, we have undertaken various measures to reduce specific water consumption from natural sources.

We are also continually improving our water management practices. Our facilities are also equipped with zero-liquid discharge facilities to strengthen our sustainability initiatives. Additionally, we use a large proportion of energy generated by our co-generation units for captive consumption.

Community upliftment and building a strong governance framework are also key priority areas for us as a responsible business enterprise.


SOCIAL


GOVERNANCE

Environment

We are focusing on promoting sustainable practices across all our operations. This includes initiatives in energy management, responsible water usage and minimising waste generation.

Energy management

We have successfully achieved energy saving by implementing emission-reduction and power conservation initiatives at our manufacturing sites. At Shree Renuka, we generate a large portion of our energy using eco-friendly cogeneration units, which rely on renewable sources, resulting in reduction of greenhouse gas emissions. The implementation of various power conservation initiatives is also continuing.

This includes the installation of LED bulbs, replacing conventional bulbs across all our plants. We have undertaken a significant step towards renewable energy generation by installing a 150 KWH solar power plant at our Pathri facility in Parbhani, Maharashtra. This allows us to tap into the clean energy and further reduce our reliance on traditional sources. Additionally, we have installed solar heaters at our Athani plant in Karnataka. These innovative systems utilise solar energy for heating purposes, further optimising our energy usage.

74%
of energy produced from renewable sources

17 Mn.
Investment in energy conservation electricity conservation project

2,10,373.8 kWh
Energy conserved

441 Mn. kWh
Clean energy produced

Air management

To minimise air pollution generated by our operations, we have invested in the installation of electrostatic precipitators at our facilities. These advanced systems effectively control air quality by removing particulate matter, ensuring adherence to prescribed environmental standards. We are engaged in planting trees across all our units.

These trees act as nature's air purifiers, effectively filtering out pollutants and releasing fresh oxygen, which helps in reducing air pollution. This not only improves the air quality of our facilities, but also contributes to a cleaner environment.

8,133
Trees Planted

Circular economy

At Shree Renuka Sugars, we have made significant investments in renewable energy, transitioning all our units to operate on power produced in-house through cogeneration process. This approach allows us to generate both electricity and thermal energy from a single fuel source. The fuel powering this cogeneration process results in facilitating circular economy practices.

We utilise bagasse, a by-product of the sugar manufacturing process that would otherwise be considered waste. By giving bagasse, a second life as fuel, we minimise waste generation and promote resource efficiency. Relying heavily on bagasse-powered cogeneration, we have significantly reduced greenhouse gas emissions, compared to traditional power generation methods that utilise fossil fuels.

Water management

We continue to minimise our dependence on fresh water resources, utilising advanced treatment technologies to transform wastewater into clean, usable water. This recycled water is subsequently used for various purposes, such as irrigation for landscaping or industrial processes. We have also set up rainwater harvesting systems in our factories, which help to replenish groundwater resources.

We have formed a dedicated inter-unit committee, specifically focused on minimising freshwater consumption. This committee collaborates to identify and implement innovative solutions. Our focus area is to promote the use of recycled water throughout our operations. To ensure a reliable supply of potable water for all, we have installed reverse osmosis (RO) plants at our facilities. These advanced systems effectively remove impurities and contaminants from raw water, providing safe and clean drinking water for our employees and the surrounding community.

11,30,084 m^3

Waste water recycled

Waste management

Our continued emphasis is on segregating waste materials right at their point of generation. This facilitates efficient sorting and identification of recyclable materials. We have reduced waste through the implementation of recycling and waste reduction programmes, as well as utilising sugarcane byproducts for energy production and organic manure production.

We have established waste management facilities within our factories specifically equipped to handle the safe disposal of hazardous waste. Through our zero-waste policy, we focus on eliminating waste generation altogether through responsible practices like source segregation and maximizing recycling efforts.

We strictly adhere to the regulations set forth by the Central Pollution Control Board (CPCB) for the proper collection, storage and disposal of waste materials. For non-recyclable waste, we partner with authorised waste collectors who ensure safe transportation and incineration according to environmental regulations.

Social

We believe in creating a positive social impact through various initiatives. This includes supporting access to quality healthcare, promoting educational opportunities, participating in community development projects and water conservation projects

Healthcare

We focus on promoting health and well-being of the communities we operate in.

We have established Health Centres to provide accessible healthcare services for local residents especially women. Our focus is on organising regular health camps, offering comprehensive diagnostic services to the community and educating women farm labourers on menstrual hygiene.

For the children of our cane harvesting farming community, we operate ambulance services that provide vital health check-ups and nutritious food. We have donated tricycles for differently abled for enhancing their livelihood.

20,000+
Beneficiaries were supported

35
Medical camps organised

Education

We focus on providing well-equipped classrooms to create a positive learning environment for the students.

To support this objective, we have distributed essential primary school supplies to students in the communities surrounding our manufacturing locations.

We have also distributed educational kits designed to enhance learning experiences. We focus on facilitating infrastructure development for pre-primary, primary and secondary education within the communities we operate in. This involve contributing to the construction or improvement of school buildings, libraries, or other educational facilities.

Additionally, we promote opportunities for skill development and vocational training within the communities we serve. These programs equip individuals with practical skills that can help them to pursue fulfilling careers and contribute meaningfully to the development of the economy.

4000+
Students benefitted

26,982
Farmers supported

Community development

We promote sustainable agriculture by providing farmers with training and resources to improve their yield and income.

Recognising the importance of clean drinking water for health, we have constructed RO plant for providing clean drinking water to communities around the plants. We have also engaged in water conservations activities which benefit the communities around our plant locations. Additionally, we've inaugurated a Condensate Polishing Unit (CPU) at our Raibag Unit which enables reuse of water used in production process. We have also assisted the communities to set up bio digester and bio-gas plant to utilize waste for production of biogas for home use. We have also distributed drip irrigation systems for conservation of water.

Governance

Responsible growth has always been the critical focus area for Shree Renuka Sugars. Therefore, we continue to focus on conducting our business operations in strict accordance with all applicable laws, rules and regulations, upholding the highest standards of business ethics. Our aim is to be exemplary corporate citizens, prioritising integrity and responsibility in every aspect of our operations.

To achieve this objective, it is imperative that all directors, officers and employees of the Company consistently strive to perform at their best, ensuring compliance with legal requirements and promoting ethical business practices in all business dealings.

4.5

Average tenure of the Board Member

63

Average age of Directors

84.62%

Average attendance in Board meeting

1

Women representation in Board

9

Indian nationality

Board committees

We have formed several committees with distinct roles to streamline and enhance the decision-making process. The Board Committee, comprising seasoned professionals and forward-thinking leaders, plays a pivotal role in defining our strategic trajectory, achievements, and upholding the utmost standards of corporate governance.

Audit Committee

The committee oversees the financial results, financial processes, internal controls of the company, identifies potential risks and control weaknesses, and provides recommendations for improvement.

Nomination and Remuneration Committee

The Committee reviews remuneration policies, including executive compensation, incentives and benefits, to ensure alignment with the Company's strategic objectives, industry benchmarks and shareholder interests.

Risk Management Committee

Dedicated to identifying, assessing and mitigating risks, while ensuring a proactive risk management culture.

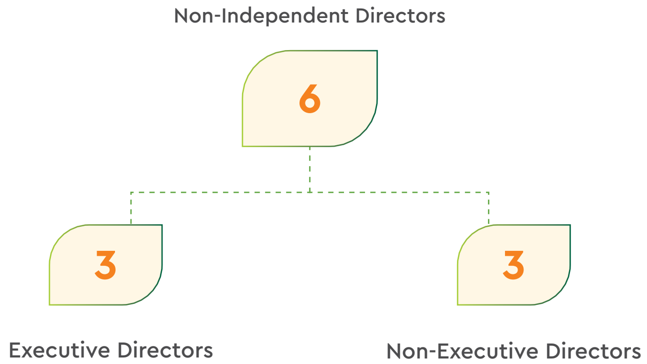
Corporate Social Responsibility Committee

The committee evaluates CSR policies with a focus on sustainable development, community engagement and ethical practices.

Stakeholders' Relationship Committee

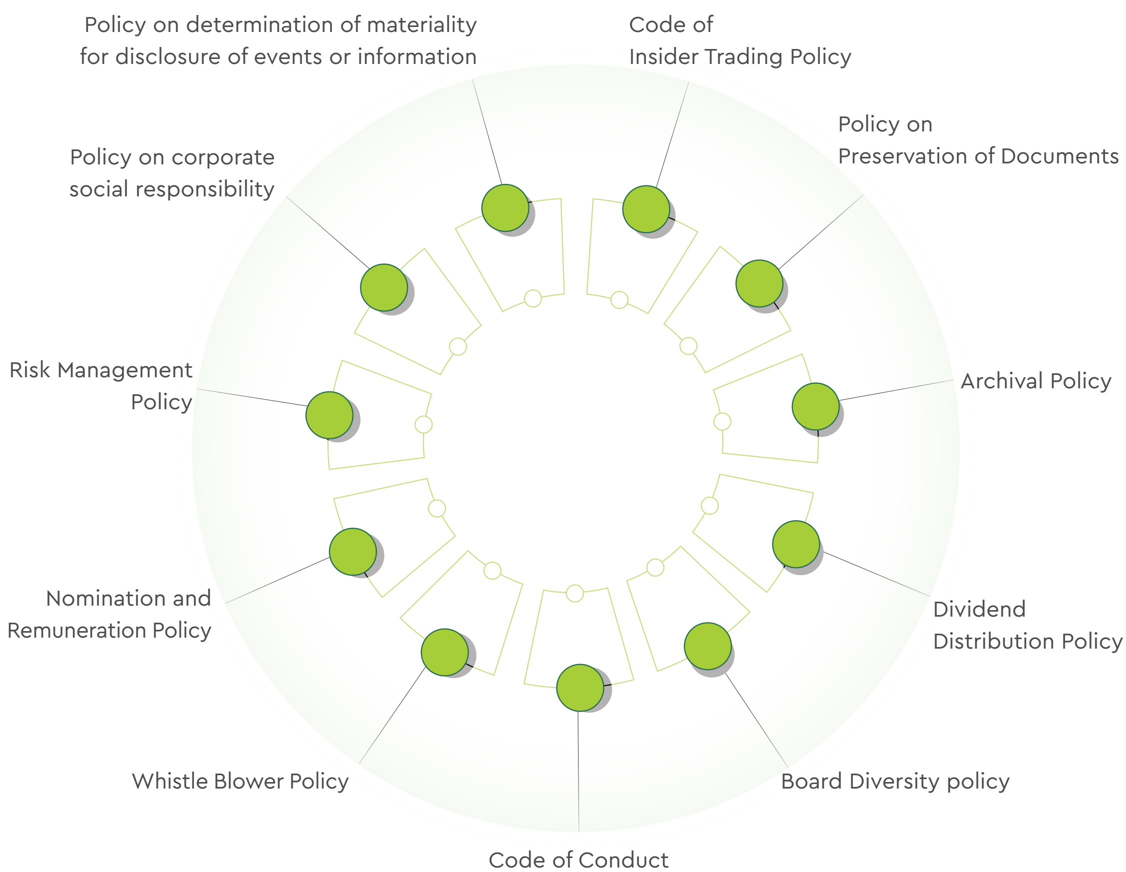
The committee addresses shareholder grievances and focuses on building and maintaining enduring relationships. Serving as a bridge, it connects the interests, concerns, and expectations of stakeholders with the organisation's goals.

Composition of Directors



Emphasis on good governance

We have developed a number of policies to ensure organisational efficiency and enable adherence to relevant laws and regulations.



Corporate Information

BOARD OF DIRECTORS

Mr. Atul Chaturvedi
Executive Chairman

Mr. Vijendra Singh
Executive Director & Dy. CEO

Mr. Ravi Gupta
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

Dr. B.V. Mehta
Independent Director

Ms. Priyanka Mallick
Independent Director

Mr. Arun Chandra Verma
Independent Director

Mr. S. Sridharan
Independent Director

Mr. Siraj Hussain
Independent Director

Mr. TK Kanan
Alternate Director
(to Mr. Kuok Khoon Hong)

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, CTS No. 10634, JNMC Road, Nehru Nagar, Belagavi -590010, Karnataka

CORPORATE OFFICE

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

BANKS & FINANCIAL INSTITUTIONS

Bank of America
First Abu Dhabi Bank
Standard Chartered Bank
DBS Bank
RBL Bank
LIC of India

PLANT LOCATIONS (INDIA)

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

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

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

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

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

Unit VI Ajinkyatara
(SRSL Co-gen unit on BOOT basis)
Shahunagar, Shendre,
Tal/Dist: Satara, Maharashtra

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

Unit R1 Haldia
Sugar Refinery & Co- Generation
West Bengal

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

Management Discussion and Analysis

Global Economy

In 2023, the global economy demonstrated remarkable resilience, in response to recovering from Covid-19 pandemic, ongoing geopolitical disturbance due to Russia-Ukraine conflict resulting in supply chain disruptions and global shortage of food. This happened due to numerous countries concurrently tightening their monetary policies. Despite these challenges, the global economy managed to successfully evade recession. Financial institutions remained sturdy, and major emerging economies sidestepped abrupt economic downturns. Employment and incomes rose steadily, supported by heightened government spending and consumer outlays. Notably, there was an influx of new participants into the workforce, contributing to overall stability. By the end of 2023, global growth rebounded to 3.2% following a period of decline in 2022.[1]

Outlook

The baseline forecast for the global economy suggests that it will maintain a growth rate of 3.2% throughout 2024 and 2025, mirroring the performance seen in 2023. This reflects upgrades for economic powerhouses such as China, the United States of America and large emerging market economies. Advanced economies are expected to experience a slight acceleration, with growth expected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. Emerging markets and developing economies are projected to experience a modest slowdown from 4.3% in 2023 to 4.2% in both 2024 and 2025.

Global headline inflation is anticipated to decrease from an annual average of 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025. Notably, advanced economies are expected to return to their inflation targets sooner than emerging markets and developing economies. Central banks are now tasked with ensuring a smooth landing for inflation, avoiding premature policy easing or prolonged delays that could lead to undershooting targets. As central banks adopt a less restrictive approach, there is a renewed emphasis on implementing medium-term fiscal consolidation to rebuild fiscal space for strategic investments, prioritising spending and ensure debt sustainability.

Indian Economy

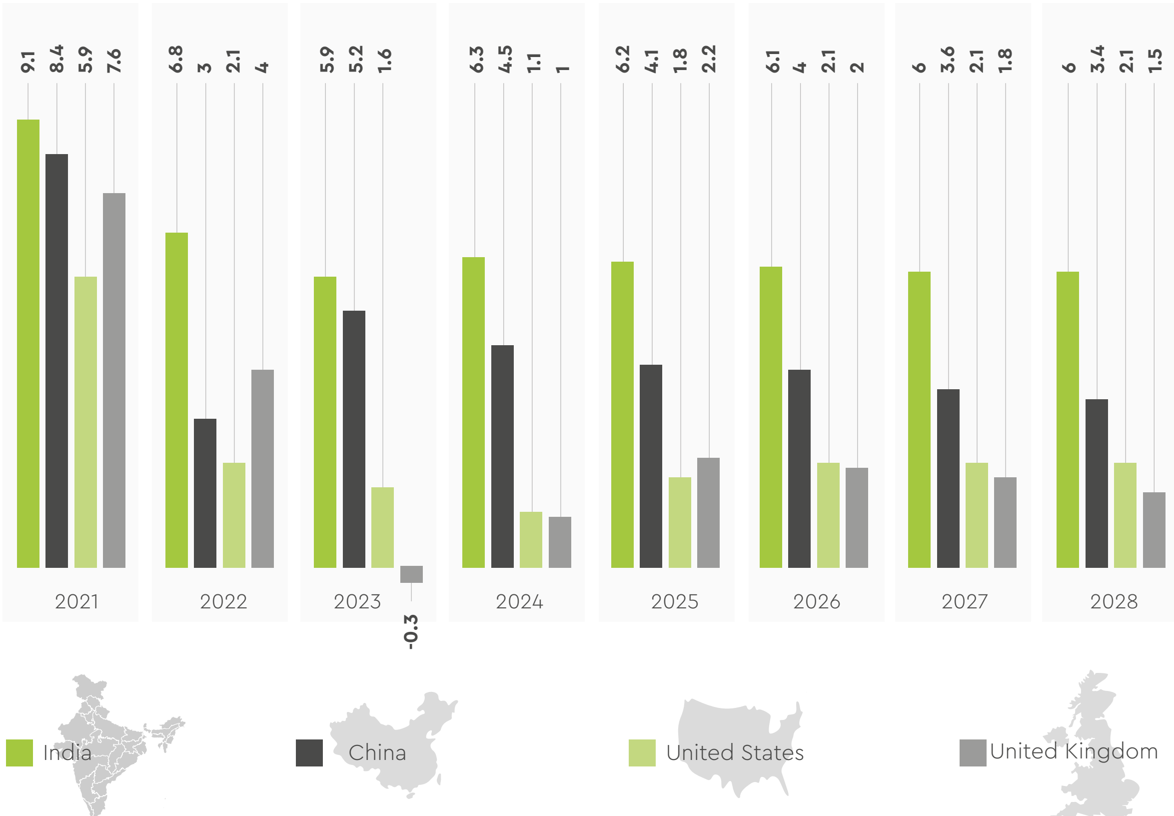
Despite the global economic downturn, India's economy maintains a solid growth rate compared to many other nations, driven by strong domestic consumption and reduced dependence on global demand. Government initiatives such as the Prime Minister's Gati Shakti, focusing on infrastructure development, logistics enhancement and industrial corridor creation are expected to boost industrial competitiveness and fuel future growth. Anticipated improvements in the labour market and rising consumer confidence are anticipated to further drive private consumption growth.

While aiming for a lower fiscal deficit of 4.9% of GDP, Government of India's emphasis on capital expenditure is a strategic move to stimulate economic activity without compromising fiscal prudence. A lower fiscal deficit should mean reduction in fiscal push to growth. The nature of spending should provide support to the investment cycle and rural incomes. It should help in improvement of borrowing cost by improving credit rating and attracting both domestic and international investment specially in infrastructure development. Moreover, efforts to enhance business environment including streamlined labour regulations and production linked incentive schemes are expected to contribute to an improvement in export of goods going forward.

Several factors such as the transmission of rate hikes by the Reserve Bank of India, regulatory actions to manage unsecured lending and fiscal deficit adjustments will influence India's growth trajectory. The country is projected to surpass the $5 trillion GDP mark and approach $7 trillion, positioning it as the third-largest economy globally and elevating its per capita income to the upper-middle-income category by 2031.

[1]World Economic Outlook Update, January 2024: Moderating Inflation and Steady Growth Open Path to Soft Landing

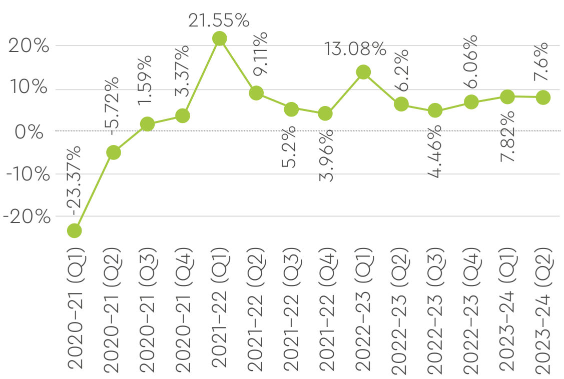
IMF estimates of real GDP growth (%)



Source: https://www.pwc.in/assets/pdfs/india-calling-decoding-the-countrys-electronics-manufacturing-journey-and-the-way-forward/india-calling-decoding-the-countrys-electronics-manufacturing-journey-and-the-way-forward.pdf

Quarterly estimates of the percentage change in GDP over the values of the previous year

India's GDP grew by 7.6% in the second quarter of FY 24 compared to 6.2% growth in Q2 FY 23



Outlook

India achieved GDP growth of 8.2% during FY 2024. As per S&P Global Ratings, this growth rate is expected to moderate to 7% in FY 2025. Indian inflation stood at 5.4% in 2023-24 as compared to 6.7% in 2022-23, and the Reserve Bank of India aims to bring inflation further down to 4.5% in 2024-2025. The food commodity inflation was at 8.7% in May 2024 and continues to be a challenge. The interest rates hovered around 6.5% throughout the year. The economic outlook remains positive, with a focus on agriculture, manufacturing and infrastructure, though high interest rates and lower fiscal stimulus may temper demand.

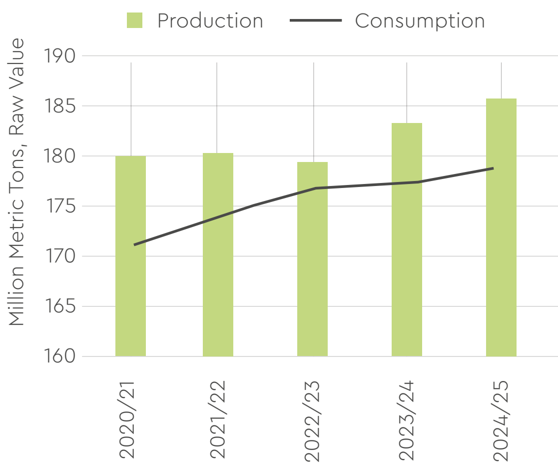
Industry Overview

Global sugar industry overview

According to the United States Department of Agriculture ("USDA") - Foreign Agricultural Services, the global sugar market is expected to experience higher surplus in 2024-25 than 2023-24, estimated at 7.2 Mn. tons (raw value), an increase of 1 Mn. tons over 6.2 Mn. tons in the previous year.

Sugar production is expected to expand in key sugarcane producing countries except Brazil and India. Brazil's sugarcane acreage increased and diversion to sugar is also expected to be higher, however the production is expected to decline due to lower field and industrial yield, a result of below normal rainfall during rainy season. The marginal decline in Brazil production is offset by an increase expected in Thailand. Thailand is expected to witness productivity gains, along with higher acreage projections due to better returns than cassava. Indian production in 2023 saw a marginal decline which prompted the Government to cap diversion of sugar to ethanol at 1.7 Mn. tonnes. During 2024, it is expected that production will bounce back due to good monsoon spread in key growing areas. The overall cane acreage may also witness marginal improvement. Production in China is expected to increase by 5% on account of expansion in area and production in Mexico is also expected to increase by 12% due to favourable weather conditions leading to increase in productivity. Productivity is down in Indonesia due to unfavourable weather conditions resulting in lower production projections.

Global Sugar Production and Consumption Continue Upward Trend



Source: https://apps.fas.usda.gov/PSDOnline/CircularDownloader.ashx?year=2024&month=06&commodity=Sugar

As per USDA, exports are projected to reduce from Brazil and Thailand. However, the Government of India may prefer excess sugar diversion to ethanol next year. However, if monsoon season is as per Indian Meteorological Department's prediction, India may participate in exporting sugar in 2025-26.

India's sugar industry overview

India has been the largest consumer and second largest producer of sugar in the world, commanding about 18% share of the global sugar consumption and contributing about 19% to global sugar production, and is structurally surplus. Consequently, Indian sugar trends exert a profound impact on the global markets. India's sugar market is expected to register a CAGR of 5.2% over the next five years.

India has 761 installed sugar mills of which 535 are working. Private sector has a big share in sugarcane milling with 333 mills belonging to private sector out of total 535 working mills. Sugarcane mills are distributed in 14 Indian states, but majority is concentrated in 3 states i.e. Uttar Pradesh, Maharashtra and Karnataka. 406 (76%) mills out of the 535 working mills are in these states. With average running capacity, India has a crushing capacity of more than 400 Mn. tons in 160 working days.

It is expected that India, followed by China and Indonesia, will provide the largest contribution to the overall rise in sugar consumption. In India, population growth (although slower than in the past decade) coupled with income growth (which is associated with stronger demand for processed food and beverage products) is expected to sustain the upward trajectory in overall sugar consumption over the next decade.

Growth drivers for the sugar industry

Indian sugar industry is the biggest organized sector in agriculture in India. It supports about 6 Mn. farmers and their families. Therefore, farmers become the biggest growth driver for the sugar industry. Farmers have responded positively to better returns from sugarcane and have increased sugarcane production, leading to a 30% increase in crushing from 240 MMT in 2010-11 to 315 MMT in 2023-24. This resulted in ₹ 1,088 billion (approx.) being paid to farmers in 2023-24, as compared to ₹ 447 billion paid to farmers in 2010-11. However, in the year 2023-24 while the sugarcane area increased, due to bad monsoon, yields were lower and gross sugar production reduced to 34 MMT compared to 37.1 MMT in 2022-23. The spill over of deficit rains in 2023 will have some impact on the crop area for 2024-25, depending on the monsoons.

However, India's sugarcane growth trajectory is promising due to following reasons:

Varietal improvements: With reducing cultivable area, need of the hour is to increase productivity per unit area and varietal improvement plays a major role. This is true especially in North India where growing period is small due to extreme weather conditions twice in a year. The impact is very well visible with advent of early variety Co-0238 in North India which got widely adopted in 2014-15 and improved cane availability, farmer remuneration and miller's return due to better field and industrial yield. However, varietal sustainability for a longer time is a problem in North India leading to continuous improvement and bringing resistant varieties to insect pest while maintaining/improving the yields. For example, new resistant varieties like Co-0118, Co-15023 and COLK-14201 etc. are replacing Co-0238 in North India. Moreover, biotechnology and genetic engineering are being explored to enhance sugarcane varieties. Efforts are focused on developing genetically modified sugarcane with traits such as increased sugar content, resistance to pests and diseases and tolerance to drought or salinity. These initiatives hold promise for driving further advancements within the industry.

Irrigation potential: Sugarcane in India is grown in 100% irrigated conditions so increasing irrigation can expand sugarcane areas in regions like Maharashtra and Karnataka. Under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) – since 2015, the area covered under micro-irrigation systems has increased at a compound annual growth rate (CAGR) of 10%. As per the Government's data, maximum number of projects (22) are going on in Maharashtra. The Government plans to cover 140 Mn Ha of net irrigated area, from current net irrigated area of 73 Mn Ha.

Technological advancements: Sugarcane bagasse for instance, is being repurposed into bioenergy, bio-fertilizers and bioplastics, thereby contributing to market growth. Innovations in energy-efficient sugar processing are also underway, with the introduction of high efficiency boilers, turbo generators and heat recovery systems in sugar mills. These advancements are aimed at reducing energy consumption and enhancing overall sustainability.

Ethanol – the Game changer: Along with above growth drivers, ethanol blending programme, the road map of Government of India is the biggest game changer and growth driver in Indian sugar industry. It helped in surplus sugar utilization for ethanol at a remunerative rate, which helped in two ways – firstly by reducing the carrying cost of sugar and secondly, by eliminating the distress sale of sugar. The Government has a mandate of 20% ethanol blending by 2025. The ethanol blending percentage achieved in 2022-23 was 12% out of which 73% ethanol has been provided by sugar industry and in 2023-24, the blending percentage is expected to be 15%.

Global Ethanol industry

The global ethanol market was valued at USD 85.8 billion in 2023 and is anticipated to register a CAGR of 6.8% from 2023 to 2032 and expected to reach USD 145.6 billion by 2032. This growth is primarily fuelled by the growing usage of ethanol as a biofuel along with the rising consumption of alcoholic beverages. Ethanol can be produced from both natural and petrochemical feedstocks. North America dominates the ethanol market share and US stands out as a major market in North America, benefiting from a robust petrochemical manufacturing base and extensive cultivation of corn and sugar which favour ethanol production.

The application of ethanol as a biofuel emerges as a key market driver, particularly as the automotive industry grapples with air pollution concerns and to reduce gasoline imports. Many countries view the ethanol program favourably. In Brazil, the ethanol blending rate is 27% and India is planning to reach to 20% by 2025. This shall be a major driving factor for growth of ethanol & sugar industry.

CAGR:
6.8%

Source: Global Ethanol Market Size, Trends, Share, Forecast 2032 (custommarketinsights.com)

India's ethanol industry

Ethanol has now become a crucial component of the country's fuel demand. India currently has an ethanol distillation capacity for sugar-based ethanol at 8.89 billion litres vs 5.12 billion litres grain-based ethanol production, thus totalling 14 billion litres. Sugar industry is the major contributor to the ethanol blending mandate with contributions reaching as high as 75% to 80% of total supply. However, sugarcane availability and priority focus on domestic sugar availability and retail prices by Government impact industry due to sudden changes in policy. In 2023–24, the Government of India put a temporary restriction on ethanol production from cane juice and B-heavy by fixing the diversion of sugar towards ethanol in anticipation of lower sugar production due to deficit rainfall in Maharashtra and Karnataka. However, the silver lining was that the Government justified this as a temporary solution and showed their intent behind ethanol blending mandate by increasing the price of fuel ethanol supply from C-Molasses by 14% on year over year basis. The Government also increased Maize ethanol price by 9% over last year and also pushed NAFED and NCCF into procuring the maize at MSP from farmers and providing to distillers at a fixed price of 22910/Mt. This led to significant increase in supply from Maize ethanol at 956 Mn. litres till end of May 2024 vis a vis 315 Mn. litres for the whole season last year. The contract and allocation together account for total 2.45 billion litres of maize ethanol, which if performed, will take care of reduction due to sugar ethanol.

Efforts to diversify feedstocks, expand capacity, and explore alternatives such as used cooking oil (UCO) for biodiesel production are underway. Additionally, there is a focus on Advanced Biofuels such as Second Generation (2G) Ethanol and BioCNG, derived from abundant waste materials such as crop residues, biomass and industrial waste, which could alter ethanol consumption patterns.

Several initiatives, spearheaded by the Government of India and several states, have garnered huge interest from investors looking to establish ethanol production capacities. Approximately 800 projects have been registered with the Government. Some sugar companies have also ventured into dual feed ethanol plants, enabling the use of corn and grains in addition to sugarcane and molasses.

Leading companies like IOCL, HPCL and Bharat Petroleum have forged partnerships to promote the adoption of ethanol blending and advanced biofuels from various feedstocks, including agricultural residues and waste materials.[2]

By 2025, it is projected that sufficient capacities will be in place to produce and supply 10 billion litres of ethanol.

Company overview

Shree Renuka Sugars Limited is a leading sugar producer in India with a global reputation as one of the largest sugar refiners. Based in Belagavi in the state of Karnataka, the Company operates eight mills (including 2 belonging to its subsidiary companies) equipped with the capacity for power co-generation and ethanol production capabilities in 3 mills. Additionally, it also operates 2 sugar refineries in the state of Gujarat and West Bengal, making it one of the biggest refiners of sugar in Asia.

Operational highlights

Milling

In the period under review, the Company's cane crushing volume totalled 4.6 Mn. metric tonnes (MT) as compared to the previous year volume of 5.25 Mn. MT due to low availability of cane in view of the adverse weather conditions. Consequently, sugar production for the year reduced to 5,01,293 MT, in contrast to the preceding year's production of 6,16,896 MT.

Refinery

During the fiscal year, the Company effectively refined a total of 15,13,247 metric tonnes (MT) of raw sugar, marking an increase of 9.02% compared to the preceding year. Most of the raw sugar utilized for the refining process was imported.

Ethanol

During the fiscal year, there was no change in the ethanol production capacity, at 1,250 kilolitres per day. The ethanol production during the year stood at 156.36 Mn. litres vis a vis 196.2 Mn litres, due to restrictions on production of ethanol from cane juice and B-Heavy Molasses.

Power

The Company utilizes bagasse, a by-product of sugarcane processing, and coal, for both internal energy generation and sale to Indian state grids. Bagasse as a renewable energy source can be burned to produce bioenergy, leading to significant reductions in greenhouse gas emissions. In the fiscal year 2023-24, the company produced 594 Mn KwH of power of which 441 Mn. KwH was generated from bagasse, with around 177 Mn. units sold to the grid out of the power generated from bagasse. This was lesser as

[2]India Ethanol Market 2024–2030 | April 2024 Updated (mobilityforesights.com)

compared to the previous year due to lower availability of sugarcane for crushing.

Madhur

Madhur Sugar stands as India's top-selling sugar brand, renowned for its commitment to delivering pure and hygienic products to consumers nationwide. With a robust presence spanning traditional local stores to modern retail outlets, Madhur has solidified its reputation for offering quality products across diverse markets.

Throughout this year, Madhur maintained its growth trajectory, achieving remarkable sales figures amounting to 160K metric tonnes (MT), clocking an impressive growth rate of 5.4%.

Financial overview

Profit and Loss statement

The Company's operating revenue stood at ₹108,327 Mn., compared to ₹ 85,781 Mn. in FY 2022–23 (the previous year). The Company generated EBITDA (excluding forex gain or loss) of ₹ 7,195 Mn. as compared to ₹ 7,197 Mn. last year. The Company recorded a loss (after tax) of ₹ 5,595 Mn. as compared to loss (after tax) of ₹ 1,357 Mn. for the previous year. This was mainly due to

a) 53% increase in finance costs to ₹ 8,276 Mn. (PY: ₹ 5,413 Mn.) driven by higher working capital requirements of raw sugar, increase in interest costs on ECB coupled with weakening of the Rupee and

b) Deferred tax charge of ₹ 1,659 Mn. on expiry of carry forward losses.

Balance Sheet

Net worth- The Company's net worth as on 31st March 2024 stood at ₹ (1,456) Mn. as compared to ₹ 4,127 Mn. as on 31st March 2023. The reduction in net worth is attributed to increase in losses for the current year mainly due to increase in finance cost and reversal of deferred tax asset due to expiry of carry forward losses.

Working capital management

Current assets as of 31st March 2024, stood at ₹ 50,161 Mn. as compared to ₹ 28,573 Mn. as on 31st March 2023, mainly due to increase in inventories by 87% from ₹ 22,370 Mn. to ₹ 41,860 Mn. The current ratio is 0.77 as of 31st March 2024, as compared to 0.75 as on 31st March 2023.

Risk Management

Shree Renuka Sugars Limited has developed a robust risk management system characterised by a methodical approach to recognizing and evaluating risks. This enables the Company to implement effective strategies aimed at reducing risks and navigating operational challenges that may arise. Oversight of Risk Management Policies is entrusted to the Risk Management Committee, comprising the Chairman of the Audit Committee, the Executive Chairman, the Executive Director and the Chief Financial Officer.

The Risk Management Committee meets on a periodic basis to review the measures taken by the Company to manage the risks and reduce their impact. The Committee also reviews the Risk Management Policies periodically to keep it updated to the changed business environments.

Internal controls and their adequacy

The Company has enforced stringent internal controls to ensure strict compliance with applicable laws and regulations, protect company assets and guarantee the accuracy of financial reporting. Establishing effective internal controls is crucial for any organisation, as it promotes efficient, effective and ethically sound business practices.

The Company's internal control framework encompasses a comprehensive array of policies, procedures and guidelines that offer thorough oversight of financial reporting and other vital aspects of the organisation. The organisational structure is clearly defined, with distinct roles and responsibilities, fostering accountability and transparency in the decision-making processes.

A comprehensive internal control system upholds the integrity of the Company's financial reporting by incorporating measures such as segregation of duties, access restrictions, and routine review procedures as integral components of the control environment. The independent Audit Committee assumes a pivotal role in monitoring internal control procedures and regularly updates the Board of Directors on their efficacy.

Human Resources

Shree Renuka Sugars' success is linked to its people, who drive innovation, culture and productivity that fosters a positive workplace promoting engagement, development and progress. Our Employee Retention

Approach prioritizes transparent communication, career advancement, competitive compensation, recognition and supportive leadership.

Leveraging Technology

The Digital Transformation in HR processes have advanced employee engagement and operational efficiency. The Performance Management System (PMS) integration allows real-time goal setting and progress tracking. HRMS has streamlined onboarding, offboarding, leave management and payroll, reducing administrative burden and enhanced the employee experience.

Employee Engagement

Fostering a positive and engaging work environment is crucial for the Company. To achieve this, we focus on Communication, Recognition and Growth & Development.

Transparent Communication: We maintain open dialogue through Leadership communications, our internal magazine Madhurvaani and the Employee Satisfaction Survey (ESS). We encourage transparency through meetings and discussions.

Recognition and Rewards: We value employees' contributions, celebrating achievements through company-wide communications, personalized notes and career development opportunities. Peer-to-peer recognition is encouraged.

Growth and Development: We support employee growth with succession planning, personalized development plans, internal promotions, and mentorship programs. Challenging assignments and projects empower employees.

Employee Well-being

We foster a healthy and supportive work environment through multifaceted initiatives to support employees' physical and mental health, through various workshops and regular health check-ups. Our annual Wellness Month initiative commencing on International Yoga Day, covers diverse topics such as Healthy Heart, Awareness on liver disorders, Managing Back Pain, Cancer Prevention, Healthy Lifestyle and Work-Life Balance.

To foster physical activity and team spirit, we organize sports weeks at our factories, featuring popular sports like Cricket, Volleyball, Badminton, Tug of War and various track events. Company-sponsored team-building activities, social events and cultural celebrations foster camaraderie and create a sense of community among employees. Our employees are covered under major insurance and health benefits to prioritize employee well-being.

Great Place to Work:

We have been recently awarded, the prestigious Great Place to Work® Certification, this reflects the positive experiences of our employees. High scores in areas like credibility of management, respect for people, fairness and camaraderie demonstrate a positive and inclusive workplace. The exceptional pride score further emphasizes that employees feel valued and proud to be part of our team. These results affirm our successful efforts in fostering a positive company culture where employees are engaged and empowered.

Learning and Development

At Shree Renuka Sugars Limited, our commitment to continuous learning and development is designed to enhance employees' capabilities and drive organizational growth. We begin with needs assessment and skill gap analysis, working with line managers to identify key developmental areas for their teams. This allows us to create personalized learning paths that align with individual career goals. Our blended learning approach combines classroom sessions, e-learning modules, and on-the-job training. Experienced employees provide mentorship and coaching, helping colleagues excel. Leadership development programs prepare future leaders with essential skills, while technical training keeps employees updated on the latest technologies. Soft skills development focuses on personal effectiveness, leadership, and teamwork. Importantly, safety training includes regular drills and workshops to ensure adherence to safety protocols.

Health and safety

The Company holds a deep regard for its employees, recognizing them as its most valuable assets, with a steadfast commitment to their health and safety. Demonstrating this commitment, tailored programs are implemented, beginning with an annual health check-up for all employees. This is complemented by comprehensive health insurance coverage, including Mediclaim, Personal Accident Insurance, Term

Insurance and Workmen's Compensation policies, all aimed at ensuring their well-being.

To further support their health journey, regular health Checkup Camps and webinars are conducted, providing employees with information and resources to make informed, healthier choices and empowering them to prioritize their well-being. Safety remains a top priority, with ongoing safety training programs organized and regular safety audits conducted to uphold a secure working environment.

Environment, Social and Governance (ESG)

Environment

The Company has introduced several measures and protocols to reduce its environmental footprint and propel sustainable development practices forward. Embracing eco-friendly manufacturing methods, the Company has adopted a zero-liquid discharge policy. This involves treating, reusing and recycling wastewater produced during sugar manufacturing, thereby promoting responsible water stewardship. Additionally, the Company promotes the adoption of renewable energy sources to mitigate its carbon emissions. Through the utilisation of bagasse, a sugar production by-product, the Company generates its own electricity, thus playing a part in fostering a more environmentally friendly future. Ethanol produced by the Company helps in reducing India's carbon footprint, in addition to saving the country's precious foreign exchange.

Social

The Company is dedicated to community support and recognises its responsibility as a conscientious corporate entity. With this in mind, it aims to actively engage in social welfare initiatives, striving to elevate the quality of life for people through targeted community development programmes in the areas of healthcare, education, skill development, water conservation and clean drinking water projects for local communities, aiming to support the holistic growth of local communities and the society at large. Through its collaboration with Solidaridad, it also continues to engage with the farmers to guide them on improving cultivation techniques for better yields.

Governance

The Company is dedicated to upholding the highest standards of business ethics and conduct. To ensure transparency, accountability and fairness in its operations, the Company has established a strong framework of governance policies and procedures, which include the Code of Conduct and Ethics, Internal Controls and Risk Management Systems, all while ensuring compliance with applicable laws and regulations. The Company's Board of Directors comprises individuals with extensive expertise across diverse areas, such as business, finance, accounts, law and agri-marketing. The Board and its Committees meet multiple times a year to oversee and guide the Company's strategic direction and governance practices.

Board's Report

Dear Members,

In accordance with the Companies Act, 2013 ("the Act") and Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors ("the Board") of Shree Renuka Sugars Limited ("the Company") present their Twenty-Eighth Annual Report and Audited Financial Statements for the financial year ended 31st March 2024.

Standalone Financial Results

The highlights of the standalone financial results are as under: **(₹ in Mn.)**

Particulars	FY 2023-24	FY 2022-23
Revenues	108,981	86,862
Earnings before interest, taxes, depreciation and amortization and foreign exchange loss	7,195	7,197
Foreign exchange loss (net)	334	720
Financial expenses	8,276	5,413
Depreciation	2,520	2,291
Profit /(Loss) before provision for tax and exceptional items	(3,935)	(1,227)
Exceptional items	-	-
Provision for taxation:		
- Income Tax relating to earlier years	21	-
- Deferred Tax	1,639	130
Net Profit/(Loss)	(5,595)	(1,357)
Total comprehensive income/(Loss)	(5,824)	(328)
Retained Earnings and Items of Other Comprehensive Income (OCI) brought forward from the previous year	(31,236)	(29,782)
Changes in Retained Earnings	(4,841)	(656)
Changes in Items of OCI	(805)	(799)
Closing Retained Earnings and Items of OCI	(36,882)	(31,236)

Operating Highlights

The Company achieved total revenue of ₹ 108,981 Mn. (PY: ₹ 86,862 Mn.) for the year ended 31st March 2024. The EBITDA for the year under review stood at ₹ 7,195 Mn. (PY: ₹ 7,197 Mn.) while the Net Loss stood at ₹ 5,595 Mn. (PY Net Loss: ₹ 1,357 Mn.). Analysis of operating performance is covered under Management Discussion and Analysis (MDA) Report which forms part of this Annual Report.

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates and on the date of this Annual Report.

Material events during the year under review

In accordance with the approval of the Board dated 23rd September 2023:

- On 6th October 2023, the Company acquired 100% Equity Share Capital, i.e. 50,048,589 Equity Shares of ₹ 10 each of M/s. Anamika Sugar Mills Private Limited ("Anamika") at ₹ 47.05 per share, for a total consideration of ₹ 2,355 Mn.
- The Company further invested an amount of ₹ 1,095 Mn. in Anamika by subscribing to 23,273,114 Equity Shares of ₹ 10/- each at issue price of ₹ 47.05/- issued on Rights basis on 11th October 2023.
- The Company issued and allotted 28,500 Rated, Guaranteed, Listed, Unsecured Non-Convertible

Redeemable Debentures ("NCD") at face value of ₹ 100,000/- each aggregating to ₹ 2,850 Mn. to DBS Bank Limited on a private placement basis on 4th January 2024. The details of NCD outstanding as on 31st March 2024 are provided in the Corporate Governance Report forming part of this Annual Report.

Dividend & Dividend Distribution Policy

Since the Company has carried forward losses as on 31st March 2024, your Directors have not recommended any dividend for the financial year ended 31st March 2024. The Company has formulated the Dividend Distribution Policy which may be accessed on the Company's website at https://renukasugars.com/pdf/corporate-governance/dividend-distribution-policy.pdf.

Transfer to Reserves

Pursuant to exemption provided under Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company was not required to create Debenture Redemption Reserve (DRR) for privately placed Non-Convertible Redeemable Debentures (NCDs) issued and allotted during the financial year under review.

For the NCDs issued during previous financial years, DRR is created to the extent of 25% of the value of NCDs, as per the requirements of the applicable laws.

Deposits

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

Management Discussion and Analysis (MDA) Report

The 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 SEBI 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 Act, a statement containing the salient features of the financial statements of each subsidiary, in the prescribed Form AOC-1 is provided in the financial statements forming part of this Annual Report.

Pursuant to the Rule 8 of the Companies (Accounts) Rules, 2014, the highlights of performance of subsidiaries and their contribution to the overall performance of the Company during the period under review is provided in the notes to Consolidated Financial Statements forming part of this Annual Report. There was no material change in the nature of the business of any of the subsidiaries during the year.

Pursuant to Section 136 of the Act, the Audited Standalone and 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 https://renukasugars.com/financials/. These documents of the Company 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, Anamika became a wholly owned subsidiary of the Company with effect from 6th October 2023. None of the companies ceased to be subsidiaries of the Company.

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.

Material updates about Subsidiary Companies

- **Merger of subsidiary companies with the Company**

  The Board at their meeting held on 24th May 2022, had given an in-principle approval for scheme of amalgamation/merger of Monica Trading Private Limited ("MTPL"), Shree Renuka Agri Ventures Limited ("SRAVL") and Shree Renuka Tunaport Private Limited ("SRTPL"), wholly owned subsidiaries of the Company, with the Company. The National Company Law Tribunal (NCLT), Mumbai Bench after processing the application, approved the scheme of merger of MTPL with the Company and issued certified copy of the order which is filed in Form INC-28 with the Registrar of Companies, Mumbai (ROC). The said order will become effective upon filing of NCLT, Bangalore Bench's order for merger of SRAVL and SRTPL with the Company.

In respect of the application filed with the Bangalore Bench of NCLT, the final hearing of the case is scheduled on 7th August 2024. The scheme would be implemented once approval of both the benches is received.

- **Capital Reduction of KBK Chem-Engineering Private Limited**

  The Mumbai bench of NCLT, on 23rd February 2024 approved capital reduction petition filed by KBK Chem-Engineering Private Limited on 14th March 2023 for reducing an amount of ₹ 1,088.55 Mn. out of the Securities Premium Account as on 31st December 2022, for writing off equivalent amount of deficit in the statement of Profit and Loss Account of the Company as on that date.

Share Capital

During the year under review, there were no issue/ allotment of Equity Shares or securities convertible into Equity Shares. The share capital of the Company as on 31st March 2024 stands at ₹ 2,128.49 Mn. comprising of 2,128,489,773 equity shares of ₹ 1 each fully paid-up. As on 31st March 2024, 99.86% of the total paid-up Equity Share Capital of the Company stands in the dematerialized form.

During the year under review, there were no instances where the Company failed to implement any corporate action within the specified time limit.

Directors and Key Managerial Personnel

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

Pursuant to Section 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1A) of SEBI Listing Regulations and pursuant to the recommendation made by the Nomination & Remuneration/Compensation Committee and the Board of the Company at their meeting held on 11th August 2023, and the Members of the Company at their 27th Annual General Meeting held on 25th September 2023 approved continuation of Mr. Kuok Khoon Hong (DIN: 00021957), as a Non-Executive Director of the Company liable to retire by rotation, after him attaining the age of 75 on 30th April 2024.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, expertise and experience and they hold highest standards of integrity. The Independent Directors of the Company have confirmed compliance with the relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014.

None of the Directors are disqualified under Section 164 of the Act. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

In accordance with the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Atul Chaturvedi, Executive Chairman, Mr. Vijendra Singh, Executive Director & Dy. CEO, Mr. Ravi Gupta, Executive Director, Mr. Sunil Ranka, Chief Financial Officer and Mr. Deepak Manerikar, Company Secretary, are the Key Managerial Personnel of the Company.

During the year under review, none of the Directors resigned from the Board of the Company and there were no changes to the Key Managerial Personnel of the Company.

Nomination and Remuneration Policy

The policy of the Company on Directors and Senior Management appointment and remuneration including criteria for determining their qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act and SEBI Listing Regulations is adopted by the Board. 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 maybe accessed on the website of the Company at https://renukasugars.com/pdf/corporate-governance/nomination-and-remuneration-policy-amended-9-8-2022.pdf.

Performance Evaluation

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board 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. Detailed questionnaires were circulated covering various parameters relevant for the evaluation of the Board and Committees. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors in their separate meeting. The Board expressed their satisfaction with the evaluation process.

The meeting of Independent Directors of the Company was held on 14th March 2024 to discuss matters as per the provisions of the Act and SEBI Listing Regulations.

All the Independent Directors have furnished 'Declaration of Independence' stating that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an Independent Director and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management. The Independent Directors have also affirmed that they have complied with the Company's Code of Business Conduct & Ethics and Code for Independent Directors prescribed in Schedule IV to the Act.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors have also submitted a declaration that they have registered themselves on the online data bank of the Indian Institute of Corporate Affairs.

Meetings of the Board

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

The maximum interval between any two Board Meetings did not exceed 120 days, as prescribed by the Act and the SEBI Listing Regulations.

Compliance with Secretarial Standards

During the year under review, the Company has complied with all the mandated Secretarial Standards issued by the Institute of Company Secretaries of India.

Directors' Responsibility Statement

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

(a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with no material departures;

(b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2024 and of the loss of the Company for the year ended on that date;

(c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the Directors have prepared the annual accounts on a going concern basis;

(e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively except to the extent mentioned in **Annexure 2** to the Auditors' Report which forms part of this Annual Report; 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 re-appointed as Statutory Auditors of the Company at the 26th Annual General Meeting held on 16th September 2022, for a second term of 5 consecutive years to hold office from the conclusion of the 26th Annual General Meeting till the conclusion of 31st Annual General Meeting. The Report given by M/s. S R B C & CO LLP, on the financial statements of the Company for financial year 2023-24 forms part of this Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their Report except to the extent as mentioned in **Annexure 2** to the Auditors' Report which forms part of this Annual Report.

During the financial year 2023-24, the Statutory Auditors did not report any matter under Section 143(12) of the Act and therefore, no details are required to be disclosed under Section 134(3) of the Act.

Explanation to the comments of the statutory auditors on their report on Internal Financial Controls

Your Directors would like to state that except to the extent of the comments of the statutory auditors in Annexure 2 (Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013) of their report dated 29th May 2024 on the standalone and consolidated financial statements, the internal controls of the Company are working effectively. The Company thoroughly re-evaluates its internal control environment on a regular basis by reviewing its existing policies, procedures and processes in general. The Company conducts regular audits from independent external experts to assess the efficacy of the processes.

In respect of the comments on Commodity derivatives transactions, your Directors would like to state that the Company has a robust Commodity Risk Management Policy (the Policy) and the Executive Directors and the Risk Management Committee (RMC) oversee the implementation of this policy. Due cognizance has been taken of the auditors' observation on operational part and implementation procedures of the Policy. In the interest of facilitating conduct of business, and given the substantial increase in refinery volumes during the year under review, risk exposure limits have been suitably increased by RMC. Further, Commodity Risk Management Policy has been amended for enhanced control and monitoring.

In respect of the comments on Impairment assessment, your Directors would like to state that the Company regularly assesses the impairment of investment and loans which is supported by adequate documentation, assumptions and supporting evidence. The management reviews the assumptions underlying the impairment testing on a regular basis. Based on the comments of the statutory auditors, additional layers of review will be added to strengthen the review mechanism / process.

In respect of the comments on inventory valuation, we have noted the observations of the statutory auditors. Your Directors would like to state that, due to volatility of prices of sugar in international market and the absence of market prices for by-products/intermediaries, the existing process for review of inventory valuation will be further strengthened using improved valuation methodology to reduce the possibility of errors.

In respect of the comments on the review of financial closure process, your Directors would like to state that the Company has instituted processes to ensure that the review mechanism and its documentation is working effectively.

Your Directors would like to assure that the internal control systems are working effectively and we are committed to strengthen the efficacy of the same.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board, at its meeting held on 11th August 2023 had appointed M/s. DVD & Associates, Practicing Company Secretary (Membership No. F6055/ CP No. 6515), to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended 31st March 2024 is annexed herewith at **Annexure I** to this Report. There are no qualifications or observations made by the Secretarial Auditor in the said report, except as mentioned in point v (i) of the said report.

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

Explanation to the comments of Secretarial Auditors

In respect of Secretarial Auditors' comments in their report dated 6th June 2023 on delay in filing an intimation of record date for purposes of payment of interest/payment of repayment amount to BSE Limited, your Directors would like to state that the delay in compliance has been cured, as the Company has made the payment of the penalty. Your Directors further state that the Company is committed to comply with the

Listing Regulations and has a robust mechanism to ensure compliance with the same. Serious cognizance has been taken of the non-compliance reported by the Secretarial Auditors in their report. All possible measures are being taken to ensure that the compliance mechanism is further strengthened to avoid any such non-compliances in the future.

Cost Auditors

The Board of Directors, on the recommendation of the Audit Committee, appointed M/s. B. M. Sharma & Co, Cost Accountants, as the Cost Auditor to audit the cost records for the financial year 2024–25. The remuneration payable to the Cost Auditor is subject to approval by the members of the Company. Accordingly, a resolution seeking members' approval for the remuneration payable to M/s. B. M. Sharma & Co, Cost Accountant for financial year 2024-25, forms part of the Notice of the forthcoming Annual General Meeting, 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 148 (1) of the Act.

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

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

Information pursuant to the provisions of Section 134(3)(m) of the Act and the rules framed thereunder relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as per the Act, forms part of this Report and is annexed hereto at **Annexure II.**

Corporate Governance

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

Particulars of Employees

The information in terms of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure III**. Further, the statement containing particulars of employees as required under Section 197(12) of the Act, read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure III** which forms part of this Report. In terms of Section 136(1) of the Act, the Annual Report and the financial statements are being sent to the Members of the Company excluding the aforesaid Annexure which is available for inspection at the request of any Member.

Contracts and Arrangements with Related Parties

All Contracts/Arrangements entered by the Company during the financial year under review with related parties were on an arm's length basis and in the ordinary course of business except for the Contracts/ Arrangements referred in Form AOC-2 annexed hereto as **Annexure IV**. The details of transactions with related parties as required under Ind AS-24 and 2A of Schedule V of SEBI Listing Regulations are given in notes to 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 standalone 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. The CSR Committee vide Circular Resolutions dated 23rd February 2023 and 8th January 2024, approved the CSR spending for the financial year 2023–24 and carried out the same. 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 V** to the Board's Report.

Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to IEPF, constituted by the Central Government. Further, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to IEPF.

During the year under review, the Company has not transferred any unclaimed/unpaid dividend amount and shares to IEPF.

The details of unclaimed/unpaid dividends and equity shares transferred to IEPF maybe accessed on the website of the Company at https://renukasugars.com/shareholders-service/ and chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://renukasugars.com/pdf/shares-trfd-to-iepf.pdf respectively.

The contact details of Nodal Officer of the Company maybe accessed on the website of the Company at https://renukasugars.com/pdf/shares-trfd-to-iepf.pdf

Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in the Form MGT-7 for the financial year 2023-24 maybe accessed on the website of the Company at https://renukasugars.com/pdf/shareholders-service/agm/annual-return-fy-2023-24.pdf

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 except the extent mentioned in **Annexure 2** to the Auditors' Report which forms part of this Annual Report. 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.

The details relating to the composition, powers, roles, terms of reference, number of meetings held, attendance at the meetings etc. of Risk Management Committee are given in detail in the Corporate Governance Report, which forms part of this Annual Report.

Whistle Blower Policy and Vigil Mechanism

Pursuant to SEBI Listing Regulations and the Act, the Company has in place a Whistle Blower Policy/Vigil Mechanism to deal with unethical behaviour, victimisation, fraud and other grievances or concerns of Directors, employees and stakeholders. The Whistle Blower 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 and Rules made thereunder.

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

Human Resources (HR)

The Company has transformed its human resources strategy, creating a "People Organization" that empowers and engages employees while aligning them with the company's long-term vision. This holistic approach to employee development is evident in the establishment of a cutting-edge Centre for HR Excellence, which leverages digital tools and data-driven insights to streamline processes, optimize talent management, and drive organizational growth. Additionally, the Company's unwavering commitment to nurturing a positive and supportive work environment has been recognized with a prestigious Great Place to Work certification, further solidifying its position as an employer of choice.

By transitioning from a traditional transactional model to a people-centric approach, the Company has fostered a culture of continuous improvement and employee empowerment. The Company invests in its workforce through customized training programs, objective performance management, and optimized organizational structures. This creates an environment where employees feel valued, motivated, and equipped to reach their full potential.

The Company places a strong emphasis on investing in its human capital through comprehensive training programs for employees at all levels, equipping them with the necessary skills and knowledge to excel. Simultaneously, the Company nurtures a robust talent pipeline by identifying and developing high-potential individuals for future leadership roles through mentorship, workshops, and cross-functional assignments. This holistic approach to talent management strengthens the Company's workforce and creates a dynamic environment where employees feel valued and empowered to reach their full potential, ensuring the Company's continued growth and success.

Business Responsibility and Sustainability Report ("BRSR")

In terms of Regulation 34 and Schedule V of SEBI Listing Regulations read with Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, and circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10th May 2021, the Company has prepared the BRSR on the environmental, social, and governance disclosures, including BRSR Core consisting of Key Performance Indicators as on 31st March 2024 as stipulated under the SEBI Listing Regulations and the same can be accessed at the website of the Company at https://renukasugars.com/pdf/shareholders-service/agm/brsr-fy-2023–24.pdf

Other Disclosures/Reporting

Your Directors state that no disclosure or reporting is required in respect of the following events as there were no transactions that took place 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.
- Passing of significant or material orders by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- Pending application and/or proceedings under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.
- Any one-time settlement during the year, and hence, the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.
- Receipt of any remuneration or commission by the Whole Time Directors of the Company from the Holding Company or Subsidiary Company of the Company.
- Non-acceptance of Audit Committee recommendations by the Board during the year.

The name of the Company's holding company has been changed from Wilmar Sugar Holdings Pte. Ltd. to Wilmar Sugar and Energy Pte. Ltd. effective from 30th April 2024.

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: 2nd August 2024
Place: Mumbai

Annexure I

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024

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

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

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

The Secretarial Audit was conducted for the period from 1st April 2023 to 31st March 2024, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of the following list of laws and regulations. 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 and 99.86% shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

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

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(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 Non-Convertible Securities) Regulations, 2021;

(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. **However, there was delay in filing an intimation of record date for purposes of payment of interest/payment of repayment amount to BSE Limited as required under Regulation 60(2) of SEBI (LODR) Regulations, 2015. The Company has made the payment of the penalty for the said delay**.

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

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

a. Sugar Cess Act, 1982

b. The Sugar (Control) Order, 1966

c. The Sugarcane (Control) Order, 1966

d. FSSA, 2006

e. Essential Commodities Act, 1955

f. Indian Boilers Act, 1923

g. The Electricity Act, 2003

h. The Legal Metrology Act, 2009

i. The Standard of Weights and Measures Act, 1976

j. The Explosives Act, 1884

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, 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) Board of Directors of the Company through board resolution dated 11th August, 2023 approved to scheme of merger of Gokak Sugars Limited with the Company.

b) The Company has passed following through postal ballot dated 17th June, 2023:

   (i) Re-appointment of Mr. Madhu Rao (DIN: 02683483) as an Independent Director of the Company for a second term of 5 (Five) years (Special Resolution)

   (ii) Change of terms of External Commercial Borrowings (ECB) availed from Wilmar Sugar Holdings Pte. Ltd. (Ordinary Resolution)

c) The Company has passed following through postal ballot dated 16th March, 2024:

   (i) Approval for issue of equity shares through Qualified Institutions Placement (QIP) (Special Resolution)

   (ii) Approval for material related party transactions between Wilmar Sugar India Private Limited and the Company for FY 2024-25 (Ordinary Resolution)

   (iii) Approval for material related party transactions between Wilmar Agri Trading DMCC and the Company for FY 2024-25 (Ordinary Resolution)

   (iv) Approval for material related party transactions between Wilmar Sugar Holdings Pte. Ltd. and the Company for FY 2024-25 (Ordinary Resolution)

   (v) Approval for material related party transactions between Wilmar Sugar Pte. Ltd. and the Company for FY 2024-25 (Ordinary Resolution)

   (vi) Revision in limit of material related party transactions between Wilmar Sugar Pte. Ltd, and the Company for FY 2023-24 (Ordinary Resolution)

d) Other than the ones mentioned above, we further report that during the period under audit the Company has passed following special resolutions:

   (i) To approve the alteration of the Articles of Association (AOA) of the Company

   (ii) Remuneration of Mr. Ravi Gupta (DIN: 00133106), Executive Director

   (iii) Remuneration of Mr. Vijendra Singh (DIN: 03537522), Executive Director & Dy. CEO

   (iv) Remuneration of Mr. Atul Chaturvedi (DIN: 00175355), Executive Chairman

   (v) Continuation of Mr. Kuok Khoon Hong (DIN: 00021957) as a Non-executive Director of the Company

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

____

Devendra Deshpande
FCS No. 6099 CP No. 6515
PR No. 1164/2021
UDIN: F006099F000539821

Place: Pune
Date: 06.06.2024

Annexure A

To,
The Members
Shree Renuka Sugars Limited
2nd and 3rd 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. Wherever 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: 06.06.2024

Annexure II

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.

i. Replaced HP/MV/MH with LED Fittings for lighting, loads in some sections of Havalga, Athani and Munoli Units.

ii. Replaced Star Delta to Variable Frequency Drive (VFD) for some pumps at Havalga, Munoli and Panchaganga Units.

iii. Installed Capacitor Banks at some areas in Athani to increase power factor above 0.90.

iv. Installed 5 Nos of Digital auto timers for Borewell Motor starter panel to conserve energy at Athani Unit.

v. One Higher Capacity Pan injection pump of Cap 2500 m3/hour installed for Power Saving, due to which Five nos of small capacity Pan Injection pumps of Cap 700m3/hour stopped at Panchaganga Unit.

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

i. Solar Power installed at Kandla and Pathri Unit.

(iii) Capital investment on energy conservation equipment.

i. Invested ₹4.02 Mn. for installation of LED fittings and VFD at Havalga , Athani and Munoli Unit.

ii. Invested in Pan Injection of Cap 2500m3/hour – ₹2.8 Mn. at Panchaganga Unit.

B. Technology Absorption

(i) Efforts made towards technology absorption:

Havalga Plant

1. Installation of 42×84 GRPF at 1st Mill.
2. Installation of 36×72 GRPF at 4th Mill.
3. Installation of 1750 Kg/charge Batch centrifugal machine for curing 'A' Massecuite.

Munoli Unit

1. Installation Of RTCC on Big mill to maintain the uniform feeding at the mill & getting better extraction and capacity improvement.
2. Replacement of 42 X 84 size Ulka two roller mill with 42 X 84 size conventional Three roller mill as a first mill to get better extraction & capacity improvement.
3. Modification of Evaporator system with addition of FFE to balance the steam requirement during diversion of cane juice to Ethanol production.
4. Installation of Brown sugar packing system to introduce new Madhur SKU to the market.

Pathri Plant

1. Installation of 2 Nos 120 m2 new juice heaters.
2. Refurbishment of Boiler pressure parts of Boiler.
3. Mechanized ash slurry handling system
4. ETP Upgradation.

Panchaganga Plant

1. One 45 MT pan calandria capacity upgraded to 60 MT due to which A m/c pan capacity increased.
2. VFD installed for injection pumps, clear juice pumps, exhaust pumps & last Mond pumps which helps to reduce power consumption & also pump breakdown reduced.
3. Installation of Planetary Gear Boxes for Crystallisers which helps to reduce power consumption.
4. Tanks are provided to acid water & caustic water storage tank.

Raibag Plant

1. Refurbishment of Boiler pressure parts of 20 TPH & 35 TPH Boiler.
2. DM plant capacity upgradation.
3. Mechanized ash slurry handling system & venturi Wet scrubber for both 20 TPH boiler.
4. Boiler Automation upgradation.

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

Havalga Plant

1. Reduction of Pol from 2.0 to 1.9, Reduction of moisture, Increasing mill efficiency.
2. Reduction of breakdown and increasing of production, capacity enhancement of the machine.

Munoli Unit

1. Replacement of B – Continuous Pan Vapor pipe with new one.
2. Installation of Checkweigher for Madhur 25 Kg production line.
3. Replacement of 1250 Kg capacity with 1750 Kg capacity Batch centrifugal machine for A-Massecuite to improve the curring efficiency.

Pathri Unit

1. By Installation of Juice heater, improves Capacity utilization & quality of product by improving efficiency of juice treatment.
2. Improve the Boiler efficiency & safety by refurbishment of Boiler pressure parts Mechanized.
3. Ash slurry handling system improves the stack quality & help to reduce the Ari pollution load as per PCB norms.
4. ETP upgradation improves the Effluent treatment efficiency & help to reduce the treated water as per PCB Norms.

Panchaganga Unit

1. Due to replacement of pan calandria Pan Capacity increased.
2. Due to installation of VFD for energy saved & also pump breakdowns minimized.
3. Due to planetary gear box installation to crystallizers power export increased.
4. Due installation of higher capacity injection pump power consumption reduced.

Raibag Unit

1. Improve the Boiler efficiency & safety by refurbishment of Boiler pressure parts.
2. Improvement of boiler feed water Quality & improvement in efficiency & life of boiler tube & turbine blades.
3. Mechanized ash slurry handling system, venturi wet scrubber installation improves the stack quality & help to reduce the Ari pollution load.
4. Boiler Automation upgradation helps in smooth & safe operation of boiler.

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

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

C. Foreign Exchange Earnings and Outgo

***Foreign Exchange Earned:** ₹ 80,826.96 Mn.

Outgo of Foreign Exchange: ₹ 62,609.63 Mn.

*Foreign Currency Earned means all foreign currency receipts during the year.

Annexure III

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 are as under:

Sr. No.	Name of Director/KMP and Designation	% increase in Remuneration in FY 2023-24	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Atul Chaturvedi Executive Chairman	9.66	170.92
2.	Mr. Vijendra Singh Executive Director & Dy. CEO	12.03	148.51
3.	Mr. Ravi Gupta Executive Director	29.47	87.97
4.	Mr. Kuok Khoon Hong Non-Executive Director	-	-
5.	Mr. Jean-Luc Bohbot Non-Executive Director	-	-
6.	Mr. Charles Cheau Leong Loo Non-Executive Director	-	-
7.	Mr. Madhu Rao Independent Director	Nil	3.24
8.	Dr. B.V. Mehta Independent Director	Nil	3.24
9.	Ms. Priyanka Mallick Independent Director	Nil	3.24
10.	Mr. Siraj Hussain Independent Director	Nil	3.24
11.	Mr. S. Sridharan Independent Director	Nil	3.24
12.	Mr. Arun Verma Independent Director	Nil	3.24
13.	Mr. T.K. Kanan Alternate Director	-	-
14.	Mr. Sunil Ranka Chief Financial Officer	4.35	-
15.	Mr. Deepak Manerikar Company Secretary	4.93	-

2. In the financial year, there was an increase of 11.43% in the median remuneration of employees.

3. The numbers of permanent employees on the rolls of the Company as on 31st March 2024 were 2,132.

4. The average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2023-2024 was 10% and increase in the managerial remuneration was by 17.05%. Increments in remuneration of employees are as per the appraisal / Remuneration Policy of the Company.

5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Notes:

1. Remuneration shown above comprises of salary, allowances, bonus, commission, perquisites, leave encashment, contribution to provident fund, superannuation fund, gratuity fund etc., wherever applicable.

2. Mr. Atul Chaturvedi holds 6,75,000 equity shares whereas Mr. Vijendra Singh & Mr. Ravi Gupta do not hold any equity shares of the Company as on 31st March 2024.

3. Mr. Atul Chaturvedi, Mr. Vijendra Singh and Mr. Ravi Gupta are not related to any other Directors or to each other or to any employees of the Company.

For and on behalf of the Board

Atul Chaturvedi
Executive Chairman
DIN: 00175355

Date: 2nd August 2024
Place: Mumbai

Annexure IV

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub- section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under the fourth proviso thereto (Form No. AOC-2)

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2024, which were not at arm's length basis.

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

The following transactions were entered into by the Company with the related parties, which are not in the ordinary course of business and are on arm's length basis:

Name of related party	Nature of relationship	Date of approval by the Board	Nature of contract	Duration of contract	Salient terms/ Amt.	Amount paid as advance
Wilmar International Limited	Ultimate Holding Co.		Project engineering consultancy and advisory services, design and engineering services and any other services.	April 2023-March 2024	Cost of rendering services plus a mark-up of 10%.	NA
Wilmar International Limited	Ultimate Holding Co.		Corporate guarantee fees	01-04-2023 to 31-03-2024	USD 8,746,665	NA
Wilmar International Limited	Ultimate Holding Co.	13-02-2023, 26-05-2023, 08-11-2023, 09-02-2024	Technical Service fee	Jan- Dec 2023	USD 374,817.8	NA
Wilmar International Limited	Ultimate Holding Co.		Business applications & IT Support services	Jan- Dec 2023	USD 39,034	NA
Wilmar International Limited	Ultimate Holding Co.		Sugar Software Licence	01-09-2023 to 01-09-2024	USD 5,049	NA
Wilmar Sugar India Private Limited ("WSIPL")	Wilmar Group Co.	13-02-2023	Execution of management service agreement.	01-04-2023 to 31-03-2024	Service fees: ₹ 100/- per tonne of sugar sold by WSIPL.	NA
Gokak Sugars Limited	Subsidiary Co.	13-02-2023	Execution of Loan Agreement for ₹ 1,200 Mn.	180 months	Repayable in 180 months including moratorium period of 24 months at an interest @ 11% per annum.	NA

Name of related party	Nature of relationship	Date of approval by the Board	Nature of contract	Duration of contract	Salient terms/ Amt.	Amount paid as advance
Monica Trading Private Limited	Wholly-owned Subsidiary Co.	13-02-2023	Execution of Loan Agreement for ₹ 10 Mn.	Repayable in 10 years after moratorium of 12 months.	Interest @11% per annum, repayable in 120 months after moratorium of 12 months from the date of disbursal.	NA
KBK Chem-Engineering Private Limited	Wholly-owned Subsidiary Co.	13-02-2023	Execution of Loan Agreement for ₹ 250 Mn.	Repayable in 120 months after a moratorium of 12 months.	Interest @ 11% p.a., Repayable in 120 months after a moratorium of 12 months.	NA
Shree Renuka Tunaport Private	Wholly-owned Subsidiary Co.	13-02-2023	Execution of Loan Agreement for ₹ 0.5 Mn.	Repayable in 120 months after a moratorium of 12 months.	Interest @ 11% p.a., Repayable in 120 months after a moratorium of 12 months.	NA
Shree Renuka Agri Ventures Limited	Wholly-owned Subsidiary Co.	13-02-2023	Execution of Loan Agreement for ₹ 0.5 Mn.	Repayable in 120 months after a moratorium of 12 months.	Interest @ 11% p.a., Repayable in 120 months after a moratorium of 12 months.	NA
WII Pte. Limited	Wilmar Group Co.	13-02-2023	Managing exposures and advising on Fx strategies	Jan- Dec 2023	USD 14,400	NA
The Solvent Extractors Association	Common Director	09-02-2024	CSR Contribution	NA	₹ 1 Mn.	NA
Adani Wilmar Limited	Wilmar Group Co.	29-05-2024	Leave & License agreement with Adani Wilmar Limited for usage Thane Office.	01-04-2023 to 30-06 2027	Rent of ₹1,821,900 for the FY 2023-24	NA

Date: 2nd August 2024
Place: Mumbai

Atul Chaturvedi
Executive Chairman
DIN: 0017355

Annexure V

Annual Report on Corporate Social Responsibility ("CSR") Activities

(Pursuant to Section 135 of the Companies Act, 2013 "(the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014)

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

At Shree Renuka Sugars Limited, we believe that we are equally responsible to contribute to the society within which we operate and to positively impact the well-being of the people and sections of the society that need intervention to better their prospects.

The CSR Policy of the Company covers the CSR activities in line with Section 135 of the Act and the Schedule VII thereto that are focused on education, healthcare, employability training and other community development initiatives.

2. Composition of CSR Committee:

Pursuant to Section 135(1) of the Act, the Board of Directors, at its meeting held on 9th August 2022, constituted the CSR Committee. The Composition of CSR committee as on 31st March 2024 is as given below:

Sr. No.	Name of Committee Member	Category	Position
1.	Mr. Atul Chaturvedi	Executive Chairman	Chairman
2.	Dr. B. V. Mehta	Independent Director	Member
3.	Ms. Priyanka Mallick	Independent Director	Member
4.	Mr. Arun Chandra Verma	Independent Director	Member

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

The Composition of CSR Committee, CSR Policy and CSR Projects is displayed on the Company's website at https://renukasugars.com/pdf/corporate-governance/policy-on-corporate-social-responsibility.pdf

4. Executive Summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Provisions of Rule 8 sub-rule (3) of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

5. (a) **Average net profit of the company as per section 135(5):** ₹ 1,156.56 Mn.

   (b) **Two percent of average net profit of the Company as per section 135(5):** ₹ 23.13 Mn.

   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (d) **Amount required to be set off for the financial year, if any:** Nil

   (e) **Total CSR obligation for the financial year (5b+5c-5d):** ₹ 23.13 Mn.

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 23.92 Mn.

   (b) **Amount spent in Administrative Overheads:** Nil

   (c) **Amount spent on Impact Assessment, if applicable:** Not applicable

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 23.92 Mn.

(e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in Mn.)	Amount Unspent (₹ In Mn.)				
	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 (₹ in Mn.)	Date of transfer	Name of the Fund	Amount (₹ in Mn.)	Date of transfer.
₹ 23.92 Mn.	-	-	-	-	-

(f) **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)	₹ 23.13
(ii)	Total amount spent for the Financial Year	₹ 23.92
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.79
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.79

7. (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 Mn.)	Amount spent in the reporting Financial Year (₹ In Mn.)	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 Mn.)
				Name of the Fund	Amount (₹ In Mn.)	Date of transfer	
Not applicable							

8. **Whether any capital assets have been credited or acquired through CSR amount spent in the financial year:** No

9. **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 : 2nd August 2024
Place : Mumbai

Atul Chaturvedi
Executive Chairman
DIN: 00175355

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 ("SRSL/the Company") 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, lenders and other stakeholders. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2. Board of Directors ("the Board")

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on 31st March 2024, the Company's Board has a strength of 12 (Twelve) Directors, comprising of 3 (Three) Executive Directors, 3 (Three) Non-Executive Directors and 6 (Six) Independent Directors. The Company also has 1 (One) Alternate Director (Non-Executive Non-Independent) on its Board. The Chairman of the Board is an Executive Director and half of the Board members consist of Independent Directors.

The Board has held six meetings during the year and the gap between any two meetings did not exceed one hundred and twenty days. The Board meetings were held on 12th May 2023, 26th May 2023, 11th August 2023, 23rd September 2023, 8th November 2023 and 9th February 2024.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other Indian public companies and number of shares held by them as on 31st March 2024 are given herein below:

Name	DIN	Nature of Directorship	Board Meetings Attended		Whether attended last AGM held on 25.09.23	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies		No. of equity shares held
			Held	Attended			Member	Chairman	
Mr. Atul Chaturvedi	00175355	Executive Director (Chairman)	6	6	Yes	3	-	-	6,75,000
Mr. Vijendra Singh	03537522	Executive Director & Dy. CEO*	6	6	Yes	4	-	-	-
Mr. Ravi Gupta	00133106	Executive Director	6	6	Yes	2	-	-	-
Mr. Kuok Khoon Hong	00021957	Non-Executive Director	6	1	No	1	1	-	-
Mr. Jean-Luc Bohbot	06857132	Non-Executive Director	6	4	No	-	-	-	-
Mr. Charles Cheau Leong Loo	08737827	Non-Executive Director	6	3	No	-	-	-	-
Mr. Madhu Rao	02683483	Independent Director	6	6	Yes	4	1	3	-
Dr. B. V. Mehta	00895163	Independent Director	6	6	Yes	3	1	-	69,500
Ms. Priyanka Mallick	06682955	Independent Director	6	6	Yes	3	-	-	209
Mr. Arun Chandra Verma	06981070	Independent Director	6	6	Yes	-	-	-	-
Mr. Seetharaman Sridharan	01773791	Independent Director	6	5	No	1	-	-	-
Mr. Siraj Hussain	05346215	Independent Director	6	6	Yes	1	-	-	1,000
Mr. T. K. Kanan	0020968	Alternate Director	6	5	Yes	-	-	-	-

*Redesignated as Executive Director & Dy. CEO of the Company w.e.f 10th May 2023

1. Other directorships include directorships in all public companies including deemed public companies except foreign companies and companies under Section 8 of the Companies Act, 2013.
2. In accordance with the 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.
    3. Directorship in other listed companies are as follows:
        1. Mr. Kuok Khoon Hong is a Non-Executive Director in Adani Wilmar Limited.
        2. Mr. Madhu Rao is an Independent Director in Adani Wilmar Limited.
        3. Mr. Seetharaman Sridharan is a Non-Executive Director in Lancor Holdings Limited

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 the Listing Regulations and are independent of the Management

During the year the Company familiarised its Independent Directors regarding the Company, their roles, rights, responsibilities and liabilities in the Company. They are also regularly familiarized with the business strategy, operations, company policies and key changes in corporate laws and other relevant laws. The familiarisation programme along with details of the same imparted to the Independent Directors during the year may be accessed on the website of the Company at familiarisation_programme_for_independent_directors.pdf (renukasugars.com).

During the year under review, none of the Independent Directors of the Company resigned before the expiry of their tenure.

Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 ("the Act") and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 14th March 2024.

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

The Nomination and Remuneration / Compensation Committee (NRC) recommends the 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 business strategy, accounts & finance, audit, commerce & industry, regulatory affairs, agri-research & innovation 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 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:

Skills/Expertise/Competence	Whether available with the Board or not?	Name of the Director having Skill / Expertise / Competence
Industry knowledge/experience		
Experience	Yes	All Directors
Industry knowledge	Yes	All Directors
Understanding of relevant Laws, Rules, Regulations and Policy	Yes	All Directors
International Experience	Yes	Atul Chaturvedi Vijendra Singh Ravi Gupta Kuok Khoon Hong Jean-Luc Bohbot Charles Loo Cheau Leong Madhu Rao Dr. B. V. Mehta Seetharaman Sridharan T. K. Kanan

Skills/Expertise/Competence	Whether available with the Board or not?	Name of the Director having Skill / Expertise / Competence
Technical skills/Experience		
Finance & Accounts	Yes	Madhu Rao Charles Loo Cheau Leong Seetharaman Sridharan
Risk management	Yes	Atul Chaturvedi Vijendra Singh Ravi Gupta Charles Loo Cheau Leong Madhu Rao Seetharaman Sridharan Kuok Khoon Hong Jean-Luc Bohbot T. K. Kanan
Business Development and Business Strategy	Yes	Atul Chaturvedi Vijendra Singh Ravi Gupta Kuok Khoon Hong Jean-Luc Bohbot Dr. B. V. Mehta Priyanka Mallick Siraj Hussain T. K. Kanan Madhu Rao Charles Loo Cheau Leong
Behavioral Competencies		
Integrity and ethical standards, Mentoring abilities and Interpersonal relations	Yes	All Directors

4. Committees of the Board

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

AUDIT COMMITTEE

The Board has constituted the Audit Committee in line with the provisions of Listing Regulations read with Section 177 of the Act. 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 the Auditors of the Company and approval of payment to the 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 Act.
- 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 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 the internal auditors on any significant findings and follow up thereon;

m. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

n. Discussion with the statutory auditors before the audit commences on the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

o. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

p. Review the functioning of the Whistle Blower mechanism;

q. Approval of appointment of Chief Financial Officer (CFO) (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

r. Evaluation of Risk Management systems;

s. Monitoring the end use of funds raised through public offers and related matters;

t. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be required by the Board.

The Audit Committee invites such 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.

The previous Annual General Meeting (AGM) of the Company was held on 25th September 2023 and was attended by Mr. Madhu Rao, Chairman of the Audit Committee.

The Audit Committee as on 31st March 2024 comprises of three Independent Directors and one Non-Executive Director, all of whom are financially literate and possess accounting and/or financial management expertise.

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

Name of the Director	Category	No. of meetings	
		Held	Attended
Mr. Madhu Rao (Chairman)	Independent Director	6	6
Mr. Charles Loo Cheau Leong	Non-Executive Director	6	5
Dr. B. V. Mehta	Independent Director	6	6
Mr. Seetharaman Sridharan	Independent Director	6	6

The Audit Committee has held six meetings during the year and the gap between any two meetings did not exceed one hundred and twenty days. The Audit Committee meetings were held on 12th May 2023, 26th May 2023, 11th August 2023, 23rd September 2023, 7th November 2023 and 8th February 2024.

NOMINATION & REMUNERATION / COMPENSATION COMMITTEE

The Board has constituted the Nomination and Remuneration/Compensation Committee ("NRC Committee") in line with the provisions of Listing Regulations read with Section 178 of the Act. The broad terms of reference of the said NRC 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, NRC Committee shall ensure that –

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance, objectives appropriate to the working of the Company and its goals.

e. To take into account financial position of the Company, trend in the industry, appointees' qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders;

f. Devising a policy on Board diversity;

g. To undertake specific duties as may be prescribed by the Act, SEBI 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.

The previous AGM of the Company was held on 25th September 2023 and was attended by Dr. B.V. Mehta, Chairman of NRC Committee.

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

Name of the Director	Category	No. of meetings	
		Held	Attended
Dr. B. V. Mehta (Chairman)	Independent Director	2	2
Mr. Madhu Rao	Independent Director	2	2
Mr. Jean-Luc Bohbot	Non-Executive Director	2	1

The NRC Committee met 2 (two) times during the year on 12th May 2023 and 11th August 2023.

Details of remuneration paid/payable to the Directors of the Company for the year ended 31st March 2024:

(₹ in Million)

Name	Salary / Perquisites	Retirement Benefits	Bonus / Ex- Gratia	Commission	Performance Incentive	Others/ Remuneration	Sitting Fee	Total	Service Contract/ Stock options granted / Notice period / Severance Fees
Mr. Atul Chaturvedi (Executive Chairman)	38.62	-	1.91	-	22.71	-	-	63.24	Term of office valid upto 29th October 2026. 3 months' Notice period or severance fees equal to 3 months remuneration in case the Company waives the notice period of Mr. Chaturvedi.
Mr. Vijendra Singh (Executive Director & Dy. CEO)	36.09	1.20	1.82	-	15.84	-	-	54.95	Term of office valid upto 9th May 2028. 3 months' Notice period or severance fees equal to 3 months remuneration in case the Company waives the notice period of Mr. Singh.
Mr. Ravi Gupta (Executive Director)	19.50	2.52	0.78	-	9.75	-	-	32.55	Term of office valid upto 27th October 2026. 3 months' Notice period or severance fees equal to 3 months remuneration in case the Company waives the notice period of Mr. Gupta.

Name	Salary / Perquisites	Retirement Benefits	Bonus / Ex- Gratia	Commission	Performance Incentive	Others/ Remuneration	Sitting Fee	Total	Service Contract/ Stock options granted / Notice period / Severance Fees
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)	-	-	-	-	-	1.2	0.70	1.93	-
Dr. B. V. Mehta (Independent Director)	-	-	-	-	-	1.2	0.55	1.75	-
Ms. Priyanka Mallick (Independent Director)	-	-	-	-	-	1.2	0.35	1.55	-
Mr. Arun Chandra Verma (Independent Director)	-	-	-	-	-	1.2	0.22	1.48	-
Mr. Seetharaman Sridharan (Independent Director)	-	-	-	-	-	1.2	0.42	1.62	-
Mr. Siraj Hussain (Independent Director)	-	-	-	-	-	1.2	0.37	1.57	-
Mr. TK Kanan (Alternate Director)	-	-	-	-	-	-	-	-	-

The Executive Directors are paid remuneration for FY2023-24 as approved by the Members of the Company at their Annual General Meeting held on 25th September 2023. The Company does not pay any remuneration to Non-Executive Non-Independent Directors as per the terms of their appointment. The Independent Directors of the Company are paid sitting fees of Rs.50,000/- for attending the Board Meetings and Rs.25,000/- for attending the Committee Meetings and as approved by the Members of the Company on 29th June 2022 through Postal Ballot, remuneration of Rs.12,00,000/- p.a. is also paid to them.

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

The Nomination and Remuneration Policy of the Company can be accessed on the Company's website at https://renukasugars.com/pdf/corporate-governance/nomination-and-remuneration-policy-amended-9-8-2022.pdf The Remuneration paid to the Directors of the Company is in line with the remuneration policy and applicable laws.

Performance Evaluation Criteria for Independent Directors

The NRC Committee/Board of Directors have devised the criteria for evaluation of the performance of the Directors including the Independent Directors. An indicative list of parameters on which evaluation was carried out includes parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, integrity and maintenance of confidentiality and independence of behavior and judgement etc. which is in compliance with applicable laws, regulations and guidelines.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has constituted the Stakeholders' Relationship Committee ("SRC") in line with the provisions of Listing Regulations read with Section 178 of the Act, to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/ notices/ annual reports, etc. The broad terms of reference of SRC are as under:

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 / 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.

The previous AGM of the Company was held on 25th September 2023 and was attended by Mr. Madhu Rao, Chairman of the SRC.

The composition of the SRC and the details of the meetings attended are given below:

Name of the Director	Category	No. of meetings	
		Held	Attended
Mr. Madhu Rao (Chairman)	Independent Director	4	4
Mr. Atul Chaturvedi	Executive Director	4	4
Mr. Jean-Luc Bohbot	Non-Executive Director	4	3
Mr. Siraj Hussain*	Independent Director	4	4

*Appointed as Member of the Committee w.e.f. 11th April 2023

The SRC has held four meetings during the year on 12th May 2023, 11th August 2023, 8th November 2023 and 9th February 2024.

The Board has appointed Mr. Deepak Manerikar, Company Secretary, as the Compliance Officer, as required under the Listing Regulations.

Details of investor complaints received and redressed during the financial year 2023-24 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	66	66	0

All complaints were resolved to the satisfaction of shareholders of the Company.

RISK MANAGEMENT COMMITTEE ("RMC")

The Board has constituted the RMC in line with the provisions of Listing Regulations. The composition of the RMC and the details of the meetings attended are given below:

Name	Category	No. of meetings	
		Held	Attended
Mr. Atul Chaturvedi (Chairman)	Executive Director	2	2
Mr. Ravi Gupta	Executive Director	2	2
Mr. Madhu Rao	Independent Director	2	2
Mr. Sunil Ranka	Chief Financial Officer	2	2

The RMC has held two meetings during the year on 26th May 2023 and 22nd November 2023 and the gap between two consecutive meetings did not exceed the limit as prescribed in the Listing Regulations.

The terms of reference/roles of the Committee are as follows:

a. Ensure that the Company has a Risk Management Policy(ies) in place to identify, assess, mitigate and monitor the existing as well as potential risks to the Company;

b. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

c. Periodically, but at least once in 2 years, monitor and review the risk management policy, including by considering the changing industry dynamics and evolving complexity;

d. Periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard;

e. Ensure that the Company's Risk Management Policy includes an effective Risk Management Framework in place 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 and annually review the Risk Management Framework of the Company;

f. Ensure that the Risk Management Policy contains Measures for risk mitigation including systems and processes for internal control of identified risks and a Business Continuity Plan;

g. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;

h. To review and periodically assess the Company's performance against identified risks;

i. Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner;

j. Evaluate risks related to cyber security and ensure appropriate procedures are placed to mitigate these risks in a timely manner;

k. Coordinate its activities with other Committee in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;

l. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

m. Authority to access internal information necessary to fulfill its oversight role and to obtain advice and assistance from internal or external legal, accounting or other advisors;

n. To oversee at such intervals as may be necessary, the adequacy of resources of the Company to perform its risk management responsibilities and achieve its objectives;

o. Form and delegate any of its authorities to sub-committees formed by it, whenever it deems appropriate;

p. Authority to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

q. To approve appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

r. Such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has constituted the Corporate Social Responsibility Committee ("CSR Committee") in line with the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. As on 31st March 2024, the CSR Committee comprises of Mr. Atul Chaturvedi as Chairman and Dr. B. V. Mehta, Ms. Priyanka Mallick and Mr. Arun Chandra Varma, as members of the CSR Committee. During the year under review, the CSR Committee has not held any meeting. The CSR Committee approved the spending/contribution to fulfill CSR obligations for FY 2023-24 by passing the circular resolutions on 23rd February 2023 and 8th January 2024.

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

SENIOR MANAGEMENT

Particulars of Senior Management including changes therein since the close of the previous financial year

Sr. No.	Name	Designation
1.	Mr. Sunil Ranka	Chief Financial Officer
2.	Mr. Shripad Nerlikar	Executive Director (Cane)
3.	Dr. Satbir Singh Sindhu	President (Marketing & OD)
4.	Mr. Jitendra Sharma	President (HR)
5.	Mr. Vipin Kumar Rathi	Senior Vice President (Operations)
6.	Mr. Rabindra Sahoo	Senior Vice President (F&A)
7.	Mr. Sunil Kadam	Vice President (Legal & Corporate Compliance)
8.	Mr. Barun Kumar Sarangi	Vice President
9.	Mr. Ajay Pal Sheoran	Vice President (Sales)
10.	Mr. Mahantesh Mugali	Vice President (Works)
11.	Dr. Govind Misale	Vice President (Ethanol)
12.	Mr. Deepak Manerikar	Company Secretary & Compliance Officer

5. Compliance with Corporate Governance Requirements

The Company has complied with the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations.

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
27th AGM	2022–23	25th September 2023	11:00 a.m.	Through Video Conferencing (VC)
26th AGM	2021–22	16th September 2022	11:00 a.m.	Through Video Conferencing (VC)
25th AGM	2020–21	2nd September 2021	11:00 a.m.	Through Video Conferencing (VC)

Special Resolutions:

The following are the details of Special Resolutions passed at the last three AGMs.

Date	Summary of Special Resolutions Passed
25th September 2023	a) Continuation of Mr. Kuok Khoon Hong (DIN: 00021957) as a Non-Executive Director of the Company b) Remuneration of Mr. Atul Chaturvedi (DIN: 00175355), Executive Chairman c) Remuneration of Mr. Vijendra Singh (DIN: 03537522), Executive Director & Dy. CEO d) Remuneration of Mr. Ravi Gupta (DIN: 00133106), Executive Director e) Alteration to the Articles of Association (AOA) of the Company
16th September 2022	a) Appointment of Mr. Seetharaman Sridharan (DIN: 01773791) as an Independent Director b) Appointment of Mr. Siraj Hussain (DIN: 05346215) as an Independent Director
2nd September 2021	a) Re-appointment of Mr. Atul Chaturvedi (DIN: 00175355) as Executive Chairman of the Company b) Re-appointment of Ms. Priyanka Mallick (DIN: 06682955) as an Independent Director c) Issue of Redeemable Preference Shares (RPS) by conversion of Non-Convertible Debentures (NCDs) d) Approval for issue of equity shares through Qualified Institutions Placement (QIP)

Details of Special Resolution passed through Postal Ballot, the person who conducted the postal ballot exercise and details of the voting pattern:

Postal Ballot-1

During the year, the Company sought the approval of the Shareholders of the Company by way of Special Resolution through Postal Ballot Notice dated 12th May 2023, for re-appointment of Mr. Madhu Rao (DIN: 02683483) as an Independent Director of the Company for a second term of 5 (Five) years and his continuation beyond the age of 75 years, the results of which were announced on 19th June 2023.

CS Ninad Awachat of M/s. Ninad Awachat & Associates , Practising Company Secretary having Membership No. A26995 and CP No. 9668 was appointed as a Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner.

Details of Voting Pattern were as under:

Sr. No.	Particulars	Votes in favour of the resolution		Votes against the resolution	
		Nos. of shares	%	Nos. of shares	%
1	Re-appointment of Mr. Madhu Rao (DIN: 02683483) as an Independent Director of the Company for a second term of 5 (Five) years	1,39,40,73,698	99.94%	8,87,322	0.06%

Procedure for Postal Ballot:

The Company conducted the Postal Ballot in accordance with the provisions of Section 110 and 108 of the Companies Act 2013 (the Act), Rule 22 of the Companies (Management & Administration) Rules, 2014 (the Rules) read with Ministry of Corporate Affairs vide General Circulars No. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 22/2020 dated 15th June 2020, 33/2020 dated 28th September 2020, 39/2020 dated 31st December 2020, 10/2021 dated 23rd June 2021, 20/2021 dated 8th December 2021, 3/2022 dated 5th May 2022, 10/2022 dated 28th December 2022. The Company had completed the dispatch of the Postal Ballot Notice dated 12th May 2023 through email only on 17th May 2023 to those shareholders whose e-mail IDs were registered with KFin Technologies Limited, Registrar and Share Transfer Agent of the Company or Depository Participants.

The Company also published the Notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 110 & 108 of the Act and Rule 20 & 22 of the Rules read with Regulation 44 of Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their votes electronically. The voting under the postal ballot was kept open from Friday, 9th May 2023 (9:00 a.m. IST) till Saturday, 17th June 2023 (5:00 p.m. IST). Upon completion of scrutiny of the votes cast through e-voting in a fair and transparent manner, the Scrutinizer i.e. CS Ninad Awachat submitted his report to the Company and the results of the postal ballot were announced by the Company on 19th June 2023. The voting results were sent to the Stock Exchanges and displayed on the Company's website https://www.renukasugars.com/ and on the website of e-voting agency i.e. KFin Technologies Limited.

Postal Ballot-2

During the year, the Company again sought the approval of the shareholders by way of Special Resolution through Postal Ballot Notice dated 9th February 2024, for issue of equity shares through Qualified Institutions Placement (QIP), the results of which were announced on 18th March 2024.

CS Snehal Shah of M/s. Snehal Shah & Associates, Practising Company Secretaries having Membership No. FCS 6114, and CP No.4820 was appointed as a Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner.

Details of Voting Pattern were as under:

Sr. No.	Particulars	Votes in favour of the resolution		Votes against the resolution	
		Nos. of shares	%	Nos. of shares	%
1	Approval for issue of equity shares through Qualified Institutions Placement (QIP)	1,33,77,39,034	95.48%	6,33,61,205	4.52%

Procedure for Postal Ballot:

The Company conducted the Postal Ballot in accordance with the provisions of Section 110 and 108 of the Companies Act 2013 (the Act), Rule 22 of the Companies (Management & Administration) Rules, 2014 (the Rules) read with Ministry of Corporate Affairs vide General Circulars No. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 22/2020 dated 15th June 2020, 33/2020 dated 28th September 2020, 39/2020 dated 31st December 2020, 10/2021 dated 23rd June 2021, 20/2021 dated 8th December 2021, 3/2022 dated 5th May 2022, 10/2022 dated 28th December 2022, 09/2023 dated 25th September 2023 . The Company had completed the dispatch of the Postal Ballot Notice dated 9th February 2024 through email only on 15th February 2024 to those shareholders whose e-mail IDs were registered with KFin Technologies Limited, Registrar and Share Transfer Agent of the Company or Depository Participants.

The Company also published the Notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and the Rules framed thereunder. In compliance with the provisions of Sections 110 & 108 of the Act and Rule 20 & 22 of the Rules read with Regulation 44 of Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their votes electronically. The voting under the postal ballot was kept open from Friday, 16th February 2024 (9:00 a.m. IST) till Saturday, 1 6th March 2024 (5:00 p.m. IST). Upon completion of scrutiny of the votes cast through e-voting in a fair and transparent manner, the Scrutinizer i.e. CS Snehal Shah submitted his report to the Company and the results of the postal ballot were announced by the Company on 18th March 2024. The voting results were sent to the Stock Exchanges and displayed on the Company's website www.renukasugars.com and on the website of the e-voting agency i.e. KFin Technologies Limited.

There is no special resolution proposed to be transacted through postal ballot.

B. Other Disclosures

a. **Related Party Transactions:** During the year under review, there were no materially significant Related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated Policy for Determining Material Subsidiaries and Policy on dealing with Related Party Transactions. The said policies are hosted on the Company's website at https://renukasugars.com/pdf/corporate-governance/policy-on-determining-material-subsidiaries.pdf and https://renukasugars.com/pdf/corporate-governance/tpt-policy-srsl.pdf.

b. **Instances of non-compliance:** 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 two instances of delay in submission of the notice of record date of payment of interest/principal amount due in March 2022 and March 2023 as per Regulation 60 of SEBI Listing Regulations, to BSE Limited. The Company has paid the penalty to the Stock Exchanges for the said delay.

c. **Whistle Blower policy / Vigil Mechanism:** Whistle Blower 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 Whistle Blower Policy is overseen by the Audit Committee of the Board. No personnel have been denied access to the Chairman of the

Audit Committee under the Whistle Blower Policy. The Company has not received any complaint under the Whistle Blower Policy during the year.

d. **Compliance with mandatory and non-mandatory requirements:** All mandatory requirements relating to Corporate Governance under Listing Regulations have been appropriately complied with 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 and also uploaded on the Company's website;

(iii) **Modified Opinion(s) in Audit Report**: The Auditor's opinion on the Financial Statements for financial year 2023-24 is unmodified;

(iv) **Separate posts of Chairperson and CEO**: Since the Company does not have a 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 makes quarterly presentations to the Audit Committee on its reports.

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

Disclosure pertaining to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November 2018 are as under:

(i) **Risk Management Policy of the Company with respect to commodities including through hedging:**

The Company has formulated Commodity Risk Management Policy to articulate the risk management philosophy, objectives, and processes for its various businesses.

(ii) **Exposure of the Company to commodity and commodity risks faced by the Company throughout the year:**

a. Total exposure of the Company to commodities in ₹: 163,979 Mn.

b. Exposure of the Company to various material commodities:

Commodity Name	Exposure in ₹ towards the particular commodity (₹ Mn)	Exposure in Quantity terms towards the particular commodity (in MT)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Raw Sugar	₹ 79,488 Mn.	1,690,040 MT	NIL	NIL	100%	100%	100%
White Sugar	₹ 84,491 Mn.	1,511,081 MT	NIL	NIL	100%	100%	100%

(iii) **Commodity risks faced by the Company during the year and how they have been managed:**

Sugar price risk is one of the important market risk for the Company. 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.

In international market, the Company has a robust internal control framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility.

f. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of LODR Regulations:

During the year, the Board in its meeting held on 23rd September 2023, approved the issue of Non-Convertible Debentures (NCDs) to the extent of ₹ 2,850 Mn. on private placement basis, to DBS Bank Ltd, Singapore (Investor). Accordingly, 9.45%, 28,500 Guaranteed, Listed, Rated, Unsecured NCDs having face value of ₹ 100,000/- aggregating to ₹ 2,850 Mn. were allotted to the Investor on 4th January 2024. The proceeds of the issue have been fully utilized for the purpose for which the issue was made.

g. The Company has obtained a Certificate pursuant to Regulation 34(3) read with Schedule V of Listing Regulations from M/s. DVD & Associates., Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority. The said certificate has been annexed to this Report.

h. During the year, there were no instances, where the Board had not accepted any recommendation of any Committee of the Board, which is mandatorily required, in the relevant financial year. Hence, no disclosure is required to be given in this regard.

i. 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.

j. 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 2023–24: Nil

b. Number of complaints disposed of during the financial year 2023–24: NA

c. Number of complaints pending as on end of the financial year 2023–24: NA

k. During the year, the Company has not provided any loans and advances in the nature of loans to firms/companies in which Directors are interested except the loans given to its subsidiary companies for its business requirements where Directors of the Company also hold directorship. Details of loans given to subsidiary companies are given in Note 40 to the Standalone Financial Statements.

l. Details of material subsidiaries of the Company are as follow:

As per Regulation 16(1)(c) of the SEBI Listing Regulations and the Company's Policy on Determining Material Subsidiaries, there were no material subsidiaries of the Company during the financial year 2023–24.

m. The Corporate Governance Report of the Company for the financial year 2023–24 or as on 31st March 2024 is in compliance with the requirements as mentioned in points a to l above other than instances of delay in compliance as mentioned in 6 B b.

n. The Executive Chairman and Chief Financial Officer of the Company have certified to the Board of Directors, inter alia, on the accuracy of the financial statements and adequacy of internal controls for the financial reporting, as required under Regulation 17(8) of the Listing Regulations for the financial year ended 31st March 2024.

o. The Company does not have any share in the demat suspense account or unclaimed suspense account.

p. During the year, no securities of the Company have been suspended from trading.

q. Disclosure of certain types of agreements binding listed entities

During the year, the shareholders, promoters, promoter group entities, related parties, Directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, have not entered into any agreements, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, and hence, the Company was not required to provide disclosure of it to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

r. Compliance certificate from M/s. DVD & Associates., Practicing Company Secretary certifying compliance of conditions of corporate governance is annexed with this Report.

7. CODE OF CONDUCT

Pursuant to Regulation 17(5) of Listing Obligations, 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 2023-24.

The declaration pursuant to Regulation 26(3) of Listing Obligations, stating that all the Board Members and Senior Management Members have affirmed their compliance with the said code of conduct for the year ended 31st March 2024 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 Listing 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 Priced Sensitive Information" in the securities of the Company.

These codes are also placed on the Company's website at https://renukasugars.com/pdf/corporate-governance/srsl-pit-code-of-conduct-002.pdf and https://renukasugars.com/pdf/corporate-governance/code-of-fair-diclosure-web-site.pdf.

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDER'S INFORMATION

a.	**Annual General Meeting (AGM)**	**Date:** 24th September 2024 **Time:** 11:00 A.M. **Venue:** Video Conferencing
b.	**Financial Year**	The Financial Year of the Company is from 1st April 2023 to 31st March 2024.
c.	**Tentative Financial Calendar 2024-25**	
	1st Quarterly results 2nd Quarterly results 3rd Quarterly results 4th Quarterly results	Declared on 2nd August 2024 On or before 14th November 2024 On or before 14th February 2024 On or before 30th May 2025
d.	**Date of Book Closure**	Not applicable
e.	**Dividend Payment Date**	No Dividend has been recommended by the Board for the year ended 31st March 2024
f.	**Corporate Identification Number (CIN) of the Company**	L01542KA1995PLC019046

g.	**ISINs**	Equity shares: INE087H01022 11.70% NCD: INE087H07094 11.00% NCD: INE087H07102 11.30% NCD: INE087H07128 11.00% NCD: INE087H07110 9.45% NCD: INE987H08019
h.	**Unclaimed Shares**	Nil

i. Listing on Stock Exchanges

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

- **National Stock Exchange of India Limited (NSE)**
  Exchange Plaza, Bandra Kurla Complex,
  Bandra (E), Mumbai – 400051
- **BSE Limited (BSE)**
  Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

  The Company has paid the listing fees for the financial year 2024-25.

j. Stock Code:

NSE – RENUKA	BSE – 532670

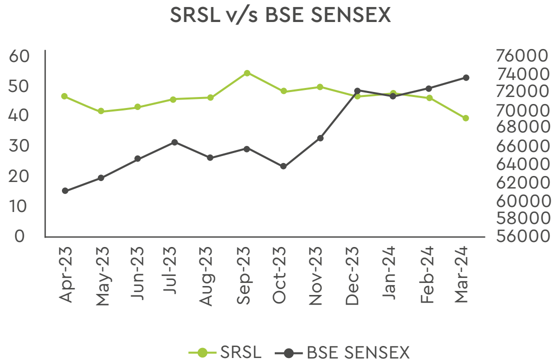
k. Market Price Data

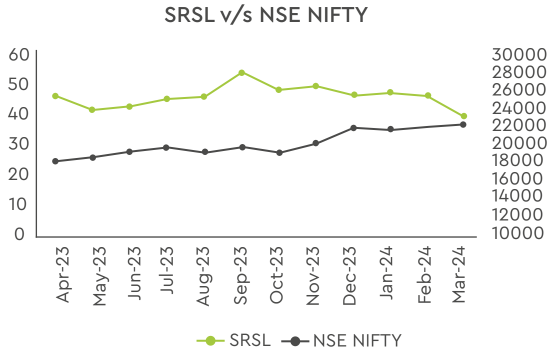
The monthly high and low price of equity shares traded on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) are as under:

Share price in ₹

Month	BSE			NSE		
	High	**Low**	**Close**	**High**	**Low**	**Close**
Apr-23	47.80	46.60	46.85	47.85	46.55	46.85
May-23	43.25	41.60	41.95	43.25	41.60	41.95
Jun-23	44.27	43.22	43.36	44.25	43.20	43.35
Jul-23	46.99	45.56	45.92	47.00	45.55	45.90
Aug-23	47.95	46.40	46.6	47.95	46.40	46.60
Sep-23	55.49	54.40	54.62	55.50	54.40	54.60
Oct-23	49.55	48.60	48.71	49.70	48.50	48.70
Nov-23	51.39	49.85	49.97	51.35	49.75	49.95
Dec-23	48.10	46.49	47.15	48.10	46.45	47.15
Jan-24	48.50	47.20	48	48.20	47.15	48.00
Feb-24	46.94	45.28	46.56	46.95	45.25	46.60
Mar-24	40.91	39.50	39.72	40.90	39.55	39.70

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





m. Registrar & Transfer Agent

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

n. Share Transfer System

In terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form. Further, with effect from 24th January 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25th January 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

Simplified Norms for processing Investor Service Request

SEBI, vide its Circular dated 3rd November, 2021 read with Circular dated 16th March 2023, has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/ Opt-out of Nomination details to avail any investor service. The concerned members are therefore urged to furnish PAN, KYC and Nomination/ Opt out of Nomination by submitting the prescribed forms duly filled by email from their registered Email-Id to einward.ris@kfintech.com or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to M/s. KFin Technologies Limited at Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.

o. Distribution of equity shareholding as on 31st March 2024

Particulars	No. of shareholders	% of total shareholders	No. of equity shares	% of total equity share capital
1-5,000	591,877	82.80	67,979,004	3.19
5,001- 10,000	57,358	8.02	47,083,962	2.21
10,001- 20,000	30,872	4.32	47,650,673	2.24
20,001- 30,000	11,011	1.54	28,346,686	1.33
30,001- 40,000	5,218	0.73	18,910,572	0.89
40,001- 50,000	5,071	0.71	24,226,474	1.14
50,001- 1,00,000	7,620	1.07	58,652,051	2.76
1,00,001 – 2,00,000	3,198	0.45	46,507,539	2.19
2,00,002 & Above	2,586	0.36	1,789,132,812	84.06
Total	**714,811**	**100.00**	**2,128,489,773**	**100.00**

p. Shareholding pattern as on 31st March 2024

Category of shareholder	No. of equity shares	% of total equity shares
Promoter & Promoter Group (A)	**1,32,98,75,232**	**62.48**
Public shareholding		
Banks	19,37,85,900	9.10
Mutual Fund	18,08,817	0.08
Qualified Institutional Buyer	19,094,380	0.90
NBFCs registered with RBI	31,994	0.00

Category of shareholder	No. of equity shares	% of total equity shares
Foreign Portfolio Investors Category I	6,98,16,845	3.28
Foreign Portfolio Investors Category II	17,33,842	0.08
Directors and their relatives (Excluding independent directors and nominee directors)	6,75,000	0.03
Employees	3,61,147	0.02
Investor Education and Protection Fund (IEPF)	32,97,942	0.15
Resident Individuals	45,54,39,158	21.40
Non-Resident Indians (NRIs)	91,54,288	0.43
Foreign Nationals	55,450	0.00
Bodies Corporates	2,46,87,074	1.10
HUF	1,86,14,979	1.16
Clearing Members	13,105	0.00
Trusts	44,620	0.00
Total Public Shareholding (B)	**79,86,14,541**	**37.52**
Total Shareholding (A+B)	**2,12,84,89,773**	**100.00**

q. Dematerialization of shares and liquidity	As on 31st March 2024, 212,55,07,353 equity shares of the Company (99.86% of the total issued equity capital) were held in dematerialized form and 29,82,420 equity shares (0.14% of the total issued equity capital) were held in physical form. The shares of the Company are frequently traded on both the Stock Exchanges.
r. Outstanding GDRs/ADRs/Warrants or any convertible instrument –	The Company does not have 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 Limited** Unit: Shree Renuka Sugars Limited Selenium Tower B, Plot Nos. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana, 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** 2nd & 3rd Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Nehru Nagur, Belagavi – 590010 Tel No.: 0831 2404000 E-mail: groupcs@renukasugars.com
t. Plant locations	Information on Plant locations has been provided in the section of Corporate Information.

u. Details of credit rating obtained by the Company

During the year, India Ratings and Research (Ind-Ra) has affirmed the rating of various credit facilities availed by the Company. The instrument-wise rating actions are as follows:

Instrument Type	Size of Issue (₹ In Mn.)	Rating/Outlook	Rating Action
Fund-based /Non- fund-based working capital limits	7800	IND A/ Stable/IND A1	Affirmed
Non-convertible debentures (NCDs)	4,772 (reduced from 4,859)	IND A/Stable	Affirmed
Short-term loans	4000	IND A1	Affirmed
Term loan	5293 (reduced from 6265)	IND A/Stable	Affirmed

Listed Debt Securities

1. Listed Debt Securities

Three series of Debentures issued by the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited. The details of series of Debentures are listed as under:

Sr. No.	Series/Particulars	ISIN	Amt. in million	Debenture Trustee
1.	11.70% Secured, Non-Convertible, Non-Cumulative, Redeemable Debenture	INE087H07094	750	IDBI Trusteeship Services Limited 1009, 10th Floor, Ansal Bhawan, KG Marg, New Delhi-110001. Tel. No.: (+91), 011-4034 9599 Email: deepakkumar@idbitrustee.com Website: www.idbitrustee.com
2	11.00% Secured, Non-Convertible, Non-Cumulative, Redeemable Debenture	INE087H07102	750	
3	11.30% Secured, Non-Convertible, Non-Cumulative, Redeemable Debenture	INE087H07128	500	
4	11.00% Secured, Non-Convertible, Non-Cumulative, Redeemable Debenture	INE087H07110	500	
5	9.45% Secured, Non-Convertible, Non-Cumulative, Redeemable Debenture	INE087H08019	2,850	

Declaration in respect of Code of Conduct

In accordance with the Listing Regulations, hereby confirm and declare that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors & Senior Managerial Personnel of the Company laid down for them for the financial year ended 31st March 2024.

Place: Mumbai
Date: 2nd August 2024

Atul Chaturvedi
Executive Chairman
DIN: 00175355

Auditors' Certificate on Corporate Governance

To,
The Members
Shree Renuka Sugars Limited
2nd and 3rd Floor, Kanakashree Arcade,
CTS No. 10634, JNMC Road, Nehru Nagar,
Belagavi Belgaum 590010

We have examined the compliance of conditions of Corporate Governance by **Shree Renuka Sugars Limited (the Company)** for the year ended on 31st March, 2024, as stipulated under Regulation 15(2) read with Schedule V Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

FOR **DVD& ASSOCIATES**
COMPANY SECRETARIES

____
Devendra V Deshpande
Proprietor
FCS No. 6099 CP No. 6515
PR NO: 1164/ 2021
UDIN: F006099F000539852

Place: Pune
Date: 06.06.2024

Certificate of Non-Disqualification of Directors

Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members,
Shree Renuka Sugars Limited
2nd and 3rd Floor, Kanakashree Arcade,
CTS No. 10634, JNMC Road, Neharu Nagar,
Belagavi Belgaum 590010

We have examined the relevant books, papers, minutes books, forms and returns filed, Notices received from the Directors during the last Financial Year ended on 31st March 2024, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives of (Shree Renuka Sugars Limited, CIN: L01542KA1995PLC019046) having its Registered office at 2nd and 3rd Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Neharu Nagar, Belagavi Belgaum KA 590010 for the purpose of issue of a 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) 2015 (LODR), as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors as stated below who are on the Board of the Company as on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI/Ministry of Corporate Affairs or any such other statutory authority.

S. No.	DIN	Name of the Director	Designation	Date of Appointment
1	00175355	Atul Chaturvedi	Executive Chairman	24/06/2015
2	03537522	Vijendra Singh	Executive Director and Dy. CEO	10/05/2011
3	00133106	Ravi Gupta	Executive Director	28/10/2021
4	00021957	Kuok Khoon Hong	Director	25/10/2019
5	06857132	Jean-Luc Bohbot	Director	24/06/2015
6	08737827	Charles Loo Cheau Leong	Director	01/06/2020
7	02683483	Madhu Rao	Director	27/06/2018
8	06981070	Arun Chandra Verma	Director	01/04/2022
9	05346215	Siraj Hussain	Director	09/08/2022
10	00895163	Bharat Vallabhdas Mehta	Director	13/11/2017
11	01773791	Seetharaman Sridharan	Director	09/08/2022
12	06682955	Priyanka Mallick	Director	08/02/2019
13	00020968	Tinniyan Kalyansundaram Kanan	Alternate Director	19/05/2022

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

FOR **DVD & ASSOCIATES**
COMPANY SECRETARIES

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DEVENDRA V. DESHPANDE
Proprietor
FCS 6099 CP 6515
PR No. 1164/2021
UDIN: F006099F000539874

Place: Pune
Date: 06.06.2024

Financial
Statements

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, 2024, 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 standalone financial statements, including a summary of material 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, 2024, its loss including other comprehensive loss, 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, 2024. 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
(a) Valuation of Inventory (as described in Note 2.1(II)(k) and 10 of the standalone financial statements)	
As on March 31, 2024, the Company is carrying inventory amounting to INR 41,859.70 million. The inventory of intermediary goods and finished goods (including stock in transit) is valued at lower of cost or net realisable value and the inventory of raw materials and stores and spares (including stock in transit) is valued at weighted average cost. The relative size of the inventory as on March 31, 2024 is significant to the financial statements and significant judgements are involved in determining: (i) cost of inventory which is based on factors such as cost of by-products which is based on its net realisable value, (ii) the net realizable value of closing inventory of intermediary and finished goods. Accordingly, determination of value of inventory was determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: • Read and assessed the Company's accounting policies with respect to inventory valuation for compliance with relevant accounting standards. • We evaluated the design and tested the operating effectiveness of controls established by the management in determination of value of inventory of finished goods and intermediary goods. • We have tested the operating effectiveness of the automated control established by management for valuation of inventory of raw materials and stores and spares on weighted average cost basis. • We tested the method used by the Company for arriving at the cost of inventory of sugar. Evaluated the appropriateness of data used by the management in determining the net realisable value of by-products, intermediary and finished goods. • We tested the mathematical accuracy of the calculations used for determining the cost of inventory. • We assessed the disclosures in the financial statement for compliance with the requirements of Ind AS.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone 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 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 Auditing for the Auditor's Responsibility in relation to Other Information in documents containing the audited standalone 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, 2024 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, 2020 ("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, to the extent applicable, 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 except for the matters stated in para (i)(vi) below on reporting under Rule 11(g);

   (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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

   (g) With respect to the adequacy of the internal financial controls 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;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. An amount of INR 0.02 million has not been transferred to the Investor Education and Protection Fund on account of disputes. There were no other amounts which were required to be transferred to Investor Education and Protection Fund

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in such accounting softwares except that, audit trail feature is not enabled in one of the accounting softwares for certain changes made, if any, using certain privileged/ administrative access rights, and for two such software, audit trail was not enabled for direct changes to data, as described in note 51 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of accounting softwares where the audit trail has been enabled.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

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per Shyamsundar Pachisia
Partner
Membership Number: 049237
UDIN: 24049237BKCERK5332

Place of Signature: Mumbai
Date: May 29, 2024

'Annexure 1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Shree Renuka Sugars Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (A) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) (a) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which 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) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements included in property, plant and equipment are held in the name of the Company, except for the following cases:

(Amount in INR million)

Description of Property	Gross carrying value	Net carrying amount	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
Freehold Land	22.62	22.62	Godavari Dudhna Sahakari Sakhar Kharkhana Limited	No	From September 2008	Litigation in Supreme Court for dispute between the original owners of the land.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed.

(b) The Company has not been sanctioned working capital limits in excess of Rs. Five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has provided loans, advances in nature of loans, stood guarantee and provided security to companies or any other parties as follows:

(Amount in INR million)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted / provided during the year				
– Subsidiaries	-	-	976.99	-
– Joint Ventures	-	-	-	-
– Associates	-	-	-	-
– Others	750.00	-	5.39	-
Balance outstanding as at balance sheet date in respect of above cases				
– Subsidiaries	-	-	2,741.82	-
– Joint Ventures	-	-	-	-
– Associates	-	-	-	-
– Others	703.71	-	2.61	-

During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, Limited Liability Partnerships.

(b) The terms and conditions of loans granted by the Company to three subsidiaries during the year (loan granted during the year aggregated to Rs. 489.73 million and cumulative loan balance outstanding as at balance sheet date is Rs. 2,741.82 million) is prejudicial to the Company's interest on account of the fact that there is a moratorium period of 12 months for principal repayment of the loan given during the year. Further, partial amount of interest receivable amounting to Rs. 8.47 million on loan given to one of the subsidiaries has been provided for in the books of account of the Company as at March 31, 2024.

(c) In respect of loans granted to companies, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

(Amount in INR million)

Name of the Entity	Amount	Due date	Date of Payment	Extent of delay	Remarks, if any
Monica Trading Private Limited (Subsidiary Company)	52.44	Various	Not paid	From February 2020 to March 2024	The amount pertains to principal amount of loan due of INR 0.99 million and interest accrued and due on loans of INR 51.45 million (interest accrued is fully provided for in the books of the Company).

Note: For reporting under this clause, we have not considered loans granted by the Company in earlier years (detailed in note 41(c)) and for which principal and interest amounts have been completely provided for in the books of accounts of the Company in earlier years and the balance (net of provision) in the books is Nil as at April 1, 2023.

(d) Other than those mentioned in clause 3(iii)(c) above, there are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) The Company had granted loans to one of the subsidiary which had fallen due during the year and the Company had granted fresh loans during the year to the respective parties to settle the dues of the existing loans.

(Amount in INR million)

Name of Parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Gokak Sugars Limited	527.49	137.16	90%

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(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 neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 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 goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been significant delays in a few cases in relation to payment of tax deducted at source.

According to the information and explanations given to us and audit procedures performed by us, undisputed dues in respect of provident fund, which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. in million)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	1.19	April 2022 to September 2023	Various	Not paid yet	The Company is unable to make payment for certain employees as their KYC is not linked to their Provident Fund account

The provisions relating to sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have been deposited 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
		993.23	2006-2007 to 2016-2017	CESTAT
		642.01	2013–14	Gujarat High Court
		0.07	2021–22	Commissioner, Central Tax
Central Excise Act, 1944	Excise duty	3.65	2003–04	Supreme Court
		138.05	2004-2005 to 2015-2016	CESTAT
		2.36	2011–2012	Commissioner (Appeals)
		1,280.55	2013–14 to 2017–18	Tribunal
		64.78	2004–05 to 2013–14	Gujarat High Court
Finance Act, 1994	Service Tax	8.45	2013–14 & 2014–15	Commissioner Appeals
		41.07	April 2009 To December 2010 and 2011	CESTAT
		2.59	Jan-05 to March-09	Commissioner
Goods and Service Tax, 2007	GST	236.86	July 2017 to March 2018	Joint Commissioner
Maharashtra Value Added Tax, 2002	Value Added Tax	8.45	2009–2010 and 2010-2011	Bombay High Court
West Bengal Value Added Tax Act, 2003	Value Added Tax	0.42	April 2017 to June 2017	VAT Tribunal, Kolkata
Gujarat Value Added Tax Act, 2003	Value Added Tax	0.19	2016–17	Joint Commissioner Appeal
Income Tax Act, 1961	Income Tax	2,270.83	AY 2018–19	Karnataka High Court
Income Tax Act, 1961	Income Tax	2,270.83	AY 2018–19	CIT (Appeals)

* Amount paid under protest of INR 300.82 million has been reduced in arriving at undeposited statutory dues disclosed above.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short term basis aggregating to Rs. 10,967.90 million for long-term purposes representing acquisition of property, plant and equipment, investment in subsidiary, repayment of loans including interest and funding of cash losses.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate. The Company does not have any joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. The Company does not have any joint venture.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company and, not commented upon.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards except for transaction with Adani Wilmar Limited aggregating to INR 2.15 million , for which, as explained to us, the Company is in the process of seeking approval of the audit committee under section 177 of the Companies Act, 2013, as detailed below:

Nature of the related party relationship and the underlying transaction	Amount involved in INR Million	Remarks
Nature of Related Party Relationship: Affiliate Company Nature of the underlying transaction: Rent Expense	2.15	Audit committee approval not obtained

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses amounting to Rs. 760.57 million in the current year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii)There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's current liabilities exceeds the current assets by INR 14,858.67 million, the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36 to the financial statements.

(xxi) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 36 to the financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

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per Shyamsundar Pachisia
Partner
Membership Number: 049237
UDIN: 24049237BKCERK5332

Place of Signature: Mumbai
Date: May 29, 2024

'Annexure 2' to the Independent Auditor's 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 standalone financial statements of Shree Renuka Sugars Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2024:

- The Company did not have appropriate internal control system for commodity derivative transactions undertaken by the Company during the year, which could potentially result in non-compliance with the Company's Risk Management Policy and could also potentially result in material misstatement in the Company's financial statements.

- The Company did not have appropriate internal control system for review of assumptions used in projections used for assessing impairment in the carrying value of investments and loans given by the Company to its subsidiaries, which could potentially result in the Company recognising these assets at a value more than its recoverable amount and consequential understatement of losses and overstatement of other equity as at March 31, 2024.

- The Company's internal control system for review of inventory valuation of intermediary goods and finished goods was not operating effectively. This could potentially result in material misstatement in the Company's financial statements.

- The Company needs to strengthen its financial statement closure process particularly for review of the financial statements and disclosures. This could potentially result in material misstatement in the Company's financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2024, 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.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the standalone financial statements of Shree Renuka Sugars Limited, which comprise the Balance Sheet as at March 31, 2024, and the related 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 standalone financial statements, including a summary of material accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 standalone financial statements of Shree Renuka Sugars Limited and this report does not affect our report dated May 29, 2024, which expressed an unqualified opinion on those financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

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per Shyamsundar Pachisia
Partner
Membership Number: 049237
UDIN: 24049237BKCERK5332

Place of Signature: Mumbai
Date: May 29, 2024

Standalone Balance Sheet

as at 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Notes	As at 31st March 2024	As at 31st March 2023
Assets			
Non-current assets			
Property, plant and equipment (including right to use assets)	3	41,424.88	41,612.79
Capital work-in-progress	3	588.41	1,146.21
Intangible assets	4	0.14	2.53
Financial assets			
Investments	5	4,449.63	1,193.83
Loans	6	1,969.87	1,515.89
Other non-current financial assets	7	324.90	336.46
Non-current tax assets		95.12	114.60
Other non-current assets	8	473.68	448.16
Total non-current assets		**49,326.63**	**46,370.47**
Current assets			
Inventories	10	41,859.70	22,369.45
Financial assets			
Trade receivables	11	5,482.67	2,053.87
Cash and cash equivalents	12	294.95	701.52
Other bank balances	13	102.84	123.17
Loans	14	137.16	137.16
Other current financial assets	15	362.84	277.25
Other current assets	16	1,920.56	2,911.09
Total current assets		**50,160.72**	**28,573.51**
Total assets		**99,487.35**	**74,943.98**
Equity and liabilities			
Equity			
Equity share capital	17a	2,128.49	2,128.49
Other equity	17b	(3,585.25)	1,998.00
Total Equity		**(1,456.76)**	**4,126.49**
Non-current liabilities			
Financial liabilities			
Borrowings	18	32,310.09	30,578.91
Lease liabilities	19	201.49	185.16
Net employee benefit liabilities	20	267.80	336.26
Government grants	21	171.82	303.52
Deferred tax liabilities (net)	9	2,973.52	1,345.64
Total non-current liabilities		**35,924.72**	**32,749.49**
Current liabilities			
Financial liabilities			
Borrowings	22	12,005.47	12,483.71
Lease liabilities	19	9.58	9.58
Trade payables	23		
Total outstanding dues of micro and small enterprises		30.20	111.48
Total outstanding dues of creditors other than micro and small enterprises		48,818.11	22,464.42
Other current financial liabilities	24	2,418.91	1,761.13
Net employee benefit liabilities	26	197.90	86.46
Government grants	21	146.56	141.56
Other current liabilities	25	1,392.66	1,009.66
Total current liabilities		**65,019.39**	**38,068.00**
Total liabilities		**100,944.11**	**70,817.49**
Total equity and liabilities		**99,487.35**	**74,943.98**

Material accounting policies 2.1

Accompanying notes 1 to 51 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. : **049237**

Date : 29th May 2024
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 29th May 2024
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 29th May 2024
Place : Mumbai

Sunil Ranka
Chief Financial Officer
Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
Place : Mumbai

Standalone statement of profit and loss

for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Notes	Year ended 31st March 2024	Year ended 31st March 2023
Income			
Revenue from operations	27	108,327.28	85,781.39
Other income	28	653.52	1,080.34
Total income		**108,980.80**	**86,861.73**
Expenses			
Cost of raw materials consumed	29	94,292.33	70,025.52
Purchase of traded goods	30	2,234.15	226.31
Increase in inventories of finished goods, intermediate products and traded goods	31	(5,784.73)	(1,520.48)
Employee benefit expenses	32	1,606.26	1,472.11
Depreciation and amortisation expense	33	2,519.83	2,291.11
Foreign exchange loss (net)		333.85	719.95
Finance costs	34	8,276.58	5,413.09
Other expenses	35	9,437.85	9,461.25
Total expenses		**112,916.12**	**88,088.86**
Loss before tax		**(3,935.32)**	**(1,227.13)**
Tax expense			
Current tax	9	–	–
Income tax relating to earlier years	9	20.92	–
Deferred tax	9	1,638.85	130.17
Income tax expense		**1,659.77**	**130.17**
Loss for the year		**(5,595.09)**	**(1,357.30)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Reversal of revaluation reserve on disposal / impairment of property, plant and equipment		(29.41)	0.33
Income tax effect	9	9.18	(0.10)
Loss on remeasurements of defined benefit plans	39	(5.73)	(53.76)
Income tax effect	9	1.79	16.77
Unrealised loss on FVTOCI equity securities	43	(77.93)	(8.34)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Net movement on effective portion of cash flow hedges	42	354.00	1,957.57
Net movement in cost of hedging reserve	42	(480.56)	(883.33)
Total comprehensive loss for the year (net of tax)		**(5,823.75)**	**(328.16)**
Earnings per share			
Basic	37	(2.63)	(0.64)
[Face value of equity share INR 1/- each]			
Diluted	37	(2.63)	(0.64)
[Face value of equity share INR 1/- each]			

Material accounting policies 2.1

Accompanying notes 1 to 51 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. : **049237**

Date : 29th May 2024
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 29th May 2024
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 29th May 2024
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
Place : Mumbai

Standalone statement of changes in equity

for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

a. Equity share capital

	No of Shares (in millions)	Amount
As at 01st April 2022	**2,128.49**	**2,128.49**
Equity shares issued during the year	–	–
As at 31st March 2023	**2,128.49**	**2,128.49**
Equity shares issued during the year	–	–
As at 31st March 2024	**2,128.49**	**2,128.49**

b. Other equity

	Reserves and surplus				Items of OCI				
	Securities premium	Debenture 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	Total other equity
As at 01st April 2022	**32,034.84**	**625.00**	**463.32**	**(40,543.84)**	**-**	**(29.98)**	**10,662.75**	**129.26**	**3,341.35**
Loss for the year	–	–	–	(1,357.30)	–	–	–	–	(1,357.30)
Other comprehensive income	–	–	–	(36.99)	1,957.57	(883.33)	0.23	(8.34)	1,029.14
Total Comprehensive Income	**-**	**-**	**-**	**(1,394.29)**	**1,957.57**	**(883.33)**	**0.23**	**(8.34)**	**(328.16)**
Transferred to P&L	–	–	–	–	(1,957.57)	831.24	–	–	(1,126.33)
Interest waiver from parent	–	–	111.14	–	–	–	–	–	111.14
Depreciation of revalued assets	–	–	–	738.45	–	–	(738.45)	–	-
As at 31st March 2023	**32,034.84**	**625.00**	**574.46**	**(41,199.68)**	**-**	**(82.07)**	**9,924.53**	**120.92**	**1,998.00**
Loss for the year	–	–	–	(5,595.09)	–	–	–	–	(5,595.09)
Other comprehensive income	–	–	–	(3.94)	354.00	(480.56)	(20.23)	(77.93)	(228.66)
Total Comprehensive Income	**-**	**-**	**-**	**(5,599.03)**	**354.00**	**(480.56)**	**(20.23)**	**(77.93)**	**(5,823.75)**
Transferred to P&L	–	–	–	–	(354.00)	531.92	–	–	177.92
Interest waiver from parent	–	–	62.58	–	–	–	–	–	62.58
Depreciation of revalued assets	–	–	–	757.70	–	–	(757.70)	–	-
As at 31st March 2024	**32,034.84**	**625.00**	**637.04**	**(46,041.01)**	**-**	**(30.71)**	**9,146.60**	**42.99**	**(3,585.25)**

Accompanying notes 1 to 51 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. : **049237**

Date : 29th May 2024
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 29th May 2024
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 29th May 2024
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
Place : Mumbai

Standalone statement of cash flows

for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Year ended 31st March 2024	Year ended 31st March 2023
Operating activities		
Loss before tax	(3,935.32)	(1,227.13)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation of property, plant and equipment	2,517.44	2,285.56
Amortisation of intangible assets	2.39	5.55
Excess provision of earlier year written back	(3.76)	(324.81)
Unrealised loss on derivatives	394.10	60.24
Government assistance	(146.19)	(115.06)
Finance costs	8,276.58	5,413.09
Finance income	(329.87)	(274.67)
Loss on disposal of property, plant and equipment (net)	3.72	19.51
Loss on account of Biparjoy	27.26	–
Dividend income	–	(1.39)
Unrealised loss on foreign exchange	139.11	58.58
Impairment of investment in subsidiaries	116.27	–
Impairment of other assets	167.40	164.30
Impairment/write off of property, plant and equipment	2.86	5.66
Expected credit loss on trade receivables	14.00	3.47
Working capital adjustments:		
Movement in employee benefit expenses	26.58	47.26
(Increase)/Decrease in trade receivables	(3,440.99)	777.13
Increase in other receivables and prepayments	(65.28)	(759.06)
Increase in inventories	(19,553.60)	(2,418.71)
Increase in trade and other payables	26,933.08	4,881.13
	11,145.78	**8,600.65**
Income tax paid	(1.44)	(34.11)
Net cash flows from operating activities	**11,144.34**	**8,566.54**
Investing activities:		
Purchase of property, plant and equipment	(2,112.05)	(3,848.55)
Loans given to subsidiaries	(976.99)	(1,115.01)
Repayment of loans by subsidiaries	487.26	1,248.66
Proceeds from sale of property, plant and equipment	132.62	2.06
Investment in subisidiary	(3,450.00)	–
Amount of fixed deposit matured (net)	35.65	4.79
Interest received	345.26	259.22
Dividend received	–	1.39
Net cash flows used in investing activities	**(5,538.25)**	**(3,447.44)**
Financing activities:		
Repayment of short term borrowings (net)	(627.12)	(1,526.45)
Repayment of long-term borrowings	(1,964.56)	(1,386.40)
Proceeds from long term borrowings	3,237.88	2,595.67
Payment of lease liability	(14.17)	(18.57)
Finance cost and processing charges paid	(6,644.69)	(4,195.69)
Net cash flows used in financing activities	**(6,012.66)**	**(4,531.44)**
Net increase/(decrease) in cash and cash equivalents	**(406.57)**	**587.66**
Opening cash and cash equivalents (refer note 12)	701.52	113.86
Closing cash and cash equivalents (refer note 12)	**294.95**	**701.52**

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

Standalone statement of cash flows

for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Changes in liabilities arising from financing activities for year ended 31st March 2023

Particulars	Long term borrowings*	Short term borrowings	Non-current lease liabilities	Current lease liabilities
As at 01st April 2022	**29,083.62**	**12,227.88**	**178.30**	**11.74**
Proceeds from long term borrowings	2,595.67	–	–	–
Repayment of long term borrowings	(1,386.40)	–	–	–
Repayment of short term borrowings (net)	–	(1,526.45)	–	–
Increase/(decrease) of foreign currency borrowing on account of revaluation	1,957.57	(5.31)	–	–
Lease liability payments	–	–	–	(18.57)
Other	116.04	–	6.86	16.41
As at 31st March 2023	**32,366.50**	**10,696.12**	**185.16**	**9.58**

*Long term borrowings includes current maturities of long term borrowings.

Changes in liabilities arising from financing activities for year ended 31st March 2024

Particulars	Long term borrowings*	Short term borrowings	Non-current lease liabilities	Current lease liabilities
As at 01st April 2023	**32,366.50**	**10,696.12**	**185.16**	**9.58**
Proceeds from long term borrowings	3,237.88	–	–	–
Repayment of long term borrowings	(1,964.56)	–	–	–
Repayment of short term borrowings (net)	–	(627.12)	–	–
Increase of foreign currency borrowing on account of revaluation	354.00	–	–	–
Lease liability payments	–	–	–	(14.17)
Other	252.74	–	16.33	14.17
As at 31st March 2024	**34,246.56**	**10,069.00**	**201.49**	**9.58**

*Long term borrowings includes current maturities of long term borrowings.

Investing and financing transactions that do not require the use of cash or cash equivalents

	Year ended 31st March 2024	Year ended 31st March 2023
Non-Cash investing activity		
Acquisition of Right-of use assets	13.23	5.90

Accompanying notes 1 to 51 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. : **049237**

Date : 29th May 2024
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 29th May 2024
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 29th May 2024
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
Place : Mumbai

Standalone notes to financial statements for the year ended 31st March, 2024

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 2nd and 3rd Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Belagavi- 590010, Karnataka. The CIN number of the Company is L01542KA1995PLC019046.

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

The standalone financial statements for the year ended 31st March 2024 were authorised for issue by the Board of Directors of the Company on 29th May 2024.

2.1 Material accounting policies

I. Basis of Preparation:

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

Going concern

As at 31st March 2024 the current liabilities of the Company exceed its current assets by INR 14,858.66 million. Further, for the year ended 31st March 2024 the Company has loss before tax of INR 3,935.32 million and has negative net worth of INR 1,456.76 million as at 31st March 2024.

The Board of Directors of Wilmar Sugar and Energy Pte. Ltd. (formerly known as Wilmar Sugar Holdings Pte. Ltd.) ('Holding Company') have provided letter of support to the Company, to meet shortfall in its normal trade related working capital requirements up to period ending 31st May 2025. Further, in case of External Commercial Borrowings (ECB) which are due for repayment in August, 2025, the Holding Company has confirmed that in case the ECB is not refinanced from external sources before due date, ECB given by the Holding Company will be refinanced / extended on or before the due date. Also, all term loans and working capital loans availed by the Company from banks and non-convertible debentures issued to Life Insurance Corporation of India ('LIC') and DBS Bank Ltd. are secured by corporate guarantee provided by the Ultimate Holding Company (Wilmar International Limited)

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 standalone financial statements on going concern basis.

Standalone notes to financial statements for the year ended 31st March, 2024

II. Summary of accounting policies:

a. Current versus non-current classification

The Company presents assets and liabilities in the standalone 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 as 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 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 standalone 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).

Standalone notes to financial statements for the year ended 31st March, 2024

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 standalone 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 standalone 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.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2 and 43)

Standalone notes to financial statements for the year ended 31st March, 2024

- Quantitative disclosures of fair value measurement hierarchy (note 43)
- Investment in unquoted equity shares (note 5)
- 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 a point in time when control of the goods is transferred to the customer, on delivery of the goods. Revenue from sale of services (sale of power) is recognised on a basis as per the contract terms based on actual services provided for the year. The normal credit term is 7 to 60 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 and services, 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 and services 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 Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Standalone notes to financial statements for the year ended 31st March, 2024

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.

e. 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 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.

f. Property, plant and equipment

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

Furniture and fixtures and vehicles are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capitalised costs include 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. Capital work in progress is stated at cost, net of accumulated impairment, if any.

Standalone notes to financial statements for the year ended 31st March, 2024

Land, buildings and plant and machinery are measured at fair value less accumulated depreciation and impairment losses recognised. 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 revaluation reserve 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 revaluation reserve.

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

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

Category	Useful life
Buildings	5 – 60 Years
Plant and equipments	1 – 40 Years
Furniture and fixtures	1 – 10 Years
Vehicles	7 – 8 Years

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

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

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

g. 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). Leasehold land is carried in the standalone balance sheet based on revaluation model. Other right-of-use assets are measured at cost, less any accumulated

Standalone notes to financial statements for the year ended 31st March, 2024

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.

Amortisation is calculated on a straight-line basis over the lease period of the assets is as follows:

Category	Useful life
Lease hold land	24 – 78 Years
Buildings	2 – 3 Years
Plant and equipments	12 -20 Years

Lease Liabilities

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

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

Short-term leases and leases of low-value assets

The Company applies the short-term 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.

h. Inventories

Inventories of finished goods and intermediary goods are valued at the lower of cost and net realizable value. Inventory of raw materials are valued at cost, except when a decline in the price

Standalone notes to financial statements for the year ended 31st March, 2024

of materials indicates that the cost of the finished products in which the raw materials will be used exceeds net realisable value. In such circumstances, the raw materials are written down to net realisable value and the replacement cost of the raw materials is considered the best available measure of their 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 intermediate goods:** Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. In case of certain intermediary goods, cost is measured as the net realizable value when the intermediate goods were produced by the Company.
- **By-products:** These are valued at net realisable value.

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

i. Impairment of non-financial assets

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

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

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

Impairment losses, 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.

Standalone notes to financial statements for the year ended 31st March, 2024

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.

j. Provisions and contingencies

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.

Contingencies

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

k. Retirement and other employee benefits

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

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

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

Standalone notes to financial statements for the year ended 31st March, 2024

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 standalone 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 standalone statement of profit and loss:

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

Long term employee benefits:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the standalone balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Termination benefits

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

l. 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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant

Standalone notes to financial statements for the year ended 31st March, 2024

financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

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

- Debt instruments at amortised cost (debt instruments)
- Debt instruments at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Debt instruments at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (debt instruments)
- Financial assets at fair value through profit or loss

Financial asset at amortised cost (debt instruments)

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

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortized costs include trade receivables, loans to subsidiaries and interest thereon, security deposits and other receivables grouped under other current financial assets.

Financial asset at Fair Value through OCI (FVTOCI) (debt instruments)

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

Standalone notes to financial statements for the year ended 31st March, 2024

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 profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss.

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

Financial asset at Fair Value through profit and loss

Financial assets at fair value through profit or loss are carried in the standalone balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and balances receivable from commodity broker.

Financial asset designated at Fair Value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 – Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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 profit and loss, even on sale of investment. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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 standalone balance sheet) when:

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

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

Standalone notes to financial statements for the year ended 31st March, 2024

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

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')

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

- Trade receivables or contract revenue receivables; and
- 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 Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense (or income) in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The standalone 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 standalone 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.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the standalone balance sheet, i.e. as a liability.

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

(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.

Standalone notes to financial statements for the year ended 31st March, 2024

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, derivative financial instruments, lease liabilities and other financial liabilities.

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.

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 / losses are not subsequently transferred to profit and loss. 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.

Financial Liability at amortized costs (Loans and borrowings)

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

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

This category generally applies to borrowings. For more information refer note 18.

Other financial liabilities

The Company enters into deferred payment arrangements (letter of credit acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of materials. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements are recognized as acceptances under trade payables. Interest borne by the company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Standalone notes to financial statements for the year ended 31st March, 2024

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 standalone 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.

m. Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

n. Earnings per share

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

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

o. Derivative financial instruments and hedge accounting

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).

Standalone notes to financial statements for the year ended 31st March, 2024

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on

Standalone notes to financial statements for the year ended 31st March, 2024

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. Taxes

Deferred tax assets are recognised on unabsorbed depreciation since these losses do not have any expiry and will offset the deferred tax liability over the period when the deferred tax liabilities reverse. Deferred tax assets are recognized on carry-forward business losses and disallowances with finite life for allowance only to the extent that management projections provides evidence that these losses/ disallowances could be recovered within the expiry period. Management assesses the recoverability of deferred tax assets created on business losses and finite life disallowances on an annual basis and 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 that would be available for set-off against these losses and disallowances, together with future tax planning strategies.

Based on the annual assessment performed by the management considering the changes in the business scenario for determining recoverability of deferred tax assets created, the Company has not created deferred tax assets on unabsorbed tax losses carried forward of INR 8,099.47 million (31st March 2023: INR 2,635.11 million) and on unclaimed Section 94B disallowance of INR 2,928.90 million (31st March 2023: Nil). The company has a history of losses and the Company does not expect to generate adequate taxable profits against which these losses/disallowances are expected to be utilized. The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses/disallowances as deferred tax assets as at the period end date. On this basis, the Company has derecognised deferred tax assets on the tax losses carried forward and Section 94B disallowances as stated above.

2. Valuation of investments

Investments in subsidiaries are carried at cost in the standalone financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

The recoverable amount calculation is based on a DCF (Discounted Cash Flow) model or fair value of underlying assets and liabilities of the subsidiary (in case of non-operating subsidiaries). 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.

3. 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.

Standalone notes to financial statements for the year ended 31st March, 2024

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 an 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 New and amended standards.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 01st April 2023. The Company applied for the first-time these amendments:

(i) Definition of Accounting Estimates – Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's standalone financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the standalone balance sheet. There was also no impact on the opening retained earnings as at 01st April 2023.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 3: Property, plant and equipment

	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)
Gross block									
As at 01st April 2022	**2,012.66**	**7,368.98**	**27,003.24**	**164.30**	**32.98**	**2,385.55**	**38,967.71**	**2,392.97**	**41,360.68**
Additions	15.04	376.27	5,271.50	28.71	7.55	9.89	5,708.96	(1,246.76)	4,462.20
Disposals	-	(3.35)	(76.89)	(57.60)	(5.00)	(1.76)	(144.60)	-	(144.60)
As at 31st March 2023	**2,027.70**	**7,741.90**	**32,197.85**	**135.41**	**35.53**	**2,393.68**	**44,532.07**	**1,146.21**	**45,678.28**
Additions	10.65	97.83	2,307.39	50.83	13.96	16.72	2,497.38	(557.80)	1,939.58
Disposals	-	(38.29)	(72.75)	(9.59)	(2.81)	(89.53)	(212.97)	-	(212.97)
As at 31st March 2024	**2,038.35**	**7,801.44**	**34,432.49**	**176.65**	**46.68**	**2,320.87**	**46,816.48**	**588.41**	**47,404.89**
Depreciation and impairment									
As at 01st April 2022	**-**	**-**	**-**	**88.83**	**11.35**	**650.91**	**751.09**	**-**	**751.09**
Depreciation charge for the year (refer note 33)	-	414.14	1,704.76	28.60	5.00	133.06	2,285.56	-	2,285.56
Disposals	-	(3.35)	(51.58)	(57.44)	(5.00)	-	(117.37)	-	(117.37)
As at 31st March 2023	**-**	**410.79**	**1,653.18**	**59.99**	**11.35**	**783.97**	**2,919.28**	**-**	**2,919.28**
Depreciation charge for the year (refer note 33)	-	430.27	1,932.95	35.08	5.83	113.31	2,517.44	-	2,517.44
Disposals	-	(9.40)	(23.44)	(9.47)	(2.81)	-	(45.12)	-	(45.12)
As at 31st March 2024	**-**	**831.66**	**3,562.69**	**85.60**	**14.37**	**897.28**	**5,391.60**	**-**	**5,391.60**
Net book value									
As at 31st March 2024	**2,038.35**	**6,969.78**	**30,869.80**	**91.05**	**32.31**	**1,423.59**	**41,424.88**	**588.41**	**42,013.29**
As at 31st March 2023	**2,027.70**	**7,331.11**	**30,544.67**	**75.42**	**24.18**	**1,609.71**	**41,612.79**	**1,146.21**	**42,759.00**

* For further information refer note 47

** These assets were carried at deemed cost at the time of transition to Ind AS

Capital work-in-progress is net of additions made during the year.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note : Buildings include those constructed on Leasehold Land as under :

	As at 31st March 2024	As at 31st March 2023
Depreciation Charge for the year	(53.15)	(46.69)
Gross Block	1,374.51	1,374.51
Accumulated Depreciation	(484.03)	(430.88)
Net Block	**890.48**	**943.63**

A. Assets under construction :

Capital work in progress as at 31st March 2024 comprises of expenditure incurred for construction of building and plant and machinery pertaining to Madhur Refinery and packing project of the Company of INR 311.52 million and this project is expected to be completed by 31st March 2025.

The other costs comprise of expenditure incurred for contruction of plant and machinery and building including material procured for miscellaneous projects at other plants.

B. Capitalisation of borrowing cost :

During the previous year, the Company has capitalized borrowing costs related to ethanol expansion projects being undertaken at two manufacturing units of the Company, i.e., Athani and Munoli.

The above-mentioned capital expansion was financed by Bank. The amount of borrowing cost capitalised during the year is NIL (31st March 2023: INR 187.30 million). The rate used to determine amount of borrowing costs eligible for capitalisation is NIL (31st March 2023: 4.44%), which is the EIR of those specific borrowings.

C. Revaluation of land, buildings and plant, machinery and equipment :

During the year ended 31st March 2022, the Company had appointed a registered independent valuer who has relevant valuation experience for valuation of property, plant and equipment in India of more than 10 years and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, to determine the fair value of freehold land, building, plant and machineries and leasehold land (forming part of right of use assets). As an outcome of this process, during the year ended 31st March 2022, the Company had recognised decrease in the gross block of freehold land of INR 47.35 million and leasehold land included under right of use assets of INR 58.71 million and increase in building of INR 2,036.10 million and plant and machineries of INR 1,743.72 million. The Company had recognised this increase within the revaluation reserve and statement of other 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.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Significant unobservable valuation input :

Asset	Valuation technique	Significant unobservable inputs
Freehold land/ Leasehold land	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.
Building	Depreciated Replacement Cost (DRC) and Rent Capitalisation Method and Sales Comparison Method of Market Approach	Building/structural sheds were measured considering the DRC cost method for the constructed area depending on utility including alternate use and design of building structure's 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 wear and tear. Valuation of building structures at one of the plants of the Company was done on the basis of value in use, which has been identified using the estimation of the building value using rent capitalization method which relates value to the market rent that a property can be expected to earn and to the resale value. Sales Comparison Method of Market Approach has been used for the valuation of some office premises and residential apartments of the Company.
Plant, machinery and equipment	Depreciated Replacement Cost (DRC)	The Valuation of Plant & Machinery is carried out by using replacement cost method under cost approach of valuation. The Gross Current replacement cost of the assets under valuation means the price expected to replace the existing asset with similar or equivalent new asset as on date of valuation. Since the exercise is based on the in-situ scenario, the direct/indirect costs like loading/unloading, transportation, Erection and Commissioning, Cost of Foundation etc., have been included while estimating the Gross Current Replacement cost (GCRC) of the Plant & Machinery. The Depreciated Replacement Cost is derived from the Gross Current Replacement Cost (GCRC) after deduction of depreciation based on age of the asset. The DRC is adjusted towards the obsolescence (including economic obsolescence), potential profitability and service potential in order to estimate the market value of "in-situ" of the plant and machinery.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Information of revaluation model (gross of deferred tax) :

	Amount
As at 01st April 2022	**16,637.77**
Depreciation	(1,073.33)
Disposed off/impaired	0.33
As at 31st March 2023	**15,564.77**
Depreciation	(1,101.31)
Disposed off/impaired	(29.41)
As at 31st March 2024	**14,434.05**

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 31st March 2024	As at 31st March 2023
Cost (net of impairment)		
Freehold land	529.14	518.49
Right of use assets	1,606.18	1,678.99
Buildings	6,327.27	6,251.77
Plant, machinery and equipment	38,843.72	36,587.77
	47,306.31	**45,037.02**
Accumulated depreciation (net of impairment)		
Freehold land	–	–
Right of use assets	365.98	363.84
Buildings	3,047.89	2,866.34
Plant, machinery and equipment	17,024.97	15,858.42
	20,438.84	**19,088.60**
Net carrying amount		
Freehold land	529.14	518.49
Right of use assets	1,240.20	1,315.15
Buildings	3,279.38	3,385.43
Plant, machinery and equipment	21,818.75	20,729.35
	26,867.47	**25,948.42**

D. Impairment assessment of CGU :

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. There were no impairment indicators during the year ended 31st March 2024.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

E. Capital work in progress (CWIP) Ageing Schedule :

As at 31st March 2024

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	547.70	39.07	1.64	–	588.41
Projects temporarily suspended	–	–	–	–	–
Total	**547.70**	**39.07**	**1.64**	**–**	**588.41**

As at 31 March 2023

	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,092.87	51.87	0.93	0.54	1,146.21
Projects temporarily suspended	–	–	–	–	–
Total	**1,092.87**	**51.87**	**0.93**	**0.54**	**1,146.21**

F. Completion is overdue to its original plan :

As at 31st March 2024

	To be completed in					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Expected date of completion
Project 1	49.27	–	–	–	49.27	30th Sep 2024
Project 2	10.54	–	–	–	10.54	30th Sep 2024
Others	40.36	–	–	–	40.36	31st Dec 2024
Total	**100.17**	**–**	**–**	**–**	**100.17**	

As at 31 March 2023

	To be completed in					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Expected date of completion
Project 1	970.34	–	–	–	970.34	30th Sep 2023
Project 2	112.16	–	–	–	112.16	31st Aug 2023
Others	17.36	–	–	–	17.36	31st Jul 2023
Total	**1,099.86**	**–**	**–**	**–**	**1,099.86**	

There is no project which has exceeded its cost compared to its original plan during the current year and previous year.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

G. The title deeds of immovable properties are held in the name of the Company, except for the following cases :

Description of Property	Gross carrying value	Net carrying amount	Title deeds held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of Company
Freehold Land	22.62	22.62	Godavari Dudhna Sahakari Sakhar Kharkhana Limited	No	From September 2008	Litigation in Supreme Court pertaining to dispute between the original owners of the land.

Note 4: Intangible assets

	Computer software
Gross block	
As at 01st April 2022	**38.50**
Additions	0.03
Disposals	(1.53)
As at 31st March 2023	**37.00**
Additions	–
Disposals	(0.80)
As at 31st March 2024	**36.20**
Amortisation and impairment	
As at 01st April 2022	**30.45**
Amortisation for the year (refer note 33)	5.55
Disposals	(1.53)
As at 31st March 2023	**34.47**
Amortisation for the year (refer note 33)	2.39
Disposals	(0.80)
As at 31st March 2024	**36.06**
Net book value	
As at 31st March 2024	**0.14**
As at 31st March 2023	**2.53**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 5: Investments

	Currency	Face value	As at 31st March 2024 Number of units	As at 31st March 2024 Amount	As at 31st March 2023 Number of units	As at 31st March 2023 Amount
Non Current:						
Unquoted equity shares: At amortised cost						
In Subsidiary Companies						
KBK Chem-Engineering Private Limited	INR	100	3,99,771	1,297.92	3,99,771	1,297.92
Less: Impairment allowance				(750.00)		(750.00)
				547.92		**547.92**
Gokak Sugars Limited (refer note 5 (a) below)	INR	10	3,29,37,140	187.26	3,29,37,140	187.26
Less: Impairment allowance				(187.26)		(70.99)
				-		**116.27**
Monica Trading Private Limited (refer note 5 (b) below)	INR	10	10,000	171.52	10,000	171.52
Less: Impairment allowance				(62.70)		(62.70)
				108.82		**108.82**
Renuka Commodities DMCC	AED	10000	40	4.97	40	4.97
Less: Impairment allowance				(4.97)		(4.97)
				-		-
Shree Renuka Agri Ventures Limited (refer note 5 (b) below)	INR	10	2,50,000	2.50	2,50,000	2.50
Less: Impairment allowance				(2.50)		(2.50)
				-		-
Shree Renuka East Africa Agriventures PLC	Birr	180	9,999	5.19	9,999	5.19
Less: Impairment allowance				(5.19)		(5.19)
				-		-
Anamika Sugar Mills Private Limited (refer note 5(c) below)	INR	10	7,33,21,703*	3,450.00	-	-
				3,450.00		-
Shree Renuka Tunaport Private Limited (refer note 5 (b) below)	INR	10	10,000	0.10	10,000	0.10
Less: Impairment allowance				(0.10)		(0.10)
				-		-
In other companies						
Unquoted equity shares: At fair value through other comprehensive income (fully paid)						
National Commodity & Derivatives Exchange Ltd. (NCDEX) (refer note 43)	INR	10	25,33,700	342.89	25,33,700	420.82
Aggregate value of total Investment				**4,449.63**		**1,193.83**

* Out of the above mentioned shares, 10 shares are held by nominee of the Company and the Company is the beneficial owner of these shares.

	2024	2023
Aggregate value of unquoted investment	**5,462.35**	**2,090.28**
Aggregate amount of impairment allowance in value of investments	**(1,012.72)**	**(896.45)**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 5 (a): Investment in subsidiaries are carried at cost in financial statements. Wherever indicators 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 3%, applying a discount rate of 11.82% – 15.52% to the cash flow projections. During the year Company recognised an impairment allowance of INR 116.27 million in respect of its investment in Gokak Sugar Limited.

Note 5 (b):Board of Directors, at its meeting held on 24th May 2022, approved the Scheme of Amalgamation of wholly owned subsidiaries namely Monica Trading Private Limited (MTPL), Shree Renuka Agri Ventures Limited (SRAVL), and Shree Renuka Tunaport Private Limited (SRTPL), with the Company. The merger of MTPL with the Company has been approved by NCLT, Mumbai Bench and a certified copy of NCLT order has been filed with ROC, Mumbai. However, being a composite application, the merger will be effective only on receiving approval from NCLT Bangalore for merger of SRAVL and SRTPL with the Company. The hearing of the Bangalore bench of NCLT is scheduled on 05th June 2024.

Note 5 (c): The Board of Directors of the Company at its meeting held on 23rd September 2023 approved the acquisition of Anamika Sugar Mills Private Limited ('Anamika') for a consideration of INR 2,355 million and to make an additional investment of INR 1,095 million in Anamika by way of a rights issue of equity shares. The said acquisition was completed on 06th October 2023 and from that date, Anamika has become a wholly owned subsidiary of the company. Further, the allotment of the rights issue of equity shares of Anamika was completed on 11th October 2023.

Note 6: Non-Current Loans

	As at 31st March 2024	As at 31st March 2023
Unsecured & considered good (at amortised cost) :		
Loans to related parties (refer note 41 (C))	3,317.95	2,828.23
Less: Impairment allowance (refer note 41 (C))	(1,348.08)	(1,312.34)
	1,969.87	**1,515.89**
Break-up for security details		
Unsecured, considered good	1,969.87	1,515.89
Unsecured, credit impaired	1,348.08	1,312.34
(A)	**3,317.95**	**2,828.23**
Impairment allowance*		
Unsecured, considered good	–	–
Unsecured, credit impaired (refer note 41 (C))	(1,348.08)	(1,312.34)
(B)	**(1,348.08)**	**(1,312.34)**
(A-B)	**1,969.87**	**1,515.89**

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

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 7: Other non-current financial assets

	As at 31st March 2024	As at 31st March 2023
Unsecured & considered good (at amortised cost) :		
Fixed deposit pledged with bank/deposited with government authorities	**78.55**	**93.87**
Deposits	317.91	314.15
Less: Impairment allowance	(71.56)	(71.56)
	246.35	**242.59**
	324.90	**336.46**
Break-up for security details		
Unsecured, considered good	324.90	336.46
Unsecured, credit impaired	71.56	71.56
(A)	**396.46**	**408.02**
Impairment allowance		
Unsecured, considered good	–	–
Unsecured, credit impaired	(71.56)	(71.56)
(B)	**(71.56)**	**(71.56)**
(A-B)	**324.90**	**336.46**

Note 8: Other non-current assets

	As at 31st March 2024	As at 31st March 2023
Capital advances*	**59.75**	**58.67**
Amount paid under protest to government authorities	579.45	543.79
Less: Impairment allowance	(165.52)	(154.30)
	413.93	**389.49**
	473.68	**448.16**
Break-up for security details		
Unsecured, considered good	473.68	448.16
Unsecured, credit impaired	165.52	154.30
(A)	**639.20**	**602.46**
Impairment allowance		
Unsecured, considered good	–	–
Unsecured, credit impaired	(165.52)	(154.30)
(B)	**(165.52)**	**(154.30)**
(A-B)	**473.68**	**448.16**

* Includes capital advance given to related parties INR 32.40 million (31st March 2023: INR 10.14 million) (refer note 41 (C))

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 9: Income tax

The major components of income tax expenses for the year ended 31st March 2024 and 31st March 2023 are:

	As at 31st March 2024	As at 31st March 2023
Profit and loss section		
Current income tax	–	–
Income tax relating to earlier years	20.92	–
Deferred tax :		
Relating to origination and reversal of temporary differences and write-down of deferred tax asset	1,638.85	130.17
Income tax expense reported in the statement of profit and loss	**1,659.77**	**130.17**

OCI Section

Deferred tax related to items recognised in OCI during the year

	As at 31st March 2024	As at 31st March 2023
Net loss on remeasurements of defined benefit plans	(1.79)	(16.77)
Reversal of revaluation reserve on property, plant and equipment	(9.18)	0.10
Income tax income charged to OCI	**(10.97)**	**(16.67)**

Reconciliation of tax expenses and the accounting profit multiplied by the India's domestic tax rate for year ended 31st March 2024 and 31st March 2023

	As at 31st March 2024	As at 31st March 2023
Accounting loss before tax	**(3,935.32)**	**(1,227.13)**
At India's statutory income tax rate of 31.2% (31st March 2023: 31.2%)	(1,227.82)	(382.86)
Difference in book depreciation and tax depreciation	38.33	143.31
Interest remission by affiliate company	19.52	34.68
Movement related to government grant accounted	9.70	50.35
Disallowance on which deferred tax asset is not recorded due to uncertainty regarding recoverability	913.82	–
Previous year losses on which DTA was considered to be not recoverable during the year	1,733.16	–
Expenses of capital nature and provisions disallowed	92.88	69.67
Adjustment of tax relating to earlier periods	20.92	–
Reversal of DTA on conversion of loan into investments	–	235.10
Others	59.26	(20.08)
Income tax expense in the statement of profit and loss	**1,659.77**	**130.17**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Deferred tax

	As at 31st March 2024	As at 31st March 2023
Difference between carrying value of PPE and WDV as per the income tax act	(8,768.10)	(8,593.73)
Expenses claimed on payment basis	614.98	483.69
Losses available for offsetting against future taxable income	5,179.60	6,764.40
Net deferred tax liability	**(2,973.52)**	**(1,345.64)**

Presented in the balance sheet as follows:

	As at 31st March 2024	As at 31st March 2023
Deferred Tax Assets (DTA)	–	–
Deferred Tax Liabilities (DTL)	(2,973.52)	(1,345.64)
Deferred Tax Liabilities (DTL)	**(2,973.52)**	**(1,345.64)**

Reconciliation of deferred liabilities:

	As at 31st March 2024	As at 31st March 2023
Opening balance as at 01st April	(1,345.64)	(1,232.14)
Tax expense during the period recognised in profit and loss	(1,638.85)	(130.17)
Tax income during the period recognised in OCI	10.97	16.67
Closing balance	**(2,973.52)**	**(1,345.64)**

Deferred tax assets are recognised on unabsorbed depreciation since these losses do not have any expiry and will offset the deferred tax liability over the period when the deferred tax liabilities reverse. Deferred tax assets are recognized on carry-forward business losses and disallowances with finite life for allowance only to the extent that management projections provides evidence that these losses/disallowances could be recovered within the expiry period. Management assesses the recoverability of deferred tax assets created on business losses and finite life disallowances on an annual basis and 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 that would be available for set-off against these losses and disallowances, together with future tax planning strategies.

The Company has unabsorbed depreciation of INR 16,601.29 million (31st March 2023: INR 16,122.20 million), unabsorbed business losses of INR Nil (31st March 2023: INR 5,555.59 million) on which deferred tax asset has been created. 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.

Based on the annual assessment performed by the management considering the changes in the business scenario for determining recoverability of deferred tax assets created, the Company has not created deferred tax assets on unabsorbed tax losses carried forward of INR 8,099.47 million (31st March 2023: INR 2,635.11 million) and on unclaimed Section 94B disallowance of INR 2,928.90 million (31st March 2023: Nil). The company has a history of losses and the Company does not expect to generate adequate taxable profits against which these losses/ disallowances are expected to be utilized. The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses/disallowances as deferred tax assets as at the period end date. On this basis, the Company has derecognised deferred tax assets on the tax losses carried forward and Section 94B disallowances as stated above. 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 2029–30 and unabsorbed Sec 94B disallowence can be utilised within a period of 8 years and will expire in the financial year 2031–32.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 10: Inventories

	As at 31st March 2024	As at 31st March 2023
Raw materials, components and material in transit (at cost)	18,705.44	5,048.77
(includes transit stock INR 7,101.12 million (31st March 2023: INR 1.85 million))		
Stores and spares (at cost)*	674.26	625.41
(includes transit stock INR 10.85 million (31st March 2023: INR 5.73 million))		
Intermediate products (at net realisable value)	1,400.29	2,514.63
Finished goods: (at lower of cost or net realisable value)	21,079.71	14,180.64
(includes transit stock INR 116.45 million (31st March 2023: Nil))		
	41,859.70	**22,369.45**

* Includes packing material and consumables

Cost of inventories includes expenses of INR 748.40 million (31st March 2023: INR 233.80 million) in respect of write down of inventories to Net realisable value.

Note 11: Trade receivables

	As at 31st March 2024	As at 31st March 2023
Unsecured, considered good		
Receivables from third parties	4,327.74	1,355.19
Less: Impairment allowance	(202.38)	(188.86)
	4,125.36	**1,166.33**
Receivables from related parties (refer note 41 (C))	1,357.31	887.54
Less: Impairment allowance	–	–
	1,357.31	**887.54**
	5,482.67	**2,053.87**
Break-up for security details:		
Unsecured, considered good		
Receivables from third parties	4,125.36	1,166.33
Receivables from related parties (refer note 41 (C))	1,357.31	887.54
Unsecured, credit impaired		
Receivables from third parties	202.38	188.86
Receivables from related parties (refer note 41 (C))	–	–
(A)	**5,685.05**	**2,242.73**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	–	–
Unsecured, credit impaired	(202.38)	(188.86)
(B)	**(202.38)**	**(188.86)**
(A-B)	**5,482.67**	**2,053.87**

During the year, the company has recognised allowance on life time expected credit loss model amounting INR 14 million (31st March 2023: INR 3.47 million).

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

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 in which any director is a partner or a director or a member is mentioned in note 41(C).

Trade receivables are non-interest bearing and are generally on terms of 7 to 60 days.

Trade receivables Ageing Schedule

Outstanding for following periods from due date of payment	As at 31st March 2024	As at 31st March 2023
i. Undisputed Trade Receivables – considered good :		
Current but not due	1,849.08	983.74
Less than 6 Months	3,616.24	1,037.05
6 months – 1 year	11.59	8.50
1-2 years	–	8.30
2-3 years	–	2.02
More than 3 years	5.76	14.26
	5,482.67	**2,053.87**
ii. Disputed Trade Receivables – considered good :		
Current but not due	–	–
Less than 6 Months	–	–
6 months – 1 year	–	–
1-2 years	–	–
2-3 years	–	–
More than 3 years	–	–
	–	**–**
iii. Undisputed Trade Receivables – credit impaired :		
Current but not due	–	–
Less than 6 Months	–	–
6 months – 1 year	–	0.77
1-2 years	–	0.75
2-3 years	–	0.18
More than 3 years	–	1.30
	–	**3.00**
iv. Disputed Trade Receivables – credit impaired :		
Current but not due	–	–
Less than 6 Months	0.31	1.03
6 months – 1 year	3.77	–
1-2 years	14.57	5.25
2-3 years	18.23	12.25
More than 3 years	165.50	167.33
	202.38	**185.86**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 12: Cash and cash equivalents

	As at 31st March 2024	As at 31st March 2023
Unsecured and considered good (at amortised cost) :		
Cash and cash equivalents:		
Cash on hand	0.00*	0.01
Balances with banks:		
in current accounts	294.95	701.51
	294.95	**701.52**

* Represents amount less than INR 0.01 million

Note 13: Other bank balances

	As at 31st March 2024	As at 31st March 2023
Unsecured and considered good (at amortised cost) :		
Other bank balances:		
Earmarked balances		
Unpaid dividend account	0.02	0.02
Fixed deposit pledged with bank/deposited with government authorities*	102.82	123.15
	102.84	**123.17**

*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: Current Loans

	As at 31st March 2024	As at 31st March 2023
Unsecured and considered good (at amortised cost) :		
Loans given to related parties		
To subsidiary companies (refer note 41 (C))	12,251.18	12,251.18
Less: Impairment allowance (refer note 41 (C))	(12,114.02)	(12,114.02)
	137.16	**137.16**
Break-up for security details		
Unsecured, considered good	137.16	137.16
Unsecured, credit impaired	12,114.02	12,114.02
(A)	**12,251.18**	**12,251.18**
Impairment allowance		
Unsecured, considered good	–	–
Unsecured, credit impaired	(12,114.02)	(12,114.02)
(B)	**(12,114.02)**	**(12,114.02)**
(A-B)	**137.16**	**137.16**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 15: Other current financial assets

	As at 31st March 2024	As at 31st March 2023
Unsecured and considered good (at amortised cost) :		
Derivative asset	40.46	–
Deposits with commodity agent	44.47	–
Duty drawback receivable	37.27	14.68
Interest receivable*	189.81	205.20
Less: Impairment allowance (refer note 41 (C))	(51.61)	(43.14)
	138.20	**162.06**
Other receivables**	102.44	100.51
	362.84	**277.25**
Break-up for security details		
Unsecured, considered good	362.84	277.25
Unsecured, credit impaired	51.61	43.14
(A)	**414.45**	**320.39**
Impairment allowance		
Unsecured, considered good	–	–
Unsecured, credit impaired	(51.61)	(43.14)
(B)	**(51.61)**	**(43.14)**
(A-B)	**362.84**	**277.25**

* Includes due from related parties INR 51.61 million (31st March 2023: INR 43.14 million) (refer note 41 (C))

** Includes due from related parties INR 92.81 million (31st March 2023: INR 81.99 million) (refer note 41 (C))

Note 16: Other current assets

	As at 31st March 2024	As at 31st March 2023
Prepayments	**190.27**	**158.91**
Balances with government authorities	1,237.54	2,021.59
Less: Impairment allowance	(112.00)	–
	1,125.54	**2,021.59**
Advance to suppliers – Related parties (refer note 41 (C))	91.24	452.41
Less: Impairment allowance	(91.24)	(91.24)
	–	**361.17**
Advance to suppliers – Others	505.42	482.40
Less: Impairment allowance	(137.84)	(137.84)
	367.58	**344.56**
Insurance claim receivable	385.69	–
Others	246.03	419.41
Less: Impairment allowance	(394.55)	(394.55)
	237.17	**24.86**
	1,920.56	**2,911.09**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March 2024	As at 31st March 2023
Break-up for security details		
Unsecured, considered good	1,920.56	2,911.09
Unsecured, credit impaired	623.63	623.63
(A)	**2,544.19**	**3,534.72**
Impairment allowance		
Unsecured, considered good	–	–
Unsecured, credit impaired	(623.63)	(623.63)
(B)	**(623.63)**	**(623.63)**
(A-B)	**1,920.56**	**2,911.09**

Note 17a: Equity share capital

	As at 31st March 2024	As at 31st March 2023
a) Authorised share capital		
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
	25,150.00	**25,150.00**
b) Issued, subscribed and paid up		
2,128,489,773 Equity shares of INR 1 each fully paid	2,128.49	2,128.49
	2,128.49	**2,128.49**

Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend if any in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

	Number of equity shares	Amount
As at 01st April 2022	**2,128,489,773**	**2,128.49**
Shares issued during the year	–	–
As at 31st March 2023	**2,128,489,773**	**2,128.49**
Shares issued during the year	–	–
As at 31st March 2024	**2,128,489,773**	**2,128.49**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Details of shareholders holding more than 5% shares in the equity share capital of the company

Name of the Shareholder	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	% holding	No. of Shares	% holding
Wilmar Sugar and Energy Pte. Ltd. (formerly known as Wilmar Sugar Holdings Pte. Ltd.)	1,329,875,232	62.48%	1,329,875,232	62.48%
ICICI Bank Limited	171,675,640	8.07%	171,675,640	8.07%

Shares held by promoters at the end of the year

Promoter name	No. of Shares	% of Total Shares	% change during the year
Wilmar Sugar and Energy Pte. Ltd.	1,329,875,232	62.48%	-

Note 17b: Other equity

	As at 31st March 2024	As at 31st March 2023
Securities premium account (refer note a below)	32,034.84	32,034.84
Debenture Redemption Reserve (DRR) (refer note b below)	625.00	625.00
Equity contribution from parent (refer note c below)	637.04	574.46
Changes in equity instruments (refer note c below)	42.99	120.92
Revaluation reserve (refer note c below)	9,146.60	9,924.53
Retained earnings (refer note c below)	(46,041.01)	(41,199.68)
Cost of hedging reserve (refer note c below)	(30.71)	(82.07)
	(3,585.25)	**1,998.00**

a. Securities premium account :

	Amount
As at 01st April 2022	**32,034.84**
Shares issued during the year	-
As at 31st March 2023	**32,034.84**
Shares issued during the year	-
As at 31st March 2024	**32,034.84**

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) :

	Amount
As at 01st April 2022	**625.00**
Transfer to/(from) retained earnings	-
As at 31st March 2023	**625.00**
Transfer to/(from) retained earnings	-
As at 31st March 2024	**625.00**

Standalone notes to financial statements for the year ended 31st March, 2024

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 31st March 2024	As at 31st March 2023
Equity contribution from parent	637.04	574.46
Changes in equity instruments	42.99	120.92
Revaluation reserve	9,146.60	9,924.53
Retained earnings	(46,041.01)	(41,199.68)
Cost of hedging reserve	(30.71)	(82.07)
Total other reserves	**(36,245.09)**	**(30,661.84)**

Equity Contribution from Parents :

During the year, Company had received waiver in respect of interest accrued on trade payables for purchase of raw sugar from its fellow subsidiary Wilmar Sugar Pte. Ltd. amounting to INR 62.58 million (31st March 2023: INR 111.14 million). The Company accounted for these waivers as equity contribution from parent and has presented the same as a separate component of equity under other equity.

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 are revalued at fair value and debited for assets disposed off during the year or for depreciation charge for the year on revalued assets (net of taxes). The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the Company recognised amount of INR 20.23 million (31st March 2023: INR 0.23 million) (net of deferred tax) as reversal of revaluation reserve on disposal of assets. During the year, the Company transferred depreciation charge of INR 757.70 million (31st March 2023: INR 738.45 million) from retained earnings to revaluation reserve as per the requirements of Ind AS 16.

Retained earnings :

Retained earnings represents surplus/(deficit) earned from the operations of the Company.

Cost of hedging reserve :

The Company designates the forward element of foreign currency forward contracts as cost of hedging and accumulates this cost in the statement of other comprehensive income over the term of the contract. Such amount is amortised to the statement of profit and loss on a systematic basis over the term of the contract.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 18: Borrowings (non-current)

	As at 31st March 2024	As at 31st March 2023
Secured		
a) Non-convertible debentures (refer note A (b), note B and note C below)		
750 Redeemable non-convertible debentures (11.70%) of INR.1,000,000 each	385.85	455.23
750 Redeemable non-convertible debentures (11.00%) of INR.1,000,000 each	750.00	750.00
500 Redeemable non-convertible debentures (11.30%) of INR.1,000,000 each	257.23	303.48
500 Redeemable non-convertible debentures (11.00%) of INR.1,000,000 each	500.00	500.00
b) Term Loans (refer note A(a) & note B below)		
From Holding Company - Wilmar Sugar and Energy Pte. Ltd.		
External Commercial Borrowings (ECB) (refer note 41 (D))	24,894.88	24,445.92
Unsecured		
a) Non-convertible debentures (refer note A (f) & note C below)		
28,500 Redeemable Non Convertible Debentures (9.45%) of INR 100,000 each	2,850.00	-
b) Term Loans (refer note A(c) to A(e) & note C below)		
From Banks and financial institutions	4,608.60	5,911.87
	34,246.56	**32,366.50**
Less: Current maturity of long-term borrowings transferred to short term borrowings (refer note 22)	(1,936.47)	(1,787.59)
	32,310.09	**30,578.91**

Terms of loans outstanding as at 31st March 2024

Particulars	Maturity	Effective rate of interest	As at 31st March 2024	As at 31st March 2023
Non-convertible debentures				
Non-convertible debentures - LIC	31st March 2028	11.70%	385.85	455.23
Non-convertible debentures - LIC	31st March 2032	11.00%	750.00	750.00
Non-convertible debentures - LIC	31st March 2028	11.30%	257.23	303.48
Non-convertible debentures - LIC	31st March 2032	11.00%	500.00	500.00
Non-convertible debentures - DBS	04th January 2029	9.45%	2,850.00	-
Term Loans				
From Banks and financial institutions :				
First Abu Dhabi Bank	12th May 2026	9.70%	1,304.68	1,854.37
Standard Chartered Bank	06th June 2026	9.40%	2,056.74	2,834.03
DBS Bank	04th May 2027	9.93%	1,247.18	1,223.47
From Holding Company - Wilmar Sugar and Energy Pte. Ltd. :				
External Commercial Borrowings (ECB)	27th August 2025	9.21% #	24,894.88	24,445.92

ECB carry the interest @ 6 months SOFR + 3.40%. The EIR is calculated including applicable taxes, but excluding hedging cost.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note A: Repayment schedule of external commercial borrowings, term loans and non-convertible debentures is as follows:

a) The External Commercial Borrowings (ECB) was received from its holding company (Wilmar Sugar and Energy Pte. Ltd.) in the financial year 2020-21. The loan is repayable on maturity i.e., after 60 months from the date of last receipt of ECB. The maturity date is 27th August 2025.

b) The repayment schedule of the non convertible debentures are as follows:

Particulars	No. of installments	Date of first installments	Date of last installments
750 Redeemable non-convertible debentures (11.70%) of INR 1,000,000 each	39 quarterly structured installments	30th September 2018	31st March 2028
750 Redeemable non-convertible debentures (11.00%) of INR 1,000,000 each	12 quarterly structured installments	30th June 2029	31st March 2032
500 Redeemable non-convertible debentures (11.30%) of INR 1,000,000 each	39 quarterly structured installments	30th September 2018	31st March 2028
500 Redeemable non-convertible debentures (11.00%) of INR 1,000,000 each	12 quarterly structured installments	30th June 2029	31st March 2032

c) Term loans availed from First Abu Dhabi Bank, having maturity date of 12th May 2026, are repayable in 20 structured quarterly instalments commencing from 12th August 2021.

d) Term loans availed from DBS, having maturity date of 04th May 2027, are repayable in 16 structured quarterly instalments commencing from 04th August 2023.

e) Term loans availed from Standard Chartered Bank, having maturity date of 06th June 2026, are repayable in 16 structured quarterly instalments commencing from 07th September 2022.

f) During the year ended 31st March 2024, the company has issued 9.45% non-convertible debentures (NCD) amounting to INR 2,850 million to DBS Bank. The NCDs are repayable on maturity, i.e., after 60 months from the date of disbursement. The maturity date is 04th January, 2029.

Note B: Nature of Security/Guarantees

Secured Non-convertible debentures

1. Exclusive charge by way of mortgage / hypothecation on all the immoveable / moveable assets at Haldia & Panchaganga. Wilmar International Ltd. has also issued corporate guarantee for these debentures.

ECB 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 Haldia which are exclusively charged to LIC.

2. First pari-passu charge for ECB Lender on all the current assets of the company both present and future.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note C: Corporate guarantee

Corporate Guarantee of Wilmar International Limited towards term loan extended by First Abu Dhabi Bank, Standard Chartered Bank, DBS Bank and working capital loans (refer note 22) extended by Bank of America, Standard Chartered Bank, Ratnakar Bank Limited and DBS Bank India Limited aggregating to INR 25,162 million (31st March 2023: INR 20,700 million).

The non convertible debentures are secured by corporate guarantee given by Wilmar International Limited.

Note D: The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Note E: There are no borrowings availed from banks or financial institutions on the basis of security of current assets.

Note 19: Lease liabilities

	As at 31st March 2024	As at 31st March 2023
Current	9.58	9.58
Non- current	201.49	185.16
	211.07	**194.74**

Note 20: Net employee benefit liabilities (non-current)

	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits		
Provision for gratuity (refer note 39)	267.80	237.54
Provision for leave encashment	–	98.72
	267.80	**336.26**

Note 21: Government grants

	As at 31st March 2024	As at 31st March 2023
Current	146.56	141.56
Non- current	171.82	303.52
	318.38	**445.08**

The government grant has been recognised on the interest subvention receivable by the company under the Scheme for Extending Financial Assistance to Sugar Mills for Enhancement and Augmentation of Ethanol Production Capacity approved by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 22: Borrowings (current)

	As at 31st March 2024	As at 31st March 2023
Secured :*		
Current maturity of long-term borrowings (refer note 18)	105.00	115.60
Unsecured :		
Working capital from banks:		
Rupee borrowings (refer note a below)	10,069.00	9,668.31
Foreign Currency borrowings	–	1,027.81
Current maturity of long-term borrowings (refer note 18)	1,831.47	1,671.99
	12,005.47	**12,483.71**

*Refer note B of note 18 for details of security

a. The Company has not been sanctioned working capital limits in excess of INR 50 million in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets.

Note 23: Trade payables

	As at 31st March 2024	As at 31st March 2023
Trade payables#*	5,668.84	5,791.29
Trade payables to related parties (refer note 41 (D))	43,179.47	16,784.61
	48,848.31	**22,575.90**

#Terms and conditions of the above financial liabilities:

Trade payables have credit period in range of 0 – 180 days and certain trade payable carry interest from BL date for payments.

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 of INR 750 million. (31st March 2023: INR 2,000 million). The outstanding payable in relation to H&T payable is INR 703.71 million (31st March 2023: INR 1,290.82 million).

Standalone notes to financial statements for the year ended 31st March, 2024

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 31st March 2024	As at 31st March 2023
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	30.19	111.45
- Interest due on above	0.01	0.03
Total	**30.20**	**111.48**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.01	0.03
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	0.01	0.03

Trade payables Ageing Schedule

	As at 31st March 2024	As at 31st March 2023
Outstanding for following periods from due date of payment		
i. MSME :		
Less than 1 year	30.20	111.48
1-2 years	–	–
2-3 years	–	–
More than 3 years	–	–
	30.20	**111.48**
ii. Others :		
Less than 1 year	47,728.30	21,855.77
1-2 years	629.10	438.25
2-3 years	311.64	140.23
More than 3 years	149.07	30.17
	48,818.11	**22,464.42**
iii. Disputed dues (MSMEs) :		
Less than 1 year	–	–
1-2 years	–	–
2-3 years	–	–
More than 3 years	–	–
	–	**–**
iv. Disputed dues (Others) :		
Less than 1 year	–	–
1-2 years	–	–
2-3 years	–	–
More than 3 years	–	–
	–	**–**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March 2024	As at 31st March 2023
Total :		
Less than 1 year	47,758.50	21,967.25
1-2 years	629.10	438.25
2-3 years	311.64	140.23
More than 3 years	149.07	30.17
	48,848.31	**22,575.90**

There are no "unbilled" trade payables, hence the same are not disclosed in the ageing schedule. Less than 1 year includes "Not due" trade payables of INR 44,414.15 million (31st March 2023: INR 14,070.73 million).

Note 24: Other current financial liabilities

	As at 31st March 2024	As at 31st March 2023
Interest accrued but not due on borrowings#	572.21	444.84
Interest accrued on others*	1,216.29	533.21
Unclaimed dividend	0.02	0.02
Derivative liabilities	-	271.67
Salaries payable	55.73	66.40
Other payables**	574.66	444.99
	2,418.91	**1,761.13**

Includes dues to related parties INR 463.10 million (31st March 2023: INR 398.27 million) (refer note 41 (D)).

*Includes dues to related parties INR 1,196.98 million (31st March 2023: INR 494.00 million) (refer note 41 (D)).

**Includes dues to related parties INR Nil (31st March 2023: INR 147.37 million) (refer note 41 (D)).

Note 25: Other current liabilities

	As at 31st March 2024	As at 31st March 2023
Advance from customers*	912.37	439.37
Statutory dues payable	291.47	157.27
Other payables**	188.82	413.02
	1,392.66	**1,009.66**

*Includes advance from related parties INR 34.81 million (31st March 2023: INR Nil) (refer note 41 (D)).

**Includes amount payable to related parties INR 94.39 million (31st March 2023: INR 385.61 million) (refer note 41 (D)).

Note 26: Net employee benefit liabilities (current)

	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits:		
Provision for gratuity (refer note 39)	63.69	61.78
Provision for leave encashment	134.21	24.68
	197.90	**86.46**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 27: Revenue from operations

	Year ended 31st March 2024	Year ended 31st March 2023
Revenue from contract with customers		
Sale of manufactured sugar	95,477.56	71,323.51
Sale of ethanol and allied products	8,593.51	11,977.26
Sale of power	1,161.33	1,379.54
Sale of traded sugar, coal and others	2,420.55	238.99
Sale of by-products and others	562.33	724.93
	108,215.28	**85,644.23**
Other operating income		
Sales of scrap generated from operating activities	112.00	137.16
	108,327.28	**85,781.39**

Contract balances

Contract liability as at 31st March 2024 is INR 912.37 million (31st March 2023: INR 439.37 million).

Performance obligation

The performance obligation is satisfied upon delivery of the goods to customers and on performance of services.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended 31st March 2024	Year ended 31st March 2023
Revenue as per contracted price	108,333.87	85,792.55
Less: Discount	(62.03)	(67.98)
Less: Trade promotion expenses	(56.56)	(80.34)
Revenue from contract with customers	**108,215.28**	**85,644.23**

Note 28: Other income

		Year ended 31st March 2024	Year ended 31st March 2023
Other non-operating income :			
Income from commodity derivatives (net)		85.82	–
Excess provision of earlier years written back		3.76	324.81
Government assistance		146.19	115.06
Dividend on investments		–	1.39
RODTEP scrip income		28.94	186.51
Insurance claim received	75.26		
Less: Property, plant and equipment written off	43.50	31.76	9.28
Income from services provided to related parties	59.94		
Less: Expenses pertaining to services provided	(55.24)	4.70	7.76
Miscellaneous income		22.48	160.86
Finance income :			
Interest on financial assets carried at amortized cost and others		329.87	274.67
		653.52	**1,080.34**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 29: Cost of raw materials consumed

	Year ended 31st March 2024	Year ended 31st March 2023
a. Raw material consumed		
i. Raw-sugar and white sugar		
Opening stock	4,125.93	3,490.17
Add: Purchases	89,853.32	50,576.97
Less: Closing stock	(18,307.93)	(4,125.93)
	75,671.32	**49,941.21**
ii. Sugar cane		
Opening stock	–	0.03
Add: Purchases	16,971.54	18,507.06
Less: Closing stock	–	–
	16,971.54	**18,507.09**
iii. Molasses, DNA, MGA and Rectified Spirit		
Opening stock	597.03	440.53
Add: Purchases	857.94	1,061.58
Less: Closing stock	(103.30)	(597.03)
	1,351.67	**905.08**
b. Other materials consumed		
i. Coal and Bagasse		
Opening stock	324.43	355.00
Add: Purchases	258.42	634.95
Less: Closing stock	(290.30)	(324.43)
	292.55	**665.52**
ii. Others		
Opening stock	1.38	2.34
Add: Purchases	7.78	5.66
Less: Closing stock	(3.91)	(1.38)
	5.25	**6.62**
	94,292.33	**70,025.52**

Note 30: Purchase of traded goods

	Year ended 31st March 2024	Year ended 31st March 2023
Raw-sugar	2,233.93	207.40
Coal and others	0.22	18.91
	2,234.15	**226.31**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 31: Increase in inventories of finished goods and intermediate products and traded goods

	Year ended 31st March 2024	Year ended 31st March 2023
Opening stock		
Intermediate products	2,514.63	4,369.45
Finished goods	14,180.64	10,805.34
(A)	**16,695.27**	**15,174.79**
Closing stock		
Intermediate products	1,400.29	2,514.63
Finished goods	21,079.71	14,180.64
(B)	**22,480.00**	**16,695.27**
(A-B)	**(5,784.73)**	**(1,520.48)**

Note 32: Employee benefit expenses

	Year ended 31st March 2024	Year ended 31st March 2023
Salaries, wages and bonus	1,390.01	1,268.61
Gratuity expenses (refer note 39)	45.48	33.79
Contribution to provident and other funds	81.11	74.78
Staff welfare expenses	89.66	94.93
	1,606.26	**1,472.11**

Note 33: Depreciation and amortisation expenses

	Year ended 31st March 2024	Year ended 31st March 2023
Depreciation of tangible assets (refer note 3)	2,404.13	2,152.50
Amortisation of right of use assets (refer note 3)	113.31	133.06
Amortisation of intangible assets (refer note 4)	2.39	5.55
	2,519.83	**2,291.11**

Note 34: Finance costs

	Year ended 31st March 2024	Year ended 31st March 2023
Interest on:		
Term loans	327.02	163.33
External commercial borrowings	2,819.59	2,362.92
Working capital	871.78	948.71
Debentures	285.41	195.13
Others:		
Interest on others	2,928.54	1,251.97
Interest expenses on lease liabilities	17.27	19.13
Loan processing charges and other charges	121.48	123.57
Corporate guarantee fees	728.20	186.94
	8,099.29	**5,251.70**
Unwinding of interest on borrowing at concessional rate	177.29	161.39
	8,276.58	**5,413.09**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 35: Other expenses

	Year ended 31st March 2024	Year ended 31st March 2023
Consumption of stores and spares	812.80	787.72
Consumption of chemicals, consumables, oil and lubricants	730.17	743.84
Outsourced service cost	626.36	526.30
Sugar house loading, un-loading and handling charges	279.99	258.12
Packing materials	1,099.84	1,129.55
Power and fuel	2,305.23	1,787.21
Rent	11.82	6.81
Repairs and maintenance:		
Plant and machinery	405.55	369.71
Buildings	4.20	6.64
Others	160.50	78.67
Rates and taxes	67.53	41.56
Insurance	108.34	78.87
Printing and stationery	13.07	14.20
Communication expenses	10.46	8.21
Legal and professional fees	239.09	340.94
Directors' sitting fees	8.45	20.65
Payment to auditors (refer note a below)	18.18	17.02
Property, plant and equipment written off	2.86	5.66
Safety and security expenses	86.70	77.84
Impairment for advances to vendors and others	167.40	164.30
Impairment of investment in subsidiary	116.27	–
Expected credit loss on trade receivables	14.00	3.47
Donations and contributions	1.48	1.06
CSR Expenditure (refer note 36)	23.92	9.66
Loss on sale of property, plant and equipment (net)	3.72	19.51
Loss on derivatives contracts	23.13	245.34
Freight and forwarding charges	1,433.63	2,224.56
Advertisement and sales promotion	250.59	208.50
Brokerage and discounts	79.44	35.61
Miscellaneous expenses	333.13	249.72
	9,437.85	**9,461.25**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

a. Payment to Auditors

	Year ended 31st March 2024	Year ended 31st March 2023
As auditor :		
Audit fee	9.56	8.75
Limited review	3.76	3.75
Certification Services	0.90	0.80
In other capacity :		
Other services	2.91	3.00
Reimbursement of expenses	1.05	0.72
	18.18	**17.02**

Note 36: CSR Expenditure

	Year ended 31st March 2024	Year ended 31st March 2023
a) Gross amount required to be spent during the year	23.13	8.74
b) Amount approved by the Board to be spent during the year	23.92	9.66
c) Amount spent during the year:		
i) Construction/acquisition of any asset	–	–
ii) On purposes other than (i) above	23.92	9.66
d) Details related to spent / unspent obligations:		
i) Ambulance to primary health care	–	7.37
ii) Contribution to Charitable Trust	23.92	2.29

Note 37: Earnings Per Share [EPS]

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the 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.

The following reflects the loss and share data used in the basic and diluted EPS computations:

	Year ended 31st March 2024	Year ended 31st March 2023
Loss attributable to equity holders for calculation of basic and diluted earnings per share	(5,595.09)	(1,357.30)
Weighted average number of equity shares for basic and diluted EPS**	2,128,489,773	2,128,489,773
Earnings Per Share		
Basic, computed on the basis of loss from operations attributable to equity holders of the Company	(2.63)	(0.64)
Diluted, computed on the basis of loss from operations attributable to equity holders of the Company	(2.63)	(0.64)

** Weighted average number of equity shares takes into account the weighted average effect of changes in share transactions during the year.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 38: Commitment and contingencies

a. Capital commitments

Outstanding commitments of the Company are as follows:

Outstanding Commitments	As at 31st March 2024	As at 31st March 2023
Estimated value of contract pending for execution	431.85	625.45

Capital advances of INR 59.75 million (31st March 2023: INR 58.67 million) is paid against the pending contracts (refer note 8).

b. Guarantees

Outstanding guarantees of the Company are as follows:

Outstanding Guarantees	As at 31st March 2024	As at 31st March 2023
Bank Guarantee	119.98	138.31
Corporate Guarantee	1,200.00	2,580.00

c. Contingent liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31st March 2024	As at 31st March 2023
Excise and Service Tax Demands (refer note (i) below)	1,613.73	2,250.85
Sales Tax/VAT Demands (refer note (ii) below)	18.17	19.22
GST Demands (refer note (iii) below)	48.92	48.92
Customs Demands (refer note (iv) below)	2,100.44	2,102.68
Litigations related to erstwhile Brazilian subsidiaries (refer note (v) below)	50.17	53.96
Civil Cases (refer note (vi) below)	153.94	237.84
Total	**3,985.37**	**4,713.47**

i. Disputes pertaining to denial of cenvat credit on sugar cess, denial of cenvat credit on certain items used for fabrication of machinery, or for laying of machinery foundation or making of capital goods, demand under Rule 6(3) of the CENVAT Credit Rules, cenvat credit disallowed due to invoices being in the name of the head office and credit availed at plants and other matters

ii. Disputes related to disallowance of input tax credit due to mismatch in forms filed and retention of input tax credit by assuming dealers holding license to generate, distribute or transmit electricity and other matters.

iii. Disputes related to reversal of common credit as per rule 42 of CGST Rules, 2017, mismatch of ITC due to various reasons, proposed demand to levy tax on supply of ENA.

Litigations pertaining to short sanction of GST refund claim have not been considered as contingent liability, since the Company would get the credit in electronic ledger for the amount of refund that is rejected and thus, there would be no loss of asset for the Company on the outcome of this litigation, i.e, the Company would either get the refund or the Company would retain the credit in the electronic ledger.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

iv. Disputes related to non-payment of Special Additional Duty (SAD) at the time of import of goods (which was subsequently paid by the Company along with interest) and duty levied on the imported goods on the context of wrong classification / availing incorrect exemption.

v. Litigations related to erstwhile Brazilian subsidiaries pertains to labour litigations of erstwhile Brazilian subsidiaries in which the Company has been made a party to these litigations, on account of economic group concept considered by the Lower Court in Brazil. The Company has paid deposits of INR 165.52 million as at 31st March 2024 (31st March 2023: INR 154.30 million) for contesting these judgements in Higher Court in Brazil which has been clubbed under "Amount paid under protests to government authorities" and this balance has been fully impaired in the books of accounts as at 31st March 2024.

vi. Other matters mainly consist of litigations related to claims filed against customers / vendors for recovery of trade receivable / advance balances and other legal suits.

Note 39: Defined Benefit plans

The Company has a defined benefit gratuity plan. The Company'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 gratuity fund is managed by the Life Insurance Corporation of India (LIC). The company's obligation in respect of gratuity plan is provided based on the acturial valuation. The company recognises acturial gains and losses immedaitely in other comprehensive income net of taxes.

Salary increases and gratuity increases are based on expected future inflation rates.

Risk to the plan

Following risks are 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, then 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, then 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.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

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) is determined by reference to market yield at the balance sheet date on high quality government bonds.

Salary Growth Rate:

This is Management's estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases should take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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.

Sr. No.	Particulars	Gratuity plan	
		31st March 2024	31st March 2023
1	**Change in defined benefit obligation**		
	Opening defined benefit obligation	378.10	318.50
	Current service cost	26.43	20.75
	Interest cost	24.96	19.26
	Actuarial gain due to change in financial assumptions	5.06	48.95
	Actuarial loss/(gain) due to change in demographic assumption	1.58	1.56
	Actuarial loss/(gain) due to experience adjustments	(1.45)	2.89
	Benefits paid	(35.04)	(33.81)
	Closing defined benefit obligation	**399.64**	**378.10**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Sr. No.	Particulars	Gratuity plan	
		31st March 2024	31st March 2023
2	**Change in plan assets**		
	Opening value of plan assets	78.78	85.74
	Interest income	5.91	6.22
	Return on plan assets excluding amounts included interest income	(0.54)	(0.36)
	Contributions by employer	0.03	0.15
	Benefits paid	(16.03)	(12.97)
	Closing value of plan assets	**68.15**	**78.78**
3	**Fund status of plan assets**		
	Present value unfunded obligations	167.68	174.84
	Present value funded obligations	231.96	203.26
	Fair value of plan assets	(68.15)	(78.78)
	Net liability (assets) (refer note 20 and 26)	**331.49**	**299.32**
4	**Other comprehensive income for the current period**		
	Due to change in financial assumptions	5.06	48.95
	Due to change in demographic assumption	1.58	1.56
	Due to experience adjustments	(1.45)	2.89
	Return on plan assets excluding amounts included in interest income	0.54	0.36
	Expense recognized in other comprehensive income	**5.73**	**53.76**
5	**Expenses for the current period**		
	Current service cost	26.43	20.75
	Interest cost	19.05	13.04
	Amount recognized in expenses (refer note 32)	**45.48**	**33.79**
6	**Defined benefit liability**		
	Net opening provision in books of accounts	299.32	232.76
	Employee benefit expense	45.48	33.79
	Amounts recognized in other comprehensive income	5.73	53.76
	Contributions to plan assets	–	(0.15)
	Benefits paid by the Company	(19.04)	(20.84)
	Closing provision in books of accounts	**331.49**	**299.32**
	Non-current portion of liability	267.80	237.54
	Current portion of liability	63.69	61.78
7	**Composition of the plan assets**		
	Policy of insurance	100%	100%
	Total	**100%**	**100%**
8	**Principal actuarial assumption**		
	Discount rate for employees (other than leased unit)	7.21%	7.50%
	Discount rate for employees of leased unit	7.17%	7.30% – 7.31%
	Salary growth rate	8%	8%
	Withdrawal rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Sr. No.	Particulars	Gratuity plan	
		31st March 2024	31st March 2023
9	**Maturity Profile of Defined Benefit Obligation**		
	Expected Future Cash flows		
	Year 1	82.74	83.32
	Year 2	27.67	34.44
	Year 3	36.77	28.97
	Year 4	37.49	37.71
	Year 5	33.86	36.83
	Year 6 to 10	144.40	145.54
	Above 10 Years	388.36	319.74
	Average Expected Future Working Life (Years)	7.22	6.77
10	**Sensitivity to key assumptions***		
	Discount rate sensitivity		
	Decrease by 0.5%	413.74	366.78
	(% change)	-3.52%	-3.09%
	Increase by 0.5%	386.50	390.17
	(% change)	3.41%	3.19%
	Salary growth rate sensitivity		
	Decrease by 0.5%	387.76	388.97
	(% change)	-2.98%	2.79%
	Increase by 0.5%	412.16	367.71
	(% change)	3.13%	2.75%
11	**Expected contributions to the defined benefit plan in next year**	**19.05**	**21.55**

***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 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	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Renuka Commodities DMCC	11,895.60	11,895.60	11,895.60	11,895.60
Shree Renuka Agri Ventures Limited*	218.42	218.42	218.42	222.92
KBK Chem-Engineering Private Limited*	693.05	598.05	693.05	1,348.06
Shree Renuka East Africa Agriventures PLC*	0.04	0.04	0.04	0.04
Monica Trading Private Limited*	149.67	145.27	149.67	145.27
Shree Renuka Tunaport Private Limited*	8.41	8.41	8.41	8.41
Gokak Sugars Limited*	1,899.10	1,508.77	1,899.10	2,552.94

*Loans were given to subsidiaries to meet its working capital requirements.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 41: Related party transactions

A) Related parties

(a) Ultimate Holding Company :

1 Wilmar International Limited

(b) Holding Company :

1 Wilmar Sugar and Energy 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
7 Shree Renuka East Africa Agriventures PLC
8 Anamika Sugar Mills Private Limited

(d) Affiliate Companies :

1 Adani Wilmar Limited
2 Wilmar Sugar Pte. Ltd.
3 Wilmar Sugar India Private Limited
4 Wilmar Agri Trading DMCC
5 Wilmar Sugar Pty. Ltd.
6 WII Pte. Ltd.

(e) Associate Companies :

1 Shree Renuka Global Ventures Limited
2 Renuka vale do Ivai S/A
3 Renuka do Brasil S/A
4 Lanka Sugar Refinery Company (Private) Limited

(f) Entities in which Director is a Key managerial personnel:

1 The Solvent Extractors Association

(g) Key managerial personnel

1 Mr. Atul Chaturvedi – Executive Chairman
2 Mr. Vijendra Singh – Executive Director & Dy. CEO
3 Mr. Ravi Gupta – Executive Director
4 Mr. Sunil Ranka – Chief Financial Officer
5 Mr. Deepak Manerikar – Company Secretary

(h) Additional related parties as per the Companies Act, 2013 :

1 Mr. Kuok Khoon Hong – Non-Executive Director
2 Mr. Jean-Luc Bohbot – Non-Executive Director
3 Mr. Charles Loo Cheau Leong – Non-Executive Director
4 Mr. Madhu Rao – Independent Director
5 Dr. B. V. Mehta – Independent Director
6 Ms. Priyanka Mallick – Independent Director
7 Mr. Arun Chandra Verma – Independent Director
8 Mr. Seetharaman Sridharan – Independent Director
9 Mr. Siraj Hussain – Independent Director
10 Mr. T.K. Kanan (Alternate Director to Mr. Kuok Khoon Hong)

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

B) Transactions with subsidiaries and affiliate companies

Sr No	Particulars	Year ended	Sales*	Purchases of goods and services*#	Rental income/ Other Income	Interest income on advances	Interest expense on payables and others	Interest Waiver	Loans and advance given	Loans and advance repaid	Advance against Purchases	Advance received	Investment	Interest on ECB Loan and commitment fees	CSR Contribution
(a)	Ultimate Holding Company														
i	Wilmar International Limited	31 March 2024	-	37.98	59.95	-	728.30	-	-	-	-	-	-	-	-
		31 March 2023	-	33.26	55.20	-	186.94	-	-	-	-	-	-	-	-
(b)	Holding Company														
i	Wilmar Sugar & Energy Pte. Ltd.	31 March 2024	-	-	-	-	-	-	-	-	-	-	-	2,382.63	-
		31 March 2023	-	-	-	-	-	-	-	-	-	-	-	1,531.58	-
(c)	Subsidiary Companies														
i	Renuka Commodities DMCC	31 March 2024	-	-	-	-	-	-	-	-	-	-	-	-	-
		31 March 2023	1,237.49	-	-	-	-	-	-	-	-	-	-	-	-
ii	Shree Renuka Agri Ventures Limited	31 March 2024	-	-	-	-	-	-	-	-	-	-	-	-	-
		31 March 2023	-	-	-	-	-	-	-	4.50	-	-	-	-	-
iii	KBK Chem-Engineering Private Limited	31 March 2024	-	632.07	-	71.11	-	-	95.00	-	377.76	-	-	-	-
		31 March 2023	-	2,275.21	-	65.70	-	-	-	-	66.79	-	750.00	-	-
iv	Gokak Sugars Limited	31 March 2024	-	484.15	74.83	169.48	-	-	877.59	487.26	-	-	-	-	-
		31 March 2023	-	593.48	70.62	182.70	-	-	1,107.00	1,244.16	392.80	-	-	-	-
v	Monica Trading Private Limited	31 March 2024	-	-	-	16.08	-	-	4.40	-	-	-	-	-	-
		31 March 2023	-	-	-	14.28	-	-	8.00	-	-	-	-	-	-
vi	Shree Renuka Tunaport Private Limited	31 March 2024	-	-	-	0.06	-	-	-	-	-	-	-	-	-
		31 March 2023	-	-	-	0.06	-	-	-	-	-	-	-	-	-
vii	Anamika Sugar Mills Private Limited	31 March 2024	-	-	-	-	-	-	-	-	-	-	3,450.00	-	-
		31 March 2023	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Affiliate Companies														
i	Adani Wilmar Limited	31 March 2024	218.90	1.82	-	-	-	-	-	-	-	-	-	-	-
		31 March 2023	723.02	-	-	-	-	-	-	-	-	-	-	-	-
ii	Wilmar Sugar Pte. Ltd.	31 March 2024	20,778.46	86,329.26	-	-	2,799.72	62.58	-	-	-	34.81	-	-	-
		31 March 2023	45,838.70	19,865.12	-	-	704.01	111.14	-	-	-	6,487.38	-	-	-
iii	Wilmar Sugar India Private Limited	31 March 2024	-	3,058.57	0.80	-	109.22	-	-	-	137.39	-	-	-	-
		31 March 2023	-	29,986.98	87.15	-	321.03	-	-	-	4,247.30	-	-	-	-
iv	Wilmar Sugar Pty. Ltd.	31 March 2024	-	0.06	-	-	-	-	-	-	-	-	-	-	-
		31 March 2023	-	-	-	-	-	-	-	-	-	-	-	-	-
v	Wilmar Agri Trading DMCC	31 March 2024	416.21	-	-	-	-	-	-	-	-	-	-	-	-
		31 March 2023	-	-	-	-	-	-	-	-	-	-	-	-	-
vi	WII Pte. Ltd.	31 March 2024	-	1.23	-	-	-	-	-	-	-	-	-	-	-
		31 March 2023	-	0.95	-	-	-	-	-	-	-	-	-	-	-
(e)	Entities in which Director is a Key managerial personnel														
i	The Solvent Extractors Association	31 March 2024	-	-	-	-	-	-	-	-	-	-	-	-	1.00
		31 March 2023	-	-	-	-	-	-	-	-	-	-	-	-	-

* Amounts are excluding GST.

\# includes services received from related parties which are disclosed under other expenses.

Standalone notes to financial statements for the year ended 31st March, 2024

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.

Letter of Comfort

Ultimate holding Wilmar International Limited has provided a letter of comfort to DBS Bank for the short term forward lines made available by the bank to the company.

Corporate guarantees

a. The Company has obtained corporate guarantees from Wilmar International Limited INR 25,612 million (31st March 2023: INR 20,700 million) towards term loans, non-convertible debentures and working capital limits extended by banks.

b. The Company has also provided guarantees on behalf of subsidiary amounting to INR 450 million (31st March 2023: INR 580 million) for loan availed by the subsidiary. Details of which are as follows:

Name of Subsidiary company	As at 31st March 2024	As at 31st March 2023
KBK Chem-Engineering Private Limited	450.00	580.00

C) Details of amount receivable from related parties as at 31st March 2024 and 31st March 2023 are as follows:

Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Non-current loans (refer note 6)						
Subsidiary Companies:						
KBK Chem-Engineering Private Limited	693.05	598.05	598.05	598.05	95.00	-
Gokak Sugars Limited	1,761.94	1,371.61	35.74	-	1,726.20	1,371.61
Monica Trading Private Limited	149.67	145.27	1.00	1.00	148.67	144.27
Shree Renuka Tunaport Private Limited	8.41	8.41	8.41	8.41	-	-
Shree Renuka East Africa Agriventures PLC	0.04	0.04	0.04	0.04	-	-
	2,613.11	**2,123.38**	**643.24**	**607.50**	**1,969.87**	**1,515.88**
Associate Companies:						
Lanka Sugar Refinery Company (Private) Limited	1.19	1.19	1.19	1.19	-	-
Renuka vale do Ivai 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**	**-**	**-**

Standalone notes to financial statements for the year ended 31st March, 2024

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 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Other non-current assets (refer note 8)						
Subsidiary Company:						
KBK Chem-Engineering Private Limited	32.40	10.14	–	–	32.40	10.14
	32.40	**10.14**	**–**	**-**	**32.40**	**10.14**
Trade receivables (refer note 11)						
Subsidiary Company:						
Renuka Commodities DMCC	–	713.91	–	–	–	713.91
	–	**713.91**	**–**	**-**	**–**	**713.91**
Affiliate Companies :						
Wilmar Sugar Pte. Ltd.	1,302.42	145.28	–	–	1,302.42	145.28
Adani Wilmar Limited	5.75	28.35	–	–	5.75	28.35
Wilmar Agri Trading DMCC	49.14	–	–	–	49.14	–
	1,357.31	**173.63**	**–**	**-**	**1,357.31**	**173.63**
Current loans (refer note 14)						
Subsidiary Companies:						
Renuka Commodities DMCC	11,895.60	11,895.60	11,895.60	11,895.60	–	–
Gokak Sugars Limited	137.16	137.16	–	–	137.16	137.16
Shree Renuka Agri Ventures Limited	218.42	218.42	218.42	218.42	–	–
	12,251.18	**12,251.18**	**12,114.02**	**12,114.02**	**137.16**	**137.16**
Other current financial assets (refer note 15)						
Interest receivable						
Subsidiary Companies:						
Monica Trading Private Limited#	51.45	43.03	51.45	43.03	–	–
Shree Renuka Tunaport Private Limited#	0.16	0.11	0.16	0.11	–	–
	51.61	**43.14**	**51.61**	**43.14**	**–**	**-**
Other receivables						
Ultimate Holding Company :						
Wilmar International Limited	7.94	17.91	–	–	7.94	17.91
Subsidiary Company :						
Gokak Sugars Limited	–	14.86	–	–	–	14.86

Standalone notes to financial statements for the year ended 31st March, 2024

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 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Affiliate Companies :						
Wilmar Sugar Pte. Ltd.	84.87	43.68	–	–	84.87	43.68
Wilmar Sugar India Private Limited	–	5.54	–	–	–	5.54
	92.81	**81.99**	**–**	**–**	**92.81**	**81.99**
Other current assets (refer note 16)						
Subsidiary Companies :						
KBK Chem-Engineering Private Limited	–	0.19	–	–	–	0.19
Gokak Sugars Limited	–	6.41	–	–	–	6.41
	–	**6.60**	**–**	**–**	**–**	**6.60**
Associate Company :						
Renuka vale do Ivai S/A	91.24	91.24	91.24	91.24	–	–
	91.24	**91.24**	**91.24**	**91.24**	**–**	**–**
Affiliate Company :						
Wilmar Sugar India Private Limited	–	354.57	–	–	–	354.57
	–	**354.57**	**–**	**–**	**–**	**354.57**

Impairment allowance of INR 8.47 million (31st March 2023: INR 13.91 million) has been recognised during the year related to Interest receivable and same is disclosed under "Impairment for advances to vendors and others" note 35. Impairment allowance of INR 35.74 million (31st March 2023: Nil) has been recognised during the year related to loan receivable and same is disclosed under "Impairment for advances to vendors and others" in note 35.

Impairment of amounts owed by related parties

As at 31st March 2024, the company has accumulated impairment of INR 13,604.95 million (31st March 2023: INR 13,560.74 million) against total gross amount owed by related parties of INR 17,194.47 million (31st March 2023: INR 16,554.62 million).

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

D) Details of amounts payable to related parties as at 31st March 2024 and 31st March 2023 are as follows:

	As at 31st March 2024	As at 31st March 2023
Borrowings (non-current) (refer note 18)		
Holding Company :		
Wilmar Sugar and Energy Pte. Ltd.	24,894.88	24,445.92
	24,894.88	**24,445.92**
Trade payables (refer note 23)		
Subsidiary Companies :		
KBK Chem-Engineering Private Limited	0.28	0.21
Gokak Sugars Limited	6.55	14.94
Affiliate Companies :		
Wilmar Sugar Pte. Ltd.	43,172.64	13,983.72
Wilmar Sugar India Private Limited	–	2,785.74
	43,179.47	**16,784.61**
Other current financial liabilities (refer note 24)		
Other payables		
Affiliate Company :		
Wilmar Sugar Pte. Ltd.	–	147.37
	–	**147.37**
Interest accrued on others		
Affiliate Companies :		
Wilmar Sugar Pte. Ltd.	1,196.98	442.85
Wilmar Sugar India Pvt Ltd.	–	51.15
	1,196.98	**494.00**
Interest accrued but not due on borrowings		
Holding Company :		
Wilmar Sugar and Energy Pte. Ltd.	463.10	398.27
	463.10	**398.27**
Other current liabilities (refer note 25)		
Advance from customers		
Affiliate Company :		
Wilmar Sugar Pte. Ltd.	34.81	–
	34.81	**–**
Other payables		
Ultimate Holding Company :		
Wilmar International Limited	6.75	170.55
Affiliate Companies :		
Adani Wilmar Limited	1.64	–
WII Pte. Ltd.	0.24	–
Subsidiary Company :		
KBK Chem-Engineering Private Limited	85.76	215.06
	94.39	**385.61**

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

E) Transactions with key managerial personnel

Compensation of key managerial personnel*

	Year ended 31st March 2024	Year ended 31st March 2023
Short-term employee benefits	174.72	160.25
Contribution to provident fund	5.02	3.01
Sitting fees	2.92	20.65
Total	**182.66**	**183.91**

*Gratuity for Key managerial personnel is included in overall provision.

Note 42: Hedging activities and derivatives

During the year ended 31st March 2021, Company has obtained External Commercial Borrowings (ECB) from its Holding Company, Wilmar Sugar and Energy 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 exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and thus, these contracts are accounted as financial instruments without hedge accounting.

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of 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:

a. The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

The Company is holding the following foreign exchange forward contracts designated as hedging instruments:

	Maturities		
	1 to 3 months	**3 to 6 months**	**Total**
As at 31st March 2023			
Foreign exchange forward contracts			
Notional amount (million INR)	8,355.00	16,770.50	25,125.50
Average forward rate (INR/USD)	83.55	83.75	
As at 31st March 2024			
Foreign exchange forward contracts			
Notional amount (million INR)	25,032.99	–	25,032.99
Average forward rate (INR/USD)	83.44	–	

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
As at 31st March 2023				
Foreign exchange forward contracts	25,125.50	1,074.24	Other current financial liabilities	1,957.57
As at 31st March 2024				
Foreign exchange forward contracts	25,032.99	(126.56)	Other current financial assets	354.00

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 hedging reserve
As at 31st March 2023			
Foreign exchange forward contracts	1,957.57	1,957.57	(883.33)
As at 31st March 2024			
Foreign exchange forward contracts	354.00	354.00	(480.56)

The effect of the cash flow hedge in the statement of profit and loss is as follows :

	Total hedging gain 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
Year ended 31st March 2023					
Net gain/(loss) on cash flow hedges	1,957.57	–	–	(1,957.57)	Foreign exchange loss (net)
Net change in costs of hedging	–	–	(883.33)	831.24	Finance cost
Year ended 31st March 2024					
Net gain/(loss) on cash flow hedges	354.00	–	–	(354.00)	Foreign exchange loss (net)
Net change in costs of hedging	–	–	(480.56)	531.92	Finance cost

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

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 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Financial assets				
Fair value through profit or loss				
Derivative instruments at fair value through profit or loss	40.46	–	40.46	–
Fair value through other comprehensive income				
Investment in equity shares of National Commodity Derivative Exchange Limited(NCDEX)	342.89	420.82	342.89	420.82
Other financial assets at amortised cost				
Loans	2,107.03	1,653.05	2,107.03	1,653.05
Trade receivables	5,482.67	2,053.87	5,482.67	2,053.87
Cash and cash equivalents	294.95	701.52	294.95	701.52
Other Bank balances	102.84	123.17	102.84	123.17
Other financial assets	647.28	613.71	647.28	613.71
Total financial assets	**9,018.12**	**5,566.14**	**9,018.12**	**5,566.14**
Financial liabilities				
Fair value through profit or loss				
Derivative instruments at fair value through profit or loss	–	271.67	–	271.67
At amortised cost				
Borrowings				
Redeemable non-convertible debentures	4,743.08	2,008.71	4,743.08	2,008.71
Other borrowings at floating rate of interest	38,267.80	39,199.54	38,267.80	39,199.54
Other borrowings at fixed rate of interest	1,304.68	1,854.37	1,304.68	1,854.37
Trade payables	48,848.31	22,575.90	48,848.31	22,575.90
Other financial liabilities	2,629.98	1,684.20	2,629.98	1,684.20
Total financial liabilities	**95,793.85**	**67,594.39**	**95,793.85**	**67,594.39**

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 3 Fair value hierarchy.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

The following methods and assumptions were used to estimate the fair values

Fair value of the unquoted equity shares of National Commodity Derivative Exchange Limited(NCDEX) at FVTOCI has been estimated on the basis of market multiple method using the price to book value ratio of comparable quoted investments, adjusted for certain significant unobservable inputs like company specific risk and discount for lack of marketability.

The fair values of the Company's interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2024 was assessed to be insignificant.

The Company enters into derivative financial instruments with various counterparties, principally financial institutions. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and foreign exchange spot and forward rates. There was no change observed in counterparty credit risk to have any material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2024 and 31st March 2023 are as shown below:

Description of significant unobservable inputs to valuation

	Valuation technique	Sensitivity of the input to fair value
Unquoted equity shares of National Commodity Derivative Exchange Limited(NCDEX)	Market realisable value has been estimated based on market multiple method using the price to book value ratio of comparable quoted investments, adjusted for certain significant unobservable inputs like company specific risk and discount for lack of marketability.	31st March 2024: 5% (31st March 2023: 5%) increase/(decrease) in the market price per share would result in increase/(decrease) in fair value by INR 17.14 million (31st March 2023: INR 21.04 million).

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI

	Amount
As at 01st April 2022	**429.16**
Measurement recognised in OCI	(8.34)
As at 31st March 2023	**420.82**
Measurement recognised in OCI	(77.93)
As at 31st March 2024	**342.89**

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2024:

	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value – recurring fair value measurement:				
Derivative instruments at fair value through profit or loss	40.46	–	40.46	–
Investment in equity shares of National Commodity Derivative Exchange Limited(NCDEX)	342.89	–	–	342.89
Liabilities which are measured at amortised cost for which fair values are disclosed:				
Borrowings				
Redeemable non-convertible debentures	4,743.08	–	–	4,743.08

There are no changes in fair value hierarchy level during the year ended 31st March 2024.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2023:

	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value – recurring fair value measurement:				
Investment in equity shares of National Commodity Derivative Exchange Limited(NCDEX)	420.82	–	–	420.82
Liabilities which are measured at amortised cost for which fair values are disclosed:				
Derivative liabilities	271.67	–	271.67	–
Borrowings				
Redeemable non-convertible debentures	2,008.71	–	–	2,008.71

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

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.

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.

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 and Energy Pte. Ltd. and receivables and payables.

The Company manages its foreign currency risk for principal portion of ECB by hedging for a period of 4-6 months. 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.

At 31st March 2024, the Company has fully hedged the foreign currency exposure related to principal portion of External Commercial Borrowing (ECB) loan for 4 to 6 months using foreign currency forward contracts and expects to roll-forward these hedges in the future periods to hedge the foreign currency risks.

Foreign currency sensitivity:

As at 31st March 2024 and 31st March 2023, net unhedged exposure of the Company to foreign currency asset and liabilities is as follows:

Amount in INR million

	Assets as at		Liabilities as at	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
United States Dollar (USD)	5,021.25	1,088.26	(48,770.87)	(16,705.81)
European Union (EURO)	–	–	–	(0.30)
Japanese yen (JPY)	–	–	–	–

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

5% increase and decrease in the foreign exchange rates will have the following impact on profit/(loss) before tax:

Amount in INR million

	Assets as at		Liabilities as at	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Increase by 5%				
United States Dollar (USD)	251.06	54.41	(2,438.54)	(835.29)
European Union (EURO)	–	–	–	(0.02)
Japanese yen (JPY)	–	–	–	–
Decrease by 5%				
United States Dollar (USD)	(251.06)	(54.41)	2,438.54	835.29
European Union (EURO)	–	–	–	0.02
Japanese yen (JPY)	–	–	–	–

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 manages its interest risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

	As at 31st March 2024	Composition	As at 31st March 2023	Composition
Borrowing – Fixed interest rate	6,047.76	13.65%	3,863.08	8.97%
Borrowing – Floating interest rate	38,267.80	86.35%	39,199.54	91.03%
	44,315.56		**43,062.62**	

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings with variable interest rates. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

	Composition	Composition
31st March 2024		
INR	50	191.34
31st March 2023		
INR	50	196.00

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 commodity prices on the profit/(loss) of the Company.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Commodity price sensitivity

	Sugar sale	Cane purchase	Raw-sugar purchase
Increase in price by 5%			
31st March 2024	4,773.88	(848.58)	(3,783.57)
31st March 2023	3,566.18	(925.35)	(2,497.06)
Decrease in price by 5%			
31st March 2024	(4,773.88)	848.58	3,783.57
31st March 2023	(3,566.18)	925.35	2,497.06

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 executed against advance or receipt against submission of documents. The Company's domestic sugar sales are primarily made to corporate customers, who are provided credit terms after thorough credit assessments and thereby, credit default risk is not significant for these customers. Other domestic sugar sales are primarily made on receipt of advance amount before goods are dispatched. Further, ethanol is 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 60 days.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on credit loss expected on the ageing of receivable balances (which is formulated based on past history of collections and existing business conditions). The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of the receivables (net of expected credit loss) has been considered from the date the invoice falls due.

The ageing is as follows:

	As at 31st March 2024	As at 31st March 2023
Up to 6 months	5,465.32	2,020.79
More than 6 months	17.35	33.08
	5,482.67	**2,053.87**

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, financial support from parent etc. 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.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31st March 2024				
Borrowings	12,128.29	31,259.75	1,250.00	44,638.04
Trade payables	48,848.31	–	–	48,848.31
Lease liabilities	10.79	34.56	915.42	960.77
Other financial liabilities	2,418.91	–	–	2,418.91
Total	**63,406.30**	**31,294.31**	**2,165.42**	**96,866.03**
As at 31st March 2023				
Borrowings	12,579.21	29,808.68	1,250.00	43,637.89
Trade payables	22,575.90	–	–	22,575.90
Lease liabilities	13.55	34.04	921.76	969.35
Other financial liabilities	1,761.13	–	–	1,761.13
Total	**36,929.79**	**29,842.72**	**2,171.76**	**68,944.27**

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 31st March 2024	As at 31st March 2023
Equity share capital	2,128.49	2,128.49
Other equity (including securities premium)	(3,585.25)	1,998.00
	(1,456.76)	**4,126.49**

Debt equity ratio

The debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a Company's financial leverage.

	As at 31st March 2024	As at 31st March 2023
Equity	2,128.49	2,128.49
Other equity	(3,585.25)	1,998.00
	(1,456.76)	**4,126.49**
Total borrowings	44,315.56	43,062.62
Debt equity ratio	(30.42)	10.44

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2024 and 31st March 2023.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 46: Details of loan given, investments made and guarantee given covered U/S 186 (4) of the Companies Act, 2013

a) Included in loans are certain intercompany loans, the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act 2013:

Name of the Company	Rate of Interest	Secured / unsecured	As at 31st March 2024 Amount	As at 31st March 2023 Amount
Gokak Sugars Limited	11%*	Unsecured	1,899.10	1,508.77
KBK Chem-Engineering Private Limited	11%*	Unsecured	693.05	598.05
Monica Trading Private Limited	11%*	Unsecured	149.67	145.27

*The interest rates were been changed from 9% to 11% during the current year.

The loans given to subsidiaries have been utilized for meeting their working capital requirements.

b) Investments made are disclosed in note 5.

c) 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 and with lease value of less than INR 0.40 million. 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
As at 01st April 2022	**602.58**	**42.49**	**1,089.57**	**1,734.64**
ROU assets recognized to the extent of ROU liabilities	–	5.90	–	5.90
Prepayments capitalised as ROU	–	–	3.99	3.99
ROU assets derecognized	–	(1.76)	–	(1.76)
Total	**602.58**	**46.63**	**1,093.56**	**1,742.77**
Depreciation expense	(8.03)	(22.42)	(102.61)	(133.06)
As at 31st March 2023	**594.55**	**24.21**	**990.95**	**1,609.71**
ROU assets recognized to the extent of ROU liabilities	–	13.23	–	13.23
Prepayments capitalised as ROU	–	–	3.49	3.49
ROU assets derecognized	–	–	(89.53)	(89.53)
Total	**594.55**	**37.44**	**904.91**	**1,536.90**
Depreciation expenses	(8.03)	(0.62)	(104.66)	(113.31)
As at 31st March 2024	**586.52**	**36.82**	**800.25**	**1,423.59**

Standalone notes to financial statements for the year ended 31st March, 2024

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:

Particulars	Amount
As at 01st April 2022	**190.04**
Additions	5.90
Deletion	(1.76)
Accretion of interest	19.13
Payments	(18.57)
As at 31st March 2023	**194.74**
Additions	13.23
Deletion	–
Accretion of interest	17.27
Payments	(14.17)
As at 31st March 2024	**211.07**

The following are the amounts recognised in profit or loss:

	Year ended 31st March 2024	Year ended 31st March 2023
Depreciation expense of right-of-use assets	113.31	133.06
Interest expense on lease liabilities	17.27	19.13
Expense relating to short-term leases and low value leases	11.82	6.81
Total amount recognised in profit or loss	**142.40**	**159.00**

The Company had total cash outflows for leases of INR 24.40 million (31st March 2023: INR 24.89 million) during the financial year ended 31st March 2024. The Company do not have any future cash outflows relating to leases that have not yet commenced.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 48: Ratio Analysis and its elements

Ratio	Numerator	Denominator	31st March 2024	31st March 2023	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.77	0.75	2.78%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(30.42)	10.43	391.79%	Change in debt-equity ratio is attributable to decrease in shareholder's equity, which is driven by net loss during the current year.
Debt Service Coverage Ratio	Earnings before interest, Depreciation and Tax (EBITDA)	Interest Expense on long term and short term borrowings for the period+ Schedule principal repayment of long term borrowings during the period	1.14	1.47	-22.55%	
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(4.19)	(0.28)	1396.97%	Change in return on equity ratio is attributable to decrease in shareholder's equity, which is driven by net loss during the current year.
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.83	3.25	-13.06%	
Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales – sales return	Average Trade Receivable	28.75	33.79	-14.92%	
Trade Payables Turnover Ratio	Net credit purchases of goods & services = Gross credit purchases – purchase return	Average Trade Payables	3.34	3.79	-11.88%	
Net Capital Turnover Ratio	Net sales = Total sales – sales return	Working capital = Current assets – Current liabilities	(7.29)	(9.03)	-19.31%	
Net Profit Ratio	Net Profit/(loss)	Net sales = Total sales – sales return	(0.05)	(0.02)	226.43%	Net profit ratio has decreased on account of increased loss after tax during the current year.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.09	0.09	9.82%	
Return on Investment on unquoted equity instruments	Dividend Income + Fair value gain/loss on unquoted equity instruments	Opening value of unquoted equity instruments	-18.52%	-1.62%	1043.12%	Return on investment decreased due to reduction in the fair value of investment as at period end.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 49: Other Statutory Information

(i) There are no proceedings initiated or are pending against the Company for holding any benami property under the prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.

(ii) The Company does not have any transactions with struck off companies.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) During the current year, below mentioned scheme of arrangement is approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

  (a) Board of Directors, at its meeting held on 24th May 2022, approved the Scheme of Amalgamation of wholly owned subsidiaries namely Monica Trading Private Limited (MTPL), Shree Renuka Agri Ventures Limited (SRAVL), and Shree Renuka Tunaport Private Limited (SRTPL), with the Company. The merger of MTPL with the Company has been approved by NCLT, Mumbai Bench and a certified copy of NCLT order has been filed with ROC, Mumbai. However, being a composite application, the merger will be effective only on receiving approval from NCLT Bangalore for merger of SRAVL and SRTPL with the Company.

(ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 50:

As per Ind AS 108 'Operating Segments' if a financial statement contains both standalone and consolidated financial statements, segment information is required to be disclosed only in the consolidated financial statements. Hence, the same is not given in standalone financial statement.

Standalone notes to financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 51:

The Company has used two accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using certain privileged/administrative access rights for one of the application and for two softwares, audit trail was not enabled for direct changes to database. Further no instance of audit trail feature being tampered with was noted in respect of accounting softwares where the audit trail has been enabled.

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. : **049237**

Date : 29th May 2024
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 29th May 2024
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 29th May 2024
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
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, 2024, 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 material 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, 2024, 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, 2024. 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 the 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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Valuation of inventory (as described in note 2.1(ii)(k) and 8 of the consolidated financial statements)</td></tr>
<tr><td>As on March 31, 2024, the Group is carrying inventory amounting to INR 44,771.24 million. The inventory of intermediary goods, work in progress and finished goods (including stock in transit) is valued at lower of cost or net realisable value and the inventory of raw materials and stores and spares (including stock in transit) is valued at weighted average cost.

The relative size of the inventory as on March 31, 2024 is significant to the financial statements and significant judgements are involved in determining:

(i) cost of inventory which is based on factors such as cost of by-products which is based on its net realisable value,

(ii) the net realizable value of closing inventory of intermediary and finished goods.

Accordingly, determination of value of inventory was determined to be a key audit matter in our audit of the consolidated financial statements.</td><td>Our audit procedures included the following:

• Read and assessed the Group's accounting policies with respect to inventory valuation for compliance with relevant accounting standards.

• We evaluated the design and tested the operating effectiveness of controls established by the management in determination of value of inventory of finished goods and intermediary goods.

• We tested the method used by the Holding Company for arriving at the cost of inventory of sugar. Evaluated the appropriateness of data used by the management in determining the net realisable value of by-products, intermediary and finished goods.

• We involved the component auditors to assess the appropriateness of valuation of inventory done for the respective components, as applicable.

• We assessed the disclosures in the financial statement for compliance with the requirements of Ind AS.</td></tr>
</table>

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 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 is 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 Auditing for the Auditor's 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 its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 its associate are responsible for assessing the ability of their respective companies 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 its associate are also responsible for overseeing the financial reporting process of their respective companies.

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, 2024 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 eight subsidiaries, whose financial statements include total assets of Rs. 8,009.98 million as at March 31, 2024, and total revenues of Rs. 6,007.92 million and net cash outflows of Rs. 423.73 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.

One of the subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in the respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country 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 subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated financial statements include the Group's share of net profit of Rs. Nil for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited and whose 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 this 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 information. In our opinion and according to the information and explanations given to us by the Management, the financial information is 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose 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 except for the matters stated in para (i)(vi) below on reporting under Rule 11(g);

   (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, 2024 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, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

   (g) 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 2" to this report;

   (h) 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, 2024 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) 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 the consolidated financial position of the Group in its consolidated financial statements – Refer Note 36 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;

iii. An amount of Rs. 0.02 million has not been transferred to the Investor Education and Protection Fund by the Holding Company on account of disputes. There were no other amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company and its subsidiary companies, incorporated in India.

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 50 of the financial statements, the Holding Company and its subsidiaries has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in such accounting software. Further, during the course of our audit, we and the respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with, in respect of accounting softwares where the audit trail has been enabled.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

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per Shyamsundar Pachisia
Partner
Membership Number: 049237
UDIN: 24049237BKCERK5332

Place of Signature: Mumbai
Date: May 29, 2024

'Annexure 1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Shree Renuka Sugars Limited and its subsidiary companies incorporated in India ("the Group")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name	CIN	Holding company/ Subsidiary Company	Clause number of the CARO report which is qualified or is adverse
1	Shree Renuka Sugars Limited	L01542KA1995PLC019046	Holding Company	(i)(c), (iii)(b), (iii)(c), (iii)(e) (vii)(a), (ix)(d), (xiii)
2	Monica Trading Private Limited	U51502MH2006PTC163752	Subsidiary Company	(xix)
3	Shree Renuka Agri Ventures Limited	U15330KA2008PLC047205	Subsidiary Company	(xix)
4	Shree Renuka Tunaport Private Limited	U45205KA2013PTC067486	Subsidiary Company	(xix)

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

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per Shyamsundar Pachisia
Partner
Membership Number: 049237
UDIN: 24049237BKCERK5332

Place of Signature: Mumbai
Date: May 29, 2024

'Annexure 2' to the Independent Auditor's Report of even date on the consolidated financial statements of Shree Renuka Sugars Limited

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

In conjunction with our audit of the consolidated financial statements of Shree Renuka Sugars Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, 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 the 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 qualified audit opinion on the Holding Company's 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2024:

(a) The Holding Company did not have appropriate internal control system for review of assumptions used in the projections used for assessing impairment in the carrying value of Goodwill, which could potentially result in the Company recognising this asset at a value more than its recoverable amount and consequential understatement of losses and overstatement of other equity as at March 31, 2024.

(b) The Holding Company did not have appropriate internal control system for commodity derivative transactions undertaken by the Holding Company during the year, which could potentially result in non-compliance with the Holding Company's Risk Management Policy and could also potentially result in material misstatement in the Group's financial statements.

(c) The Holding Company's internal control system for review of inventory valuation of intermediary goods and finished goods was not operating effectively. This could potentially result in material misstatement in the Group's financial statements.

(d) The Holding Company's needs to strengthen its financial statement closure process particularly for review of the financial statements and disclosures. This could potentially result in material misstatement in the Group's financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the Holding Company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria in respect of the companies included in 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, 2024, 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 insofar as it relates to these six subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the ICAI as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss, including other comprehensive loss, 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 material accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 consolidated financial statements of the Holding Company and this report does not affect our report dated May 29, 2024, which expressed an unqualified opinion thereon.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

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per Shyamsundar Pachisia
Partner
Membership Number: 049237
UDIN: 24049237BKCERK5332

Place of Signature: Mumbai
Date: May 29, 2024

Consolidated Balance Sheet

as at 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Notes	As at 31st March 2024	As at 31st March 2023
Assets			
Non-current assets			
Property, plant and equipment (including right to use assets)	3(a)	44,183.26	42,957.90
Capital work-in-progress	3(a)	504.10	1,143.43
Goodwill	3(b)	1,429.36	–
Intangible assets	3(b)	0.20	2.55
Financial assets			
Investment in associates	4	–	–
Investments (others)	4(a)	342.89	423.79
Other non-current financial assets	5	331.85	374.37
Non-current tax assets		107.52	122.28
Other non-current assets	6	479.50	459.62
Deferred tax assets (net)	7	76.29	–
Total non-current assets		**47,454.97**	**45,483.94**
Current assets			
Inventories	8	44,771.24	22,785.98
Financial assets			
Trade receivables	9	6,180.82	2,067.74
Cash and cash equivalents	10	378.72	1,670.33
Other bank balances	11	156.89	181.06
Other current financial assets	12	372.40	277.99
Other current assets	13	2,394.26	3,574.77
Total current assets		**54,254.33**	**30,557.87**
Total assets		**101,709.30**	**76,041.81**
Equity and liabilities			
Equity			
Equity share capital	14(a)	2,128.49	2,128.49
Other equity	14(b)	(16,506.99)	(10,940.65)
Equity attributable to equity holders of the parent		**(14,378.50)**	**(8,812.16)**
Non-controlling interest	40	5.24	5.72
Total Equity		**(14,373.26)**	**(8,806.44)**
Non-current liabilities			
Financial liabilities			
Borrowings	15	32,357.27	30,580.86
Lease Liability	16	201.67	188.48
Net employee benefit liabilities	17	313.85	353.40
Government grants	18	171.82	303.52
Non-current tax liabilities		21.65	18.37
Deferred tax liabilities (net)	7	3,133.97	1,415.85
Total non-current liabilities		**36,200.23**	**32,860.48**
Current liabilities			
Financial liabilities			
Borrowings	19	25,367.71	24,905.34
Lease liability	16	13.03	11.83
Trade payables	20		
Total outstanding dues of micro and small enterprises		66.96	131.65
Total outstanding dues of creditors other than micro and small enterprises		49,932.45	23,019.03
Other current financial liabilities	21	2,456.75	1,774.74
Net employee benefit liabilities	23	221.91	91.88
Government grants	18	146.56	141.56
Other current liabilities	22	1,676.96	1,911.74
Total current liabilities		**79,882.33**	**51,987.77**
Total liabilities		**116,082.56**	**84,848.25**
Total equity and liabilities		**101,709.30**	**76,041.81**

Material accounting policies 2.1

Accompanying notes 1 to 51 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. : **049237**

Date : 29th May 2024
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 29th May 2024
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 29th May 2024
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
Place : Mumbai

Consolidated statement of profit and loss

for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Notes	Year ended 31st March 2024	Year ended 31st March 2023
Income			
Revenue from operations	24	113,190.19	90,207.45
Other income	25	483.82	857.90
Total income		**113,674.01**	**91,065.35**
Expenses			
Cost of raw material consumed	26	99,253.22	72,694.86
Purchase of traded goods	27	2,235.88	226.31
Increase in inventories of finished goods and intermediate products	28	(7,516.10)	(1,172.71)
Employee benefit expenses	29	1,882.70	1,667.03
Depreciation and amortisation expenses	30	2,662.32	2,376.53
Foreign exchange loss (net)	31	335.83	701.08
Finance costs	32	9,179.77	5,913.99
Other expenses	33	10,258.47	10,453.91
Total expenses		**118,292.09**	**92,861.00**
Loss before tax		**(4,618.08)**	**(1,795.65)**
Tax expense			
Current tax	7	57.95	24.84
Income tax relating to earlier years	7	20.92	–
Deferred tax	7	1,574.98	146.19
Income tax expense		**1,653.85**	**171.03**
Loss for the year		**(6,271.93)**	**(1,966.68)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Reversal of revaluation reserve on disposal / impairment of property, plant and equipment		(31.99)	(0.52)
Income tax effect	7	9.18	0.12
Loss on remeasurements of defined benefit plans	38	(9.47)	(54.98)
Income tax effect	7	2.84	17.05
Unrealised loss on FVTOCI equity securities	42	(77.93)	(8.34)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Net movement on effective portion of cash flow hedges	41	354.00	1,957.57
Net movement in cost of hedging reserve	41	(480.56)	(883.33)
Exchange difference on translation of foreign operations		(183.80)	(956.26)
Other comprehensive income/(loss) for the year		**(417.73)**	**71.31**
Total comprehensive loss for the year		**(6,689.66)**	**(1,895.37)**
Loss for the year attributable to:			
Owners of the company		(6,271.45)	(1,969.70)
Non-controlling interests		(0.48)	3.02
Total comprehensive loss for the year attributable to:			
Owners of the company		(6,689.18)	(1,898.39)
Non-controlling interests		(0.48)	3.02
Earnings per share			
Earning per share towards parent – Basic	34	(2.95)	(0.93)
[Face value of equity share INR 1/- each]			
Earning per share towards parent – Diluted	34	(2.95)	(0.93)
[Face value of equity share INR 1/- each]			

Material accounting policies	2.1		

Accompanying notes 1 to 51 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. : **049237**

Date : 29th May 2024
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 29th May 2024
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 29th May 2024
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
Place : Mumbai

Consolidated statement of changes in equity

for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

a. Equity share capital

	No of Shares (in millions)	Amount
As at 01st April 2022	**2,128.49**	**2,128.49**
Equity shares issued during the year	-	-
As at 31st March 2023	**2,128.49**	**2,128.49**
Equity shares issued during the year	-	-
As at 31st March 2024	**2,128.49**	**2,128.49**

b. Other equity

	Reserves and surplus					Items of OCI							
	Securities premium	Debenture redemption reserve	Equity Contribution from Parent	Molasses Reserve Fund	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	Non controlling interests (refer note 40)	Total other equity
As at 31st March 2022	**32,034.85**	**625.00**	**658.72**	**-**	**(52,613.05)**	**-**	**(32.59)**	**(651.38)**	**11,676.43**	**96.21**	**(8,205.81)**	**2.70**	**(8,203.11)**
Loss for the period	-	-	-	-	(1,969.70)	-	-	-	-	-	(1,969.70)	3.02	(1,966.68)
Other Comprehensive Income	-	-	-	-	(37.93)	1,957.57	(883.33)	(956.26)	(0.40)	(8.34)	71.31	-	71.31
Total comprehensive loss	**-**	**-**	**-**	**-**	**(2,007.63)**	**1,957.57**	**(883.33)**	**(956.26)**	**(0.40)**	**(8.34)**	**(1,898.39)**	**3.02**	**(1,895.37)**
Transferred to P&L	-	-	-	-	-	(1,957.57)	834.15	-	-	-	(1,123.42)	-	(1,123.42)
Interest waiver from parent	-	-	286.97	-	-	-	-	-	-	-	286.97	-	286.97
Depreciation on revalued assets	-	-	-	-	776.69	-	-	-	(776.69)	-	-	-	-
As at 31st March 2023	**32,034.85**	**625.00**	**945.69**	**-**	**(53,843.99)**	**-**	**(81.77)**	**(1,607.64)**	**10,899.34**	**87.87**	**(10,940.65)**	**5.72**	**(10,934.93)**
Loss for the period	-	-	-	-	(6,271.45)	-	-	-	-	-	(6,271.45)	(0.48)	(6,271.93)
Other Comprehensive loss	-	-	-	-	(6.63)	354.00	(480.56)	(183.80)	(22.81)	(77.93)	(417.73)	-	(417.73)
Total comprehensive loss	**-**	**-**	**-**	**-**	**(6,278.08)**	**354.00**	**(480.56)**	**(183.80)**	**(22.81)**	**(77.93)**	**(6,689.18)**	**(0.48)**	**(6,689.66)**
Transferred to P&L	-	-	-	-	-	(354.00)	531.62	-	-	-	177.62	-	177.62
Addition on business combination	-	-	-	1.96	-	-	-	-	-	-	1.96	-	1.96
Interest waiver from parent	-	-	943.26	-	-	-	-	-	-	-	943.26	-	943.26
Depreciation on revalued assets	-	-	-	-	795.57	-	-	-	(795.57)	-	-	-	-
As at 31st March 2024	**32,034.85**	**625.00**	**1,888.95**	**1.96**	**(59,326.50)**	**-**	**(30.71)**	**(1,791.44)**	**10,080.96**	**9.94**	**(16,506.99)**	**5.24**	**(16,501.75)**

Accompanying notes 1 to 51 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. : **049237**

Date : 29th May 2024
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 29th May 2024
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 29th May 2024
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
Place : Mumbai

Consolidated statement of cash flows

for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Year ended 31st March 2024	Year ended 31st March 2023
Operating activities		
Loss before tax	(4,618.08)	(1,795.65)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation of property, plant and equipment	2,659.91	2,370.95
Amortization of intangible assets	2.41	5.58
Excess provision of earlier year written back	(45.44)	(321.80)
Unrealised loss on derivatives	394.40	60.24
Government assistance	(146.19)	(115.06)
Finance costs	9,179.77	5,913.99
Finance Income	(85.55)	(24.69)
Loss on disposal of property, plant and equipment (net)	5.70	19.51
Loss on account of Biparjoy	27.26	–
Dividend income	–	(1.51)
Unrealised loss on foreign exchange	137.63	55.07
Impairment of financial and other assets	121.74	156.22
Impairment/write off of property, plant and equipment	2.86	5.66
Expected credit loss on trade receivables	29.75	45.48
Working capital adjustments:		
Movement in employee benefit expenses	46.87	56.22
(Increase)/Decrease in trade receivables	(4,136.37)	596.21
(Increase)/Decrease in other receivables and prepayments	245.25	(1,169.18)
Increase in inventories	(21,213.66)	(2,094.74)
Increase in trade and other payables	26,595.94	5,543.24
	9,204.20	**9,305.74**
Income tax paid	(70.64)	(41.55)
Net cash flows from operating activities	**9,133.56**	**9,264.19**
Investing activities:		
Purchase of property, plant and equipment	(1,751.34)	(4,003.62)
Proceeds from sale of property, plant and equipment	132.08	2.71
Consideration paid on acquisition of new subsidiary company	(2,355.00)	–
Sale of investments (net)	2.97	–
Amount of fixed deposit matured	76.08	435.48
Dividend received	–	1.51
Interest received	93.27	19.76
Net cash flows used in investing activities	**(3,801.94)**	**(3,544.16)**
Financing activities:		
(Repayment)/Proceeds from short term borrowings (net)	(185.65)	65.58
Repayment of long-term borrowings	(1,969.84)	(1,389.74)
Proceeds from long term borrowings	3,253.48	2,595.67
Finance cost and processing charges paid	(6,677.43)	(4,565.19)
Repayment of redeemable preference shares	(1,095.00)	–
Lease liability payments	(17.17)	(22.10)
Net cash flows used in financing activities	**(6,691.61)**	**(3,315.78)**
Net increase/(decrease) in cash and cash equivalents	**(1,359.99)**	**2,404.25**
Cash & cash equivalents acquired pursuant to acquisition of subsidiary	252.18	–
Foreign currency translation reserve	(183.80)	(956.26)
Net increase/(decrease) in cash and cash equivalents	**(1,291.61)**	**1,447.99**
Opening cash and cash equivalents (refer note 10)	1,670.33	222.34
Closing cash and cash equivalents (refer note 10)	**378.72**	**1,670.33**

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

Consolidated statement of cash flows

for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Changes in liabilities arising from financing activities for year ended 31st March 2023

Particulars	Long term borrowings*	Short term borrowings	Non-current lease liabilities	Current lease liabilities
As at 01st April 2022	**29,092.25**	**23,054.15**	**178.30**	**11.74**
Proceeds from long term borrowings	2,595.67	–	–	–
Repayment of long term borrowings	(1,389.74)	–	–	–
Proceeds from short term borrowings	–	65.58	–	–
Increase/(decrease) of foreign currency borrowing on account of revaluation	1,957.57	(5.31)	–	–
Lease liability payments	–	–	–	(22.10)
Other	116.03	–	10.18	22.19
As at 31st March 2023	**32,371.78**	**23,114.42**	**188.48**	**11.83**

*Long term borrowings includes current maturities of long term borrowings.

Changes in liabilities arising from financing activities for year ended 31st March 2024

Particulars	Long term borrowings*	Short term borrowings	Non-current lease liabilities	Current lease liabilities
As at 01st April 2023	**32,371.78**	**23,114.42**	**188.48**	**11.83**
Proceeds from long term borrowings	3,253.48	–	–	–
Repayment of long term borrowings	(1,969.84)	–	–	–
Repayment of short term borrowings (net)	–	(185.65)	–	–
Increase of foreign currency borrowing on account of revaluation	354.00	177.33	–	–
Lease liability payments	–	–	–	(17.17)
Addition on business combination	88.59	446.61	–	–
Other	224.52	(150.26)	13.19	18.37
As at 31st March 2024	**34,322.53**	**23,402.45**	**201.67**	**13.03**

*Long term borrowings includes current maturities of long term borrowings.

Investing and financing transactions that do not require the use of cash or cash equivalents

	Year ended 31st March 2024	Year ended 31st March 2023
Non-Cash investing activity		
Acquisition of Right-of use assets	13.23	13.11

Accompanying notes 1 to 51 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. : **049237**

Date : 29th May 2024
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For and on behalf of the Board of Directors of
Shree Renuka Sugars Limited

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DIN : 00175355
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Chief Financial Officer

Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
Place : Mumbai

Notes to consolidated financial statements for the year ended 31st March, 2024

1. Corporate information

The consolidated financial statements comprise financial statements of Shree Renuka Sugars Limited (the 'Company'), and its subsidiaries (collectively, the 'Group') and its associate for the year ended 31st March 2024. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 2nd and 3rd Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Belagavi – 590010, Karnataka.

The Group is principally engaged in the manufacturing and refining of sugar, ethyl alcohol, ethanol, generation and sale of power and engineering activities. 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 consolidated financial statements for the year ended 31st March 2024 were authorised for issue by the Board of Directors of the Company on 29th May 2024.

2.1 Material 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,
- Land classified as right of use asset,
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value ((refer note 2.1 (III) (q)) for 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

As at 31st March 2024, the current liabilities of the Group exceed its current assets by INR 25,628.00 million, loss before tax of INR 4,618.08 million and negative net worth of INR 14,373.26 million.

The Board of Directors of Wilmar Sugar and Energy Pte. Ltd. (formerly known as Wilmar Sugar Holdings Pte. Ltd.) ('Holding Company') have provided letter of support to the Group, to meet shortfall in its normal trade related working capital requirements up to period ending 31st May 2025. Further, in case of External Commercial Borrowings (ECB) which are due for repayment in August, 2025, the Holding Company has confirmed that in case the ECB is not refinanced from external sources before due date, ECB given by the Holding Company will be refinanced / extended on or before the due date. Also, all term loans and working capital loans availed by the Company from banks and non-convertible debentures issued to Life Insurance Corporation of India ('LIC') and DBS Bank Ltd. are secured by corporate guarantee provided by the Ultimate Holding Company (Wilmar International Limited)

Notes to consolidated financial statements for the year ended 31st March, 2024

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

Principles of Consolidation

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activity of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries through line-by-line addition of like items of assets, liabilities, equity, income and expenses and eliminates the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflects their relative interests in any subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

The subsidiary companies consolidated in the financial statements are as follows:

Name of the Enterprise	Country of Incorporation	Proportion of ownership interest	
		31st March 2024	31st March 2023
Renuka Commodities DMCC	Dubai	100.00%	100.00%
Shree Renuka East Africa Agriventures PLC	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%
Anamika Sugar Mills Private Limited (w.e.f. 06th October 2023)	India	100.00%	-

II. Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended and as at 31st March 2024. 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

Notes to consolidated financial statements for the year ended 31st March, 2024

returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with 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 off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using uniform accounting policies. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March 2024.

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

Notes to consolidated financial statements for the year ended 31st March, 2024

- 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 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 transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

Notes to consolidated financial statements for the year ended 31st March, 2024

loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b. Current versus non-current classification

The Group presents assets and liabilities in the consolidated 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.

Notes to consolidated financial statements for the year ended 31st March, 2024

c. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between 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.

Notes to consolidated financial statements for the year ended 31st March, 2024

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 an average exchange rate which approximates the actual rate at the date of the transaction. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

e. Fair value measurement

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

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

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

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

Notes to consolidated financial statements for the year ended 31st March, 2024

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 consolidated 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 consolidated 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)
- 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.

Notes to consolidated financial statements for the year ended 31st March, 2024

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, on delivery of the goods. Revenue from sale of services is recognised on a basis as per the contract terms based on actual services provided for the year. 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 and services, 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 and services 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 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.

Notes to consolidated financial statements for the year ended 31st March, 2024

g. Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

h. Property, plant and equipment

Freehold land, buildings and plant, machinery and equipment, are carried in the consolidated balance sheet on the basis of revaluation model. The revaluation of these assets is conducted every three years by the Group.

Furniture and fixtures and vehicles are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capitalised costs include cost of replacing part of the

Notes to consolidated financial statements for the year ended 31st March, 2024

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. Capital work in progress is stated at cost, net of accumulated impairment, if any.

Land, buildings and plant, machinery and equipment are measured at fair value less accumulated depreciation and impairment losses recognised. 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 revaluation reserve 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 revaluation reserve.

An annual transfer from the 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, machinery and equipments	1 – 40 Years
Furniture and fixtures	1 – 10 Years
Vehicles	7 – 8 Years

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

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

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

Notes to consolidated financial statements for the year ended 31st March, 2024

i. Intangible assets

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

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.

j. 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). Leasehold land is carried in the consolidated balance sheet based on revaluation model. Other 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.

Notes to consolidated financial statements for the year ended 31st March, 2024

Amortisation is calculated on a straight-line basis over the lease period of the assets as follows:

Category	Useful life
Lease hold land	24 – 78 Years
Buildings	2 – 3 Years
Plant and Equipment	12 -20 Years

Lease Liabilities

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

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

Short-term leases and leases of low-value assets

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

k. Inventories

Inventories of finished goods and intermediary goods are valued at the lower of cost and net realizable value. Inventory of raw materials are valued at cost, except when a decline in the price of materials indicates that the cost of the finished products in which the raw materials will be used exceeds net realisable value. In such circumstances, the raw materials are written down to net realisable value and the replacement cost of the raw materials is considered the best available measure of their 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.

Notes to consolidated financial statements for the year ended 31st March, 2024

- **Finished goods, intermediate 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. In case of certain intermediary goods, cost is measured as the net realizable value when the intermediate goods were produced by the Company.
- **By-products:** These 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 for work in progress and the estimated costs necessary to make the sale.

l. Impairment of non-financial assets

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

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

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

Impairment losses, 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

Notes to consolidated financial statements for the year ended 31st March, 2024

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 and contingencies

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.

Contingencies

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund.

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated 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.

Notes to consolidated financial statements for the year ended 31st March, 2024

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

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting 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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Notes to consolidated financial statements for the year ended 31st March, 2024

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

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

- Debt instruments at amortised cost (debt instruments)
- Debt instruments at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Debt instruments, at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (debt instruments)
- Financial assets at fair value through profit or loss

Financial asset at amortised cost (debt instruments)

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

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

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

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortized costs include trade receivables, loans to subsidiaries and interest thereon, security deposits and other receivables grouped under other current financial assets.

Financial asset at Fair Value through OCI (FVTOCI) (debt instruments)

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

Notes to consolidated financial statements for the year ended 31st March, 2024

foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss.

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

Financial asset at Fair Value through profit and loss

Financial Assets at fair value through profit or loss are carried in the consolidated balance sheet at fair value with net changes in the statement of profit and loss. This category includes derivative instruments and balances receivables from commodity broker.

Financial asset designated at Fair Value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 – Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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 profit and loss, even on sale of investment. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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 Group's consolidated balance sheet) when:

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

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

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

Notes to consolidated financial statements for the year ended 31st March, 2024

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.

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')

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

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

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 Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense (or income) in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The consolidated 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 consolidated 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.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the consolidated balance sheet, i.e. as a liability.

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

(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, derivative financial instruments, lease liabilities and other financial liabilities.

Notes to consolidated financial statements for the year ended 31st March, 2024

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.

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 profit and loss. However, the Group may transfer the cumulative gain or losses 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.

Financial liability at amortised costs (Loans and borrowings)

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

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

This category generally applies to borrowings. For more information refer note 15.

Other financial liabilities

The Group enters into deferred payment arrangements (letter of credit acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of materials. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements are recognized as acceptances under trade payables. Interest borne by the Group on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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.

Notes to consolidated financial statements for the year ended 31st March, 2024

(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.

p. Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash subject to an insignificant risk of changes in value.

q. 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

r. Derivative financial instruments and hedge accounting

The Group 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.

Notes to consolidated financial statements for the year ended 31st March, 2024

- 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 foreign currency forward 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.

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

1. Taxes

Deferred tax assets are recognised on unabsorbed depreciation since these losses do not have any expiry and will offset the deferred tax liability over the period when the deferred tax liabilities reverse. Deferred tax assets are recognized on carry-forward business losses and disallowances with finite life for allowance only to the extent that management projections provides evidence that these losses/ disallowances could be recovered within the expiry period. Management assesses the recoverability of deferred tax assets created on business losses and finite life disallowances on an annual basis and significant management judgement is required to determine the amount of deferred tax assets that can

Notes to consolidated financial statements for the year ended 31st March, 2024

be recognised, based upon the likely timing and the level of future taxable profits that would be available for set-off against these losses and disallowances, together with future tax planning strategies.

Based on the annual assessment performed by the management considering the changes in the business scenario for determining recoverability of deferred tax assets created, the Group has not created deferred tax assets on unabsorbed tax losses carried forward of INR 8,854.34 million (31st March 2023: INR 2,635.11 million) and on unclaimed Section 94B disallowance of INR 2,928.90 million (31st March 2023: Nil). The Group has a history of losses and the Group does not expect to generate adequate taxable profits against which these losses/disallowances are expected to be utilized. The Group neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses/disallowances as deferred tax assets as at the period end date. On this basis, the Company has derecognised deferred tax assets on the tax losses carried forward and Section 94B disallowances as stated above.

2. 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.

3. Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 38.

Notes to consolidated financial statements for the year ended 31st March, 2024

2.3 New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March 2023 to amend the following Ind AS which are effective for annual periods beginning on or 1st April 2023. The Group has applied for the first time these amendments:

(i) Definition of Accounting Estimates – Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

(ii) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as losses.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the standalone balance sheet. There was also no impact on the opening retained earnings as at 01st April, 2023.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 3(a): Property, plant and equipment

	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)
Gross Block									
As at 01st April 2022	**2,271.58**	**7,811.67**	**28,107.08**	**167.13**	**32.74**	**2,385.55**	**40,775.75**	**2,170.73**	**42,946.48**
Additions	15.04	376.27	4,872.94	34.47	10.30	17.10	5,326.12	(1,027.30)	4,298.82
Disposals	–	(6.39)	(79.74)	(59.61)	(5.09)	(1.76)	(152.59)	–	(152.59)
Exchange differences	–	3.86	0.01	1.12	–	–	4.99	–	4.99
As at 31st March 2023	**2,286.62**	**8,185.41**	**32,900.29**	**143.11**	**37.95**	**2,400.89**	**45,954.27**	**1,143.43**	**47,097.70**
Additions on business combination	415.00	304.01	829.51	0.18	2.67	3.70	1,555.07	61.98	1,617.05
Additions	10.65	118.88	2,285.51	57.23	14.65	16.72	2,503.64	(701.31)	1,802.33
Disposals	–	(38.29)	(82.55)	(11.89)	(2.81)	(90.79)	(226.33)	–	(226.33)
Exchange differences	–	0.70	–	(4.22)	–	–	(3.52)	–	(3.52)
As at 31st March 2024	**2,712.27**	**8,570.71**	**35,932.76**	**184.41**	**52.46**	**2,330.52**	**49,783.13**	**504.10**	**50,287.23**
Depreciation and impairment									
As at 01st April 2022	**–**	**–**	**–**	**85.39**	**8.84**	**650.91**	**745.14**	**–**	**745.14**
Depreciation charge for the year (refer note 30)	–	428.80	1,770.19	31.39	5.51	135.06	2,370.95	–	2,370.95
Disposals	–	(4.82)	(52.72)	(59.43)	(5.05)	–	(122.02)	–	(122.02)
Exchange differences	–	1.17	0.01	1.12	–	–	2.30	–	2.30
As at 31st March 2023	**–**	**425.15**	**1,717.48**	**58.47**	**9.30**	**785.97**	**2,996.37**	**–**	**2,996.37**
Depreciation charge for the year (refer note 30)	–	455.83	2,043.94	39.19	6.92	114.03	2,659.91	–	2,659.91
Disposals	–	(9.40)	(27.28)	(11.68)	(2.81)	(1.26)	(52.43)	–	(52.43)
Exchange differences	–	0.24	–	(4.22)	–	–	(3.98)	–	(3.98)
As at 31st March 2024	**–**	**871.82**	**3,734.14**	**81.76**	**13.41**	**898.74**	**5,599.87**	**–**	**5,599.87**
Net book value									
As at 31st March 2024	**2,712.27**	**7,698.89**	**32,198.62**	**102.65**	**39.05**	**1,431.78**	**44,183.26**	**504.10**	**44,687.36**
As at 31st March 2023	**2,286.62**	**7,760.26**	**31,182.81**	**84.64**	**28.65**	**1,614.92**	**42,957.90**	**1,143.43**	**44,101.33**

* For further information refer note 47.

** These assets were carried at deemed cost at the time of transition to Ind AS.

Capital work-in-progress is net of additions made during the year.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note : Buildings include those constructed on Leasehold Land as under :

	As at 31st March 2024	As at 31st March 2023
Depreciation Charge for the year	(53.15)	(46.69)
Gross Block	1,374.51	1,374.51
Accumulated Depreciation	(484.03)	(430.88)
Net Block	**890.48**	**943.63**

A. Assets under construction :

Capital work in progress as at 31st March 2024 comprises of expenditure incurred for construction of building and plant and machinery pertaining to Madhur Refinery and packing project of the Company of INR 223.28 million and this project is expected to be completed by 31st March 2025.

The other costs comprise of expenditure incurred for construction of plant and machinery and building including material procured for multiple projects at other plants.

B. Capitalisation of borrowing cost :

During the previous year, the Group has capitalized borrowing costs related to ethanol expansion projects being undertaken at two manufacturing units of the Group, i.e., Athani and Munoli.

The above-mentioned capital expansion was financed by Bank. The amount of borrowing cost capitalised during the year is INR Nil (31st March 2023: INR 187.30 million). The rate used to determine amount of borrowing costs eligible for capitalisation is Nil (31st March 2023: 4.44%), which is the EIR of those specific borrowings.

C. Revaluation of land, buildings and plant, machinery and equipment :

During the year ended 31st March 2022, the Group had appointed a registered independent valuer who has relevant experience for valuation of property, plant and equipment in India of more than 10 years and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The valuer was appointed to determine the fair value of freehold land, building, plant and machineries and leasehold land (forming part of right of use assets). As an outcome of this process, the Group had recognised increase in the gross block of building of INR 1,981.66 million, plant and machinery of INR 1,967.33 million and decrease in gross block of freehold land of INR 76.50 million and leasehold land of INR 58.71 million. The Group recognised this change in fair value within the revaluation reserve and statement of other 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 was determined using market approach and building, plant, machinery and equipment using Depreciated Replacement Cost (DRC) and in case of buildings located in one of the plant of the Company, fair value was determind based on alternative usable value of these buildings like leasing. The DRC is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Significant unobservable valuation input

Asset	Valuation technique	Significant unobservable inputs
Freehold land/ Leasehold land	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.
Building	Depreciated Replacement Cost (DRC) and Rent Capitalisation Method and Sales Comparison Method of Market Approach	Building/structural sheds were measured considering the DRC cost method for the constructed area depending on utility including alternate use and design of building structure's 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 wear and tear. Valuation of building structures at one of the plants of the Group was done on the basis of value in use, which has been identified using the estimation of the building value using rent capitalization method which relates value to the market rent that a property can be expected to earn and to the resale value. Sales Comparison Method of Market Approach has been used for the valuation of some office premises and residential apartments of the Group.
Plant, machinery and equipment	Depreciated Replacement Cost (DRC)	The Valuation of Plant & Machinery is carried out by using replacement cost method under cost approach of valuation. The Gross Current replacement cost of the assets under valuation means the price expected to replace the existing asset with similar or equivalent new asset as on date of valuation. Since the exercise is based on the in-situ scenario, the direct/indirect costs like loading/unloading, transportation, Erection and Commissioning, Cost of Foundation etc., have been included while estimating the Gross Current Replacement cost (GCRC) of the Plant & Machinery. The Depreciated Replacement Cost is derived from the Gross Current Replacement Cost {GCRC) after deduction of depreciation based on age of the asset. The DRC is adjusted towards the obsolescence (including economic obsolescence), potential profitability and service potential in order to estimate the market value of "in-situ" of the plant and machinery.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Information of revaluation model (gross of deferred tax) :

	Amount
As at 01st April 2022	**17,666.49**
Depreciation	(1,111.71)
Disposed off/impaired	(0.52)
As at 31st March 2023	**16,554.26**
Depreciation	(1,160.78)
Disposed off/impaired	(31.99)
Other adjustments	0.27
As at 31st March 2024	**15,361.76**

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 31st March 2024	As at 31st March 2023
Cost (net of impairment)		
Freehold land	966.57	540.92
Right of use assets	1,618.53	1,685.67
Buildings	7,045.75	6,637.35
Plant, machinery and equipment	40,388.05	37,239.25
	50,018.90	**46,103.19**
Accumulated depreciation (net of impairment)		
Freehold land	–	–
Right of use assets	372.55	365.84
Buildings	3,233.25	3,024.00
Plant, machinery and equipment	17,733.24	16,423.00
	21,339.04	**19,812.84**
Net carrying amount		
Freehold land	966.57	540.92
Right of use assets	1,245.99	1,319.83
Buildings	3,812.50	3,613.35
Plant, machinery and equipment	22,654.74	20,816.25
	28,679.80	**26,290.35**

D. Impairment assessment of CGU :

As per the requirements of Ind AS 36, the Group tests at the end of every reporting period, whether there is any indication that the property, plant and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount of the property, plant and equipment. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

There were no impairment indicators during the year ended 31st March 2024.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 3(b): Intangible assets

	Goodwill	Computer software	Total
Gross Block			
As at 31st March 2022	**171.42**	**138.51**	**309.93**
Additions	–	0.04	0.04
As at 31st March 2023	**171.42**	**138.55**	**309.97**
Additions on business combination	1,429.36	–	1,429.36
Additions	–	0.06	0.06
Disposals/Adjustments	–	(0.84)	(0.84)
As at 31st March 2024	**1,600.78**	**137.77**	**1,738.55**
Amortisation and impairment			
As at 31st March 2022	**171.42**	**130.42**	**301.84**
Amortisation for the year (refer note 30)	–	5.58	5.58
As at 31st March 2023	**171.42**	**136.00**	**307.42**
Amortisation for the year (refer note 30)	–	2.41	2.41
Disposals/Adjustments	–	(0.84)	(0.84)
As at 31st March 2024	**171.42**	**137.57**	**308.99**
Net book value			
As at 31st March 2024	**1,429.36**	**0.20**	**1,429.56**
As at 31st March 2023	**–**	**2.55**	**2.55**

Goodwill is monitored by the Group at each cash-generating unit (CGU) level. The Group has identified each cash generating subsidiary as the CGUs.The Group tests goodwill for impairment on an annual basis. The recoverable amount has been determined based on fair value less costs of disposal calculations which uses cash flow projections based on financial budgets covering a period of five years.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 4: Investment in associates

	Currency	Face value	As at 31st March 2024 Number of units	As at 31st March 2024 Amount	As at 31st March 2023 Number of units	As at 31st March 2023 Amount
Unquoted equity shares: At amortised cost						
Shree Renuka Global Ventures Limited (refer note 35)	USD	1	81,615,000	0.31	81,615,000	0.31
Less:- Share of losses of associate restricted to Group's interest in the associate				(0.31)		(0.31)
				-		-

Note 4 (a) : Investments (others)

	Currency	Face value	As at 31st March 2024 Number of units	As at 31st March 2024 Amount	As at 31st March 2023 Number of units	As at 31st March 2023 Amount
Unquoted equity shares: At fair value through other comprehensive income (fully paid)						
National Commodity & Derivatives Exchange Ltd.(NCDEX) (refer note 42)	INR	10	2,533,700	342.89	2,533,700	420.82
Quoted equity shares: At fair value through profit and loss account (fully paid)						
Simbhaoli Sugars Limited (refer note 42)	INR	10	-	-	352,934	2.97
Aggregate value of total investments				**342.89**		**423.79**
Aggregate value of quoted investments				**-**		**2.97**
Aggregate value of unquoted investments				**342.89**		**420.82**

Note 4 (b) : Non-current loans

	As at 31st March 2024	As at 31st March 2023
Unsecured and considered good (at amortised cost) :		
Loans to associates (refer note 39)	15,588.26	15,588.26
Less: Impairment allowance (refer note 39)	(15,588.26)	(15,588.26)
	-	-
Break-up for security details		
Unsecured, considered good	-	-
Unsecured, credit impaired (refer note 39)	15,588.26	15,588.26
(A)	**15,588.26**	**15,588.26**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, credit impaired (refer note 39)	(15,588.26)	(15,588.26)
(B)	**(15,588.26)**	**(15,588.26)**
(A-B)	**-**	**-**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 5: Other non-current financial assets

	As at 31st March 2024	As at 31st March 2023
Unsecured and considered good (at amortised cost) :		
Fixed deposit pledged with bank/deposited with government authorities	**80.96**	**129.66**
Deposits	322.70	316.27
Less: Impairment allowance	(71.81)	(71.56)
	250.89	**244.71**
	331.85	**374.37**
Breakup for security details		
Unsecured, considered good	331.85	374.37
Unsecured, credit impaired	71.81	71.56
(A)	**403.66**	**445.93**
Impairment allowance		
Unsecured, considered good	–	–
Unsecured, credit impaired	(71.81)	(71.56)
(B)	**(71.81)**	**(71.56)**
(A-B)	**331.85**	**374.37**

Note 6: Other non-current assets

	As at 31st March 2024	As at 31st March 2023
Capital advances	**44.14**	**48.70**
Amount paid under protest to government authorities	600.88	565.22
Less: Impairment allowance	(165.52)	(154.30)
	435.36	**410.92**
	479.50	**459.62**
Breakup for security details		
Unsecured, considered good	479.50	459.62
Unsecured, credit impaired	165.52	154.30
(A)	**645.02**	**613.92**
Impairment allowance		
Unsecured, considered good	–	–
Unsecured, credit impaired	(165.52)	(154.30)
(B)	**(165.52)**	**(154.30)**
(A-B)	**479.50**	**459.62**

Note 7: Income tax

The major components of income tax expenses for the year ended 31st March 2024 and 31st March 2023 are:

	As at 31st March 2024	As at 31st March 2023
Profit and loss section		
Current income tax:		
Current income tax charge	57.95	24.84
Income tax relating to earlier years	20.92	–
Deferred tax:		
Relating to origination and reversal of temporary differences and write-down of deferred tax asset	1,574.98	146.19
Income tax expense reported in the consolidated statement of profit and loss	**1,653.85**	**171.03**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

OCI Section

Deferred tax related to items recognised in OCI during the year

	As at 31st March 2024	As at 31st March 2023
Net loss on remeasurements of defined benefit plans	(2.84)	(17.05)
Reversal of revaluation reserve on disposal / impairment of property, plant and equipment	(9.18)	(0.12)
Income tax income charged to OCI	**(12.02)**	**(17.17)**

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for 31st March 2024 and 31st March 2023

	As at 31st March 2024	As at 31st March 2023
Accounting loss before tax	**(4,618.08)**	**(1,795.65)**
Local tax rate	31.20%	31.20%
Tax at local rate	(1,440.84)	(560.24)
Effect of differential overseas tax rate	273.34	156.64
Effect of differential domestic tax rate	(10.22)	(8.58)
Interest remission by affiliate company	19.52	34.68
Movement related to government grant accounted	9.70	50.35
Disallowance on which deferred tax asset is not considered due to uncertainity regarding recoverability	917.25	–
Previous year losses on which DTA was considered to be not recoverable during the year	1,758.88	224.27
Adjustment of tax relating to earlier periods	20.92	–
MAT credit used during the year	10.36	–
Reversal of DTA on conversion of loan into investments	–	235.10
Others	94.94	38.81
Income tax expense in the consolidated statement of profit and loss	**1,653.85**	**171.03**

Deferred tax

	As at 31st March 2024	As at 31st March 2023
Accelerated depreciation for tax purposes	(9,357.42)	(8,985.96)
Expenses claimed on payment basis	638.20	486.80
Losses available for offsetting against future taxable income	5,506.34	7,083.31
MAT credit entitlement	155.20	–
Net deferred tax liability	**(3,057.68)**	**(1,415.85)**

Presented in the balance sheet as follows:

	As at 31st March 2024	As at 31st March 2023
Deferred Tax Assets (DTA)	76.29	–
Deferred Tax Liabilities (DTL)	(3,133.97)	(1,415.85)
Deferred Tax Liabilities (DTL)	**(3,057.68)**	**(1,415.85)**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Reconciliation of deferred liabilities:

	As at 31st March 2024	As at 31st March 2023
Opening balance as at 1st April (net)	(1,415.85)	(1,287.94)
Tax expense during the period recognised in profit and loss	(1,653.85)	(146.19)
Tax income during the period recognised in OCI	12.02	17.17
Other adjustments	–	1.11
Closing balance	**(3,057.68)**	**(1,415.85)**

Deferred tax assets are recognised on unabsorbed depreciation since these losses do not have any expiry and will offset the deferred tax liability over the period when the deferred tax liabilities reverse. Deferred tax assets are recognized on carry-forward business losses and disallowances with finite life for allowance only to the extent that management projections provides evidence that these losses/disallowances could be recovered within the expiry period. Management assesses the recoverability of deferred tax assets created on business losses and finite life disallowances on an annual basis and 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 that would be available for set-off against these losses and disallowances, together with future tax planning strategies.

The Group has unabsorbed depreciation of INR 17,436.16 million (31st March 2023: INR 17,008.68 million), unabsorbed tax losses of INR 406.39 million (31st March 2023: INR 6,717.57 million) on which deferred tax asset has been created. In addition, the group has MAT credit entitlement of INR 155.20 million (31st March 2023: Nil) included in the balance of deferred tax assets. 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.

Based on the annual assessment performed by the management considering the changes in the business scenario for determining recoverability of deferred tax assets created, the Group has not created deferred tax assets on unabsorbed tax losses carried forward of INR 8,854.34 million (31st March 2023: INR 2,635.11 million) and on unclaimed Section 94B disallowance of INR 2,928.90 million (31st March 2023: Nil). The Group has a history of losses and the Group does not expect to generate adequate taxable profits against which these losses/disallowances are expected to be utilized. The Group neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses/disallowances as deferred tax assets as at the period end date. On this basis, the Company has derecognised deferred tax assets on the tax losses carried forward and Section 94B disallowances as stated above. 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 and 2029-30 and unabsorbed Section 94B disallowance can be utilized within a period of 8 years and will expire in financial year 2031-32.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 8: Inventories

	As at 31st March 2024	As at 31st March 2023
Raw materials and components (at cost)	18,767.49	5,187.54
(includes transit stock of 31st March 2024: INR 7,101.27 million (31st March 2023: INR 3.15 million))		
Stores and spares (at cost)*	760.09	669.62
(includes transit stock of 31st March 2024: INR 15.25 million (31st March 2023: INR 5.80 million))		
Intermediate products (at lower of cost or net realisable value)	1,425.87	2,514.63
Finished goods: (at lower of cost or net realisable value)	23,817.79	14,414.19
(includes transit stock INR 116.45 million (31st March 2023: INR 1.14 million))		
	44,771.24	**22,785.98**

* Includes packing material and consumables

Cost of inventories includes expenses of INR 748.40 million (31st March 2023: INR 233.80 million) in respect of write down of inventories to Net realisable value.

Note 9: Trade receivables (including unbilled revenue)

	As at 31st March 2024	As at 31st March 2023
Unsecured, considered good		
Receivables from third parties	5,031.26	2,035.02
Less: Impairment allowance	(226.99)	(197.72)
	4,804.27	**1,837.30**
Receivables from affiliates (refer note 39)	1,376.55	230.44
Less: Impairment allowance	–	–
	1,376.55	**230.44**
	6,180.82	**2,067.74**
Break-up for security details:		
Unsecured, considered good		
Receivables from third parties	4,804.27	1,837.30
Receivables from affiliates (refer note 39)	1,376.55	230.44
Unsecured, credit impaired	–	
Receivables from third parties	226.99	197.72
Receivables from affiliates (refer note 39)	–	–
(A)	**6,407.81**	**2,265.46**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	–	–
Unsecured, credit impaired	(226.99)	(197.72)
(B)	**(226.99)**	**(197.72)**
(A-B)	**6,180.82**	**2,067.74**

During the year, the Group has recognised impairment allowance on 12-month expected credit loss model amounting to INR Nil (31st March 2023: INR 3.47 million). Also during the year, the Group has recognised impairment allowance on lifetime expected credit loss model amounting to INR 29.27 million (31st March 2023: INR 42.01 million).

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

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 or a director or a member is mentioned in note 39 (A).

Trade receivables are non-interest bearing and are generally on terms of 7 to 180 days.

Trade receivables Ageing Schedule

Outstanding for following periods from due date of payment	As at 31st March 2024	As at 31st March 2023
i. Undisputed Trade Receivables – considered good :		
Current but not due	2,428.10	801.10
Less than 6 Months	3,635.99	1,144.65
6 months – 1 year	30.03	69.07
1-2 years	80.94	12.08
2-3 years	–	20.91
More than 3 years	5.76	14.26
	6,180.82	**2,062.07**
ii. Disputed Trade Receivables – considered good :		
Current but not due	–	–
Less than 6 Months	–	–
6 months – 1 year	–	–
1-2 years	–	–
2-3 years	–	–
More than 3 years	–	5.67
	–	**5.67**
iii. Undisputed Trade Receivables – credit impaired :		
Current but not due	–	–
Less than 6 Months	–	–
6 months – 1 year	–	0.77
1-2 years	–	0.75
2-3 years	7.65	0.18
More than 3 years	16.96	1.30
	24.61	**3.00**
iv. Disputed Trade Receivables – credit impaired :		
Current but not due	–	–
Less than 6 Months	0.30	1.02
6 months – 1 year	3.77	–
1-2 years	14.57	5.25
2-3 years	18.23	12.25
More than 3 years	165.51	176.20
	202.38	**194.72**

Current but not due includes unbilled revenue of INR 251.07 million (31st March 2023: INR 305.42 million)

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 10: Cash and cash equivalents

	As at 31st March 2024	As at 31st March 2023
Unsecured and considered good (at amortised cost) :		
Cash and cash equivalents:		
Cash on hand	0.24	0.02
Balances with banks:		
in current accounts	378.48	1,670.31
	378.72	**1,670.33**

Note 11: Other bank balances

	As at 31st March 2024	As at 31st March 2023
Unsecured and considered good (at amortised cost) :		
Other bank balances:		
Earmarked balances		
Unpaid dividend account	0.02	0.02
Fixed deposit pledged with bank/deposited with government authorities*	156.87	181.04
	156.89	**181.06**

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

Note 12: Other current financial assets

	As at 31st March 2024	As at 31st March 2023
Unsecured and considered good (at amortised cost) :		
Derivative asset	40.46	–
Deposits with commodity agent	44.47	–
Duty drawback receivable	37.27	14.68
Interest receivable	147.35	162.74
Other receivables**	102.85	100.57
	372.40	**277.99**
Break-up for security details		
Unsecured, considered good	372.40	277.99
Unsecured, credit impaired	–	–
	372.40	**277.99**
	372.40	**277.99**

** Includes balance receivable from related parties amounting to INR 92.81 million (31st March 2023: INR 67.13 million) (refer note 39).

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 13: Other current assets

	As at 31st March 2024	As at 31st March 2023
Prepayments	**222.86**	**190.84**
Balances with government authorities	1,249.87	2,083.71
Less: Impairment allowance	(112.00)	–
	1,137.87	**2,083.71**
Advances to suppliers*	3,374.78	3,850.16
Less: Impairment allowance**	(2,582.60)	(2,583.71)
	792.18	**1,266.45**
Insurance claim receivable	385.69	–
Others	250.21	428.32
Less: Impairment allowance	(394.55)	(394.55)
	241.35	**33.77**
	2,394.26	**3,574.77**
Break-up for security details		
Unsecured, considered good	2,394.26	3,574.77
Unsecured, credit impaired	2,977.15	2,978.26
(A)	**5,371.41**	**6,553.03**
Impairment allowance		
Unsecured, considered good	–	–
Unsecured, credit impaired	(2,977.15)	(2,978.26)
(B)	**(2,977.15)**	**(2,978.26)**
(A-B)	**2,394.26**	**3,574.77**

*Includes advances to related parties amounting to INR 91.24 million (31st March 2023: INR 445.81 million) (refer note 39).

**Includes impairment of advances to related parties INR 91.24 million (31st March 2023: INR 91.24 million) (refer note 39).

Note 14a: Equity share capital

	As at 31st March 2024	As at 31st March 2023
a) Authorised share capital		
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
	25,150.00	**25,150.00**
b) Issued, subscribed and paid up		
2,128,489,773 Equity shares of INR 1 each fully paid	2,128.49	2,128.49
	2,128.49	**2,128.49**

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.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Issued equity capital

	Number of equity shares	Amount
As at 01st April 2022	**2,128,489,773**	**2,128.49**
Shares issued during the year	–	–
As at 31st March 2023	**2,128,489,773**	**2,128.49**
Shares issued during the year	–	–
As at 31st March 2024	**2,128,489,773**	**2,128.49**

Details of shareholders holding more than 5% shares in the equity share capital of the company

Name of the Shareholder	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	% holding	No. of Shares	% holding
Wilmar Sugar and Energy Pte. Ltd. (formerly known as Wilmar Sugar Holdings Pte. Ltd.)	1,329,875,232	62.48%	1,329,875,232	62.48%
ICICI Bank Limited	171,675,640	8.07%	171,675,640	8.07%

Shares held by promoters at the end of the year

Promoter name	No.of Shares	% of Total Shares	% change during the year
Wilmar Sugar and Energy Pte. Ltd.	1,329,875,232	62.48%	0.00%

Note 14b: Other equity

	As at 31st March 2024	As at 31st March 2023
Securities premium account (refer note a below)	32,034.85	32,034.85
Debenture Redemption Reserve (DRR) (refer note b below)	625.00	625.00
Equity contribution from parent (refer note c below)	1,888.95	945.69
Molasses Reserve fund (refer note c below)	1.96	–
Changes in equity instruments (refer note c below)	9.94	87.87
Foreign currency translation reserve (refer note c below)	(1,791.44)	(1,607.64)
Revaluation reserve (refer note c below)	10,080.96	10,899.34
Retained earnings (refer note c below)	(59,326.50)	(53,843.99)
Cost of hedging reserve (refer note c below)	(30.71)	(81.77)
	(16,506.99)	**(10,940.65)**

a. Securities premium account :

	Amount
As at 01st April 2022	**32,034.85**
Shares issued during the year	–
As at 31st March 2023	**32,034.85**
Shares issued during the year	–
As at 31st March 2024	**32,034.85**

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).

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

b. Debenture Redemption Reserve (DRR) :

	Amount
As at 01st April 2022	**625.00**
Transfer to/(from) retained earnings	–
As at 31st March 2023	**625.00**
Transfer to/(from) retained earnings	–
As at 31st March 2024	**625.00**

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.

c. Other reserves :

	As at 31st March 2024	As at 31st March 2023
Equity contribution by parent	1,888.95	945.69
Molasses Reserve fund	1.96	–
Changes in equity instrument and others	9.94	87.87
Foreign currency translation reserve	(1,791.44)	(1,607.64)
Revaluation reserve	10,080.96	10,899.34
Retained earnings	(59,326.50)	(53,843.99)
Cost of hedging reserve	(30.71)	(81.77)
Total other reserves	**(49,166.84)**	**(43,600.50)**

Equity Contribution from Parents :

During the year, Group had received waiver in respect of interest accrued on trade payables for purchase of raw sugar amounting to INR 62.58 million (31st March 2023: INR 111.14 million) and in respect of short term borrowings received from holding company Wilmar Sugar and Energy Pte. Ltd. (formerly known as Wilmar Sugar Holdings Pte. Ltd.) amounting to INR 880.68 million (31st March 2023: INR 175.83 million). The Group accounted for these waivers as equity contribution from parent and has presented the same as a separate component of equity under Other Equity.

Molasses Reserve Fund :

Maintenance of Molasses reserve fund for regulation of adequate storage facilities is provided under section 10A of Uttar Pradesh Sheera Niyantran Adhiniyam, 1964 (U.P Act No.XIV of 1974) and every occupier of sugar factory has to set apart certain amount, as prescribed, towards molasses reservation fund, which has to be utilised for the provision and maintenance of adequate storage facilities for molasses in acceptance with general or special order issued from time to time by the Molasses Controller. Further clause 3 of the Molasses Control (Regulation of fund for Erection and Storage Facilities) Order, 1976 provides about the maintenance of the funds and the said fund is to be utilised only for the maintenance of adequate storage facilities with the permission of the Molasses Controller.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Changes in equity instruments and others :

Changes in equity instrument, represents reserves created in respect of investment in unquoted equity shares carried at Fair Value through Other Comprehensive Income.

Foreign currency translation reserve :

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Revaluation reserve :

Revaluation reserve is credited when property, plant and equipment are revalued at fair value and debited for assets disposed off during the year or for depreciation charge for the year on revalued assets (net of taxes). The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the Group recognised amount of INR 22.81 million (31st March 2023: INR 0.40 million) (net of deferred tax) as reversal of revaluation reserve on retiral/disposal of assets. During the year, Company transferred depreciation charge of INR 795.57 million (31st March, 2023 INR 776.69 million) from retained earnings to revaluation reserve as per the requirements of Ind AS 16.

Retained earnings :

Retained earnings represents surplus/(deficit) earned from the operations of the Group.

Cost of hedging reserve :

The Company designates the forward element of foreign currency forward contracts as cost of hedging and accumulates this cost in the statement of other comprehensive income over the term of the contract. Such amount is amortised to the statement of profit and loss on a systematic basis over the term of the contract.

Note 15: Borrowings (non-current)

	As at 31st March 2024	As at 31st March 2023
Secured		
a) Non-convertible debentures (refer note A, note B and note C below)		
750 Redeemable non-convertible debentures (11.70%) of INR 1,000,000 each	385.85	455.23
750 Redeemable non-convertible debentures (11.00%) of INR 1,000,000 each	750.00	750.00
500 Redeemable non-convertible debentures (11.30%) of INR 1,000,000 each	257.23	303.48
500 Redeemable non-convertible debentures (11.00%) of INR 1,000,000 each	500.00	500.00
b) Term Loans (refer note A and note B below)		
From Banks and financial institutions	75.97	5.28
From Holding Company – Wilmar Sugar and Energy Pte. Ltd. (refer note A(a) below)		
External Commercial Borrowings (ECB) (refer note 39)	24,894.88	24,445.92

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Unsecured		
a) Non-convertible debentures (refer note A (f) & note C below)		
28,500 Redeemable Non Convertible Debentures (9.45%) of INR 100,000 each	2,850.00	-
b) Term Loans (refer note A(c) to A(e) & note C below)		
From Banks and financial institutions	4,608.60	5,911.87
	34,322.53	**32,371.78**
Less: Current maturity of long-term borrowings transferred to short term borrowings (refer note 19)	(1,965.26)	(1,790.92)
	32,357.27	**30,580.86**

Terms of loans outstanding as at 31st March 2024

Particulars	Maturity	Effective rate of interest	As at 31st March 2024	As at 31st March 2023
Non-convertible debentures :				
Non-convertible debentures - LIC	31st March 2028	11.70%	385.85	455.23
Non-convertible debentures - LIC	31st March 2032	11.00%	750.00	750.00
Non-convertible debentures - LIC	31st March 2028	11.30%	257.23	303.48
Non-convertible debentures - LIC	31st March 2032	11.00%	500.00	500.00
Non-convertible debentures - DBS	4th January 2029	9.45%	2,850.00	-
Term Loans				
From Banks and financial institutions :				
First Abu Dhabi Bank	12th May 2026	9.70%	1,304.68	1,854.37
IDBI Bank Limited		8.70%	-	5.28
HDFC Bank	30th November 2026	9.25%	44.69	-
Union Bank of India	24th June 2026	9.25%	31.28	-
Standard Chartered Bank	06th June 2026	9.40%	2,056.74	2,834.03
DBS Bank	04th May 2027	9.93%	1,247.18	1,223.47
From Holding Company - Wilmar Sugar and Energy Pte. Ltd.:				
External Commercial Borrowings (ECB)	27th August 2025	9.21% #	24,894.88	24,445.92

ECB carry the interest @ 6 months SOFR + 3.40%. The EIR is calculated including applicable taxes, but excluding hedging cost.

Note A: Repayment schedule of external commercial borrowings, term loans and non-convertible debentures is as follows:

a) The External Commercial Borrowings (ECB) was received from its holding Company Wilmar Sugar and Energy Pte. Ltd. in the financial year 2020-21. The loan is repayable on maturity i.e. after 60 months from the date of last receipt of ECB. The maturity date of ECB is 27th August 2025.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

b) The repayment schedule of the non convertible debentures are as follows:

Particulars	No. of installments	Date of first installment	Date of last installment
750 Redeemable non-convertible debentures (11.70%) of INR 1,000,000 each	39 structured quarterly installment	30th September 2018	31st March 2028
750 Redeemable non-convertible debentures (11.00%) of INR 1,000,000 each	12 structured quarterly installment	30th June 2029	31st March 2032
500 Redeemable non-convertible debentures (11.30%) of INR 1,000,000 each	39 structured quarterly installment	30th September 2018	31st March 2028
500 Redeemable non-convertible debentures (11.00%) of INR 1,000,000 each	12 structured quarterly installment	30th June 2029	31st March 2032
28,500 Redeemable non-convertible debentures- DBS (9.45%) of INR 1,000,000 each	One Single Installment	04th January 2029	04th January 2029

c) Term loans availed from First Abu Dhabi Bank, having maturity date of 12th May 2026, are repayable in 20 structured quarterly instalments commencing from 12th August 2021.

d) Term loans availed from DBS, having maturity date of 04th May 2027, are repayable in 16 structured quarterly instalments commencing from 04th August 2023.

e) Term loans availed from Standard Chartered Bank, having maturity date of 06th June 2026, are repayable in 16 structured quarterly instalments commencing from 07th September 2022.

f) During the year ended 31st March 2024, the company has issued 9.45% non-convertible debentures (NCD) amounting to INR 2,850 million to DBS Bank. The NCDs are repayable on maturity, i.e, after 60 months from the date of disbursement. The maturity date is 04th January 2029.

g) Working Capital Term Loan (WCTL) of INR 51.10 million taken from Union Bank of India under Guaranteed Emergency Credit Line scheme. The term loan is for a duration of 5 years including a moratorium of 1 year and are repayable in 48 equal monthly instalments with effect from date of disbursement i.e. 24th June 2021. This facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Ltd.) Ministry of Finance, Government of India. The maturity date of the loan is 24th June 2026.

h) Working Capital Term Loan (WCTL) of INR 65.00 million taken from HDFC Bank Limited under Guaranteed Emergency Credit Line scheme. This loan is secured by way of extension of second ranking charge over the Primary and collateral security for the regular working capital limit of the Company. This term loan is for a duration of 5 years including a moratorium of 1 year and are repayable in 48 equal monthly instalments with effect from date of disbursement i.e. 02nd December 2021. This facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Ltd.) Ministry of Finance, Government of India. The maturity date of the loan is 30th November 2026.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note B: Nature of Security/Guarantees

Secured Non-convertible debentures

1. Exclusive charge by way of mortgage/ hypothecation on all the immoveable / moveable assets at Haldia & Panchaganga. Wilmar International Limited has given corporate guarantee for the issuance of these debentures.

ECB 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 Haldia which are exclusively charged to LIC.

2. First pari-passu charge for ECB Lender on all the current assets of the company both present and future.

Secured Working Capital Term Loans

For term loan from Union Bank of India

Working Capital Term Loan from Union Bank of India is under Emergency Credit Line Guarantee Scheme (ECLGS). The loan is secured by way of second charge over the movable, immovable and current assets of one of the subsidiaries.

For term loan from HDFC Bank

Working Capital Term Loan from HDFC Bank is under Emergency Credit Line Guarantee Scheme (ECLGS). The loan is secured by way of second charge over the movable, immovable and current assets of one of the subsidiaries.

Secured working capital

1 **Cash credit availed from HDFC Bank**

First Pari Passu charge on all current assets & Book Debts, First Pari Pasu charge on all movable Fixed Assets, First Pari Pasu charge on all Factory Land and Building & on Immovable Fixed assets of one of the subsidiaries.

Note C: Corporate guarantee

Corporate Guarantee of Wilmar International Limited towards term loan extended by First Abu Dhabi Bank, Standard Chartered Bank, DBS Bank and working capital loans (refer note 19) extended by Bank of America, Standard Chartered Bank, Ratnakar Bank Limited and DBS Bank India Limited aggregating to INR 25,162 million (31st March 2023: INR 20,700 million) .

The non convertible debentures are secured by corporate guarantee given by Wilmar International Limited.

Note D: The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Note E: There are no borrowings availed from banks or financial institutions on the basis of security of current assets.

Note 16: Lease liabilities

	As at 31st March 2024	As at 31st March 2023
Current	13.03	11.83
Non- current	201.67	188.48
	214.70	**200.31**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 17: Net employee benefit liabilities (non-current)

	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits:		
Provision for gratuity (refer note 38)	313.85	244.96
Provision for leave encashment	–	108.44
	313.85	**353.40**

Note 18: Government grants

	As at 31st March 2024	As at 31st March 2023
Current	146.56	141.56
Non- current	171.82	303.52
	318.38	**445.08**

The government grant has been recognised on the interest subvention receivable by the Group under the Scheme for Extending Financial Assistance to Sugar Mills for Enhancement and Augmentation of Ethanol Production Capacity, approved by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution).

Note 19: Borrowings (current)

	As at 31st March 2024	As at 31st March 2023
Secured :*		
Current maturity of long-term borrowings (refer note 15)	133.79	118.93
Cash Credit (including WCDL)	718.45	–
Working capital from banks:		
Rupee borrowings	77.37	58.00
Unsecured :		
Working capital from banks:		
Rupee borrowings**	10,069.00	9,668.31
Foreign Currency borrowings**	–	1,027.81
Current maturity of long-term borrowings (refer note 15)	1,831.47	1,671.99
Working capital borrowings		
Borrowings from Wilmar Sugar and Energy Pte. Ltd. ***	12,537.63	12,360.30
	25,367.71	**24,905.34**

*refer note B of note 15 for details of security.

**refer note C of note 15 for details of corporate guarantee.

***payable to related parties amounting to INR 12,537.63 million (31st March 2023: INR 12,360.30 million) (refer note 39).

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 20: Trade Payables

	As at 31st March 2024	As at 31st March 2023
Payables to others#*	6,826.77	6,381.21
Payables to related parties (refer note 39)	43,172.64	16,769.47
	49,999.41	**23,150.68**

#Terms and conditions of the above financial liabilities:

Trade payables have credit period in range of 0 to 180 days and certain trade payable carry interest from BL date for payments.

For terms and conditions with related parties, refer note 39

For explanations on the Group's liquidity risk management processes, refer note 43.

Trade payable includes liabilities in relation to H&T payables for which the Company has provided corporate guarantee to RBL Bank Limited of INR 750 million (31st March 2023: INR 2,000 million). The outstanding in relation to H&T payables is INR 703.71 million (31st March 2023: INR 1,290.82 million).

*The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

	As at 31st March 2024	As at 31st March 2023
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	65.39	130.04
- Interest due on above	1.57	1.61
Total	**66.96**	**131.65**
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.	1.57	1.61
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.	1.57	1.61

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Trade payables Ageing Schedule

	As at 31st March 2024	As at 31st March 2023
Outstanding for following periods from due date of payment		
i. MSME :		
Less than 1 year	66.96	131.65
1-2 years	–	–
2-3 years	–	–
More than 3 years	–	–
	66.96	**131.65**
ii. Others :		
Less than 1 year	48,826.82	22,223.98
1-2 years	638.70	447.38
2-3 years	313.16	290.20
More than 3 years	153.77	57.47
	49,932.45	**23,019.03**
iii. Disputed dues (MSMEs) :		
Less than 1 year	–	–
1-2 years	–	–
2-3 years	–	–
More than 3 years	–	–
	–	**–**
iv. Disputed dues (Others) :		
Less than 1 year	–	–
1-2 years	–	–
2-3 years	–	–
More than 3 years	–	–
	–	**–**
Total :		
Less than 1 year	48,893.78	22,355.63
1-2 years	638.70	447.38
2-3 years	313.16	290.20
More than 3 years	153.77	57.47
	49,999.41	**23,150.68**

There are no "unbilled" trade payables, hence the same are not disclosed in the ageing schedule. Less than 1 year includes "Not due" trade payables of INR 45,484.91 million (31st March 2023: INR 14,208.86 million).

Note 21: Other current financial liabilities

	As at 31st March 2024	As at 31st March 2023
Interest accrued but not due on borrowings#	573.32	444.89
Interest accrued on others*	1,216.29	533.21
Unclaimed dividend	0.02	0.02
Derivative liabilities	–	271.67
Salaries payable	70.23	72.72
Other payables	596.89	452.23
	2,456.75	**1,774.74**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Includes dues to related parties INR 463.10 million (31st March 2023: INR 398.27 million) (refer note 39).

* Includes dues to related parties INR 1,196.98 million (31st March 2023: INR 494.00 million) (refer note 39).

** Includes dues to related parties INR Nil (31st March 2023: INR 147.37 million) (refer note 39).

Note 22: Other current liabilities

	As at 31st March 2024	As at 31st March 2023
Advance from customers*	1,255.56	1,507.01
Statutory dues payable	309.51	184.40
Other payables**	111.89	209.42
Provision for Onerous contracts	–	10.91
	1,676.96	**1,911.74**

* Includes advance received from related parties amounting to INR 241.86 million (31st March 2023: INR 129.32 million) (refer note 39).

** Includes due to related parties INR 8.63 million (31st March 2023: INR 170.55 million) (refer note 39).

Note 23: Net employee benefit liabilities (current)

	As at 31st March 2024	As at 31st March 2023
Provision for gratuity (refer note 38)	71.74	63.90
Provision for leave encashment	150.17	27.98
	221.91	**91.88**

Note 24: Revenue from operations

	Year ended 31st March 2024	Year ended 31st March 2023
Revenue from contract with customers		
Sale of manufactured sugar	98,194.19	72,097.77
Sale of ethanol and allied products	8,593.51	11,977.27
Sale of traded sugar, coal and others	2,420.43	1,474.61
Sale of power	1,261.44	1,480.08
Sale of by-products and others	749.82	726.96
Sale of engineering products	1,596.14	2,277.16
Sale of services	182.40	36.44
	112,997.93	**90,070.29**
Other operating income		
Sales of scrap generated from operating activities	192.26	137.16
	113,190.19	**90,207.45**

Contract balances

Contract liability as at 31st March 2024 is INR 1,255.56 million (31st March 2023: INR 1,507.01 million).

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Performance obligation

The performance obligation is satisfied upon delivery of the goods to customers and on performance of services.

Revenue by category of contracts:

	Year ended 31st March 2024	Year ended 31st March 2023
Over a period of time basis	2,390.72	1,959.25
At a point-in-time basis	110,607.21	88,111.04
Total revenue from contracts with customer	**112,997.93**	**90,070.29**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended 31st March 2024	Year ended 31st March 2023
Revenue as per contracted price	113,116.52	90,218.61
Less: Discount	(62.03)	(67.98)
Less: Trade promotion expenses	(56.56)	(80.34)
Revenue from contract with customers	**112,997.93**	**90,070.29**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Revenue from operations – Segment for the year ended 31st March 2024

Type of goods or services	Sugar-milling	Sugar-refinery	Trading	Co-generation	Distillery	Engineering	Other	Eliminations	Total
Sale of manufactured sugar	15,092.51	83,101.68	-	-	-	-	-	-	98,194.19
Sale of ethanol and allied products	-	-	-	-	8,593.51	-	-	-	8,593.51
Sale of traded sugar, coal and others	-	-	2,420.43	-	-	-	-	-	2,420.43
Sale of power	-	209.52	-	1,051.92	-	-	-	-	1,261.44
Sale of by-products and others	147.24	382.72	-	12.70	10.87	-	196.29	-	749.82
Sale of engineering products	-	-	-	-	-	1,596.14	-	-	1,596.14
Sale of services	-	-	-	-	-	182.40	-	-	182.40
Inter-segment sales	8,108.14	0.91	-	3,427.56	-	660.37	-	(12,196.98)	-
Total revenue from contract with customers including intersegment sales	**23,347.89**	**83,694.83**	**2,420.43**	**4,492.18**	**8,604.38**	**2,438.91**	**196.29**	**(12,196.98)**	**1,12,997.93**
Other operating income									
Sales of scrap generated from operating activities	182.18	-	-	-	-	10.08	-	-	192.26
Revenue from operations	**23,530.07**	**83,694.83**	**2,420.43**	**4,492.18**	**8,604.38**	**2,448.99**	**196.29**	**(12,196.98)**	**1,13,190.19**

Revenue from operations for the year ended 31st March 2024

Type of goods or services	Sugar-milling	Sugar-refinery	Trading	Co-generation	Distillery	Engineering	Other	Eliminations	Total
India	15,239.75	1,399.69	–	1,064.62	8,604.38	1,128.61	196.29	–	27,633.34
Outside India	–	82,294.23	2,420.43	–	–	649.93	–	–	85,364.59
Inter-segment sales	8,108.14	0.91	–	3,427.56	–	660.37	–	(12,196.98)	–
Total revenue from contract with customers including intersegment sales	**23,347.89**	**83,694.83**	**2,420.43**	**4,492.18**	**8,604.38**	**2,438.91**	**196.29**	**(12,196.98)**	**1,12,997.93**
Other operating income									
India	182.18	–	–	–	–	10.08	–	–	192.26
Revenue from operations	**23,530.07**	**83,694.83**	**2,420.43**	**4,492.18**	**8,604.38**	**2,448.99**	**196.29**	**(12,196.98)**	**1,13,190.19**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Revenue from operations – Segment for the year ended 31st March 2023

Type of goods or services	Sugar-milling	Sugar-refinery	Trading	Co-generation	Distillery	Engineering	Other	Eliminations	Total
Sale of manufactured sugar	15,761.76	56,336.01	–	–	–	–	–	–	72,097.77
Sale of ethanol and allied products	–	–	–	–	11,977.27	–	–	–	11,977.27
Sale of traded sugar, coal and others	–	–	1,474.61	–	–	–	–	–	1,474.61
Sale of power	–	150.35	–	1,329.73	–	–	–	–	1,480.08
Sale of by-products and others	338.42	269.11	–	15.98	–	–	103.45	–	726.96
Sale of engineering products	–	–	–	–	–	2,277.16	–	–	2,277.16
Sale of services	–	–	–	–	–	36.44	–	–	36.44
Inter-segment sales	13,324.59	1,239.53	–	3,073.20	–	2,285.79	–	(19,923.11)	–
Total revenue from contract with customers including intersegment sales	**29,424.77**	**57,995.00**	**1,474.61**	**4,418.91**	**11,977.27**	**4,599.39**	**103.45**	**(19,923.11)**	**90,070.29**
Other operating income									
Sales of scrap generated from operating activities	–	–	–	–	–	–	137.16	–	137.16
Revenue from operations	**29,424.77**	**57,995.00**	**1,474.61**	**4,418.91**	**11,977.27**	**4,599.39**	**240.61**	**(19,923.11)**	**90,207.45**

Revenue from operations for the year ended 31st March 2023

Type of goods or services	Sugar-milling	Sugar-refinery	Trading	Co-generation	Distillery	Engineering	Other	Eliminations	Total
India	13,876.95	885.57	59.00	1,345.71	11,977.27	938.25	103.45	-	29,186.20
Outside India	2,223.23	55,869.90	1,415.61	-	-	1,375.35	-	-	60,884.09
Inter-segment sales	13,324.59	1,239.53	-	3,073.20	-	2,285.79	-	(19,923.11)	-
Total revenue from contract with customers including intersegment sales	**29,424.77**	**57,995.00**	**1,474.61**	**4,418.91**	**11,977.27**	**4,599.39**	**103.45**	**(19,923.11)**	**90,070.29**
Other operating income									
India	-	-	-	-	-	-	137.16	-	137.16
Revenue from operations	**29,424.77**	**57,995.00**	**1,474.61**	**4,418.91**	**11,977.27**	**4,599.39**	**240.61**	**(19,923.11)**	**90,207.45**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year:

	As at 1st April 2023	As at 1st April 2022
Unearned revenue	–	–
Customer Advance	1,507.01	539.88

Changes in unbilled revenue and unearned revenue for the year:

	Year ended 31st March 2024	Year ended 31st March 2023
Opening unbilled revenue (refer note 9)	**385.81**	**–**
Opening unearned revenue included in advance from customers	**40.13**	**–**
Transfer of contract assets to receivable from opening unbilled revenue	–	–
Decrease in revenue as a result of changes in the measure of progress	136.78	40.13
Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	–	–
Decrease in revenue as a result of changes in the measure of progress on account of unbilled revenue	(385.81)	
Transfer of contract assets to receivable	–	–
Increase in revenue as a result of changes in the measure of progress on account of unearned revenue	(40.13)	
Increase in revenue as a result of changes in the measure of progress	519.74	374.89
Others*	–	10.92
Closing unbilled revenue (refer note 9)	**519.74**	**385.81**
Closing unearned revenue included in advance from customers	**136.78**	**40.13**

* includes adjustments on account of onerous contracts.

Note 25: Other income

		Year ended 31st March 2024	Year ended 31st March 2023
Other non-operating income:			
Income from commodity derivatives (net)		85.82	–
Excess provision of earlier years written back		45.44	321.80
Government assistance		146.19	115.06
Dividend on investments		–	1.51
RODTEP scrip income		33.37	191.78
Insurance claim received	75.26		
Less: Property, plant and equipment written off	43.50	31.76	9.28
Profit on sale of Fixed Assets		0.03	–
Income from services provided to related parties	59.94		
Less: Expenses pertaining to services provided	(55.24)	4.70	7.76
Miscellaneous income		50.96	186.02
Finance income:			
Interest on financial assets carried at amortized cost and others		85.55	24.69
		483.82	**857.90**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 26: Cost of raw materials consumed

	Year ended 31st March 2024	Year ended 31st March 2023
a. Raw material consumed		
i. Raw-sugar and white sugar		
Opening stock	4,125.93	3,490.17
Add: Purchases	89,853.32	50,576.97
Less: Closing stock	(18,307.93)	(4,125.93)
	75,671.32	**49,941.21**
ii. Sugar cane		
Opening stock	–	0.03
Add: Purchases	21,051.82	20,248.65
Less: Closing stock	(0.91)	–
	21,050.91	**20,248.68**
iii. Molasses, DNA, MGA and Rectified Spirit		
Opening stock	597.03	440.53
Add: Purchases	374.79	468.31
Less: Closing stock	(103.30)	(597.03)
	868.52	**311.81**
b. Other materials consumed		
i. Coal and Bagasse		
Opening stock	324.43	355.00
Add: Purchases	493.33	882.43
Less: Closing stock	(290.30)	(324.43)
	527.46	**913.00**
ii. Others		
Opening stock	1.38	2.34
Add: Purchases	7.78	5.66
Less: Closing stock	(3.91)	(1.38)
	5.25	6.62
iii. Engineering Division		
Opening stock	138.77	156.40
Add: Purchases	1,052.13	1,255.91
Less: Closing stock	(61.14)	(138.77)
	1,129.76	**1,273.54**
	99,253.22	**72,694.86**

Note 27: Purchase of traded goods

	Year ended 31st March 2024	Year ended 31st March 2023
Raw-sugar and White-sugar	2,233.93	207.40
Coal and others	1.95	18.91
	2,235.88	**226.31**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 28: Increase in inventories of finished goods and intermediate products

	Year ended 31st March 2024	Year ended 31st March 2023
Opening stock		
Intermediate products	2,514.63	4,633.02
Finished goods	14,414.19	11,123.09
(A)	**16,928.82**	**15,756.11**
Additions on Business Combination		
Intermediate products	3.48	-
Finished goods	795.26	-
(B)	**798.74**	**15,756.11**
Closing stock		
Intermediate products	1,425.87	2,514.63
Finished goods	23,817.79	14,414.19
(C)	**25,243.66**	**16,928.82**
(A+B-C)	**(7,516.10)**	**(1,172.71)**

Note 29: Employee benefit expenses

	Year ended 31st March 2024	Year ended 31st March 2023
Salaries, wages and bonus	1,639.60	1,448.02
Contribution to provident and other funds	93.29	81.77
Gratuity expenses (refer note 38)	52.27	36.18
Staff welfare expenses	97.54	101.06
	1,882.70	**1,667.03**

Note 30: Depreciation and amortisation expenses

	Year ended 31st March 2024	Year ended 31st March 2023
Depreciation of tangible assets (refer note 3(a))	2,545.88	2,235.89
Amortisation of right of use assets (refer note 3(a))	114.03	135.06
Amortisation of intangible assets (refer note 3(b))	2.41	5.58
	2,662.32	**2,376.53**

Note 31: Foreign exchange loss

	Year ended 31st March 2024	Year ended 31st March 2023
Foreign exchange loss unrealised	135.95	58.04
Foreign exchange loss realised	199.88	643.04
	335.83	**701.08**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 32: Finance costs

	Year ended 31st March 2024	Year ended 31st March 2023
Interest on :		
Term loans	330.96	163.97
External commercial borrowings	2,819.59	2,362.92
Working capital	884.44	949.93
Debentures	285.41	195.13
Others :		
Interest on others	3,809.84	1,740.30
Interest expenses on lease liabilities	17.77	19.69
Loan processing charges and other charges	126.27	133.72
Corporate guarantee fees	728.20	186.94
	9,002.48	**5,752.60**
Unwinding of interest on borrowings at concessional rate	177.29	161.39
	9,179.77	**5,913.99**

Note 33: Other expenses

	Year ended 31st March 2024	Year ended 31st March 2023
Consumption of stores and spares	879.03	825.04
Consumption of chemicals, consumables, oil and lubricants	772.25	772.94
Outsourced service cost	1,041.89	962.07
Consultancy services	79.14	64.13
Sugar house loading, un-loading and handling charges	298.91	269.88
Consumption of packing materials	1,142.48	1,157.45
Power and fuel	2,315.88	1,794.57
Rent	12.82	8.26
Repairs and maintenance:		
Plant and machinery	431.51	384.08
Buildings	8.57	10.79
Others	170.01	86.74
Rates and taxes	78.23	45.64
Insurance	119.10	90.12
Travelling and conveyance	37.37	35.78
Printing and stationery	15.04	16.19
Communication expenses	12.36	9.96
Legal and professional fees	295.52	393.26
Directors' sitting fees (refer note 39 (B))	8.45	20.65
Impairment of financial and other assets	121.74	156.22
Expected credit loss on trade receivables	29.75	45.48
Property, plant and equipment written off	2.86	5.66
Safety and security expenses	121.13	88.72
Donations and contributions	1.49	1.08
CSR Expenditure	27.15	11.33
Loss on sale of property, plant and equipment (net)	5.70	19.51
Loss on derivatives contracts	23.13	245.34
Freight and forwarding charges (including demurrage expenses)	1,524.06	2,430.76
Advertisement and sales promotion	257.36	213.70
Brokerage and discounts	79.44	35.61
Miscellaneous expenses	346.10	252.95
	10,258.47	**10,453.91**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 34: Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the 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.

The following reflects loss and share data used in the basic and diluted EPS computations:

	Year ended 31st March 2024	Year ended 31st March 2023
Loss attributable to equity holders of the parent for calculation of basic and diluted earnings per share	(6,271.45)	(1,969.70)
Total net loss attributable to equity shareholders	**(6,271.45)**	**(1,969.70)**
Weighted average number of equity shares for basic and diluted EPS**	2,128,489,773	2,128,489,773
Earnings Per Share		
Earning per share towards parent - Basic	(2.95)	(0.93)
Earning per share towards parent - Diluted	(2.95)	(0.93)

**Weighted average number of equity shares takes into account the weighted average effect of changes in share transactions during the year(if any).

Note 35: 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 31st March 2024	As at 31st March 2023
Current assets	2,173.84	1,736.71
Non-current assets	24,851.33	24,566.99
Total assets	**27,025.17**	**26,303.70**
Current liabilities	15,683.91	19,179.83
Non-current liabilities	77,895.33	70,896.33
Equity	(66,554.07)	(63,772.46)
Total equity and liabilities	**27,025.17**	**26,303.70**
Group's share in equity restricted to the value of group's interest in associates (refer note 4)	**(0.31)**	**(0.31)**
Group's carrying amount of the investment (refer note 4)	-	-

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Year ended 31st March 2024	Year ended 31st March 2023
Income		
Revenue from operations	26,682.81	19,915.98
Other income	8,547.65	10,551.82
Total income	**35,230.46**	**30,467.80**
Expenses		
Cost of raw materials consumed	25,023.93	19,663.31
Finance costs	3,525.45	1,435.29
Other expenses	2,042.60	232.55
Total expenses	**30,591.98**	**21,331.15**
Profit before tax	**4,638.48**	**9,136.65**
Tax income	47.96	4,295.16
Profit after tax	**4,686.44**	**13,431.81**
Other comprehensive income	–	–
Total comprehensive income	**4,686.44**	**13,431.81**
Group's share of profit for the year	–	–

The associate has earned profit after tax in current and previous year but since the accumalated losses as at 31st March 2024 and 31st March 2023 are higher than the Group's investment in associate after considering the current year and previous year profits, there is no requirement to account for profit pick-up entry during the current year or previous year.

Note 36: Commitment and contingencies

a. Capital commitments

Outstanding commitments of the Group are as follows:

Outstanding Commitments	As at 31st March 2024	As at 31st March 2023
Estimated value of contract pending for execution on capital account	388.21	494.48

Capital advances of INR 44.14 million (31st March 2023: INR 48.70 million) is paid against the pending contracts (refer note 6).

b. Guarantees

Outstanding guarantees of the Group are as follows:

Outstanding Guarantees	As at 31st March 2024	As at 31st March 2023
Bank guarantee	318.02	495.60
Corporate guarantee	1,267.98	2,606.40
Letter of Credit	–	7.85

Notes to consolidated financial statements for the year ended 31st March, 2024

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 31st March 2024	As at 31st March 2023
Income Tax Demands (refer note (i) below)	72.62	77.89
Excise and Service Tax Demands (refer note (ii) below)	1,896.38	2,530.50
Sales Tax/VAT Demands (refer note (iii) below)	36.63	37.68
GST Demands (refer note (iv) below)	48.92	48.92
Customs Demand (refer note (v) below)	2,210.44	2,212.68
Litigations related to erstwhile Brazilian subsidiaries (refer note (vi) below)	50.17	53.96
Other Matters (refer note (vii) below)	483.24	536.54
Total	**4,798.40**	**5,498.17**

i. Disputes pertaining to loan received by subsidiary added as income in computation by department against which appeal has been filed by the subsidiary and case is pending with CIT(A).

ii. Disputes pertaining to denial of cenvat credit on sugar cess, denial of cenvat credit on certain items used for fabrication of machinery, or for laying of machinery foundation or making of capital goods, demand under Rule 6(3) of the CENVAT Credit Rules, cenvat credit disallowed due to invoices being in the name of the head office and credit availed at plants and other matters.

iii. Disputes related to disallowance of input tax credit due to mismatch in forms filed and retention of input tax credit by assuming dealers holding license to generate, distribute or transmit electricity and other matters.

iv. Disputes related to disallowance of common credit as per rule 42 of CGST Rules, 2017.

During the year ended 31st March 2022, the Group received a show cause notice (SCN) from GST Department on completion of departmental audit for financial year 2017-18 for non-levy of GST on supply of Extra Neutral Alcohol to liquor manufacturing companies. The Group has obtained a stay order from Karnataka High Court against said SCN, the matter is pending before court as department has not yet filed any objections against said writ petitions in spite of specific directions from the court.

Litigation pertaining to short sanction of GST refund claim have not been considered as contingent liability, since the Group would get credit in electronic ledger for the amount of refund that is rejected and thus, there would be no loss of asset for the Group on the outcome of this litigation, i.e., the Group would either get the refund or the Company would retain the credit in the electronic ledger.

v. Disputes related to penalty levied for non-payment of Special Additional Duty (SAD) at the time of import of goods (which was subsequently paid by the Group along with interest) and duty levied on the imported goods on the context of wrong classification / availing incorrect exemption.

vi. These litigations related to erstwhile Brazilian subsidiaries pertains to labour litigations of these erstwhile subsidiaries in which the Group or the Wilmar Group has been made a party, on account of economic group concept considered in the Lower Court of Brazil. The Group has paid deposits of INR 165.52 million as at 31st March 2024 (31st March 2023: INR 154.30 million) for contesting the order in Higher Courts in Brazil and this deposit paid has been grouped under "Amount paid under protests to government authorities" in the balance sheet. This balance is fully impaired in the books of accounts as at 31st March 2024.

vii. Other matters mainly consist of litigations related to claims filed against customers / vendors for recovery of trade receivable / advance balances and other legal suits.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

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 gratuity fund is managed by the Life Insurance Corporation of India (LIC). The company's obligation in respect of gratuity plan is provided based on the acturial valuation. The company recognises acturial gains and losses immedaitely in other comprehensive income net of taxes.

Salary increases and gratuity increases are based on expected future inflation rates.

Risk to the plan

Following risks are 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, then 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, then 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.

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.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Actuarial Assumptions

Key actuarial assumptions are given below:

Discount Rate:

The rate used to discount long term employee benefit obligation (both funded and unfunded) is determined by reference to market yield at the balance sheet date on high quality government 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.

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 plan 31st March 2024	Gratuity plan 31st March 2023
1	**Change in benefit obligation**		
	Opening defined benefit obligation	390.14	327.89
	Additions on business combination	41.49	–
		431.63	327.89
	Current service cost	31.28	22.55
	Interest cost	28.46	19.85
	Actuarial gain due to change in financial assumptions	5.44	44.36
	Actuarial gain due to change in demographic assumption	1.94	7.01
	Actuarial loss/(gain) due to experience	0.72	3.23
	Benefits paid	(43.36)	(34.75)
	Closing defined benefit obligation	**456.11**	**390.14**
2	**Change in plan assets**		
	Opening value of plan assets	81.28	88.48
	Interest income	7.47	6.42
	Return on plan assets excluding amounts included interest income	(0.54)	(0.38)
	Contributions by employer	0.25	0.28
	Benefits paid	(17.94)	(13.52)
	Closing value of plan assets	**70.52**	**81.28**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Sr. No.	Particulars	Gratuity plan	
		31st March 2024	31st March 2023
3	**Fund status of plan (assets)/liability**		
	Present value unfunded obligations	170.10	178.59
	Present value funded obligations	286.01	211.55
	Fair value of plan assets	(70.52)	(81.28)
	Net liability (refer note 17 and 23)	**385.59**	**308.86**
4	**Other comprehensive loss for the current period**		
	Due to change in financial assumptions	5.44	44.36
	Due to change in demographic assumption	1.94	7.01
	Due to experience adjustments	0.72	3.23
	Return on plan assets excluding amounts included in interest income	0.54	0.38
	Amounts recognized in other comprehensive income	**8.64**	**54.98**
5	**Expenses for the current period**		
	Current service cost	31.28	22.55
	Interest cost (net of interest income on planned assets)	20.99	13.63
	Amount recognized in expenses (refer note 29)	**52.27**	**36.18**
6	**Defined benefit liability**		
	Net opening provision in books of accounts	308.86	239.41
	Additions on business combination	41.49	–
		350.35	239.41
	Employee Benefit Expense	52.27	35.98
	Amounts recognized in Other Comprehensive Income	8.64	54.98
	Contributions to plan assets	(0.25)	(0.27)
	Benefits paid by the Company	(25.42)	(21.24)
	Closing provision in books of accounts	**385.59**	**308.86**
	Non-current portion of liability	313.85	244.96
	Current portion of liability	71.74	63.90
7	**Composition of the plan assets**		
	Policy of insurance	100%	100%
	Total	**100%**	**100%**
8	**Principal Actuarial Assumption**		
	Discount rate	7.50%	7.30% to 7.50%
	Salary Growth rate	8%	8%
	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

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Sr. No.	Particulars	Gratuity plan	
		31st March 2024	31st March 2023
9	**Maturity Profile of Defined Benefit Obligation**		
	Expected Future Cash flows		
	Year 1	89.55	84.31
	Year 2	31.28	35.03
	Year 3	41.25	29.43
	Year 4	40.19	38.58
	Year 5	37.42	37.43
	Year 6 to 10	152.78	149.55
	Above 10 Years	434.81	345.38
	Average Expected Future Working Life (Years)	36.74	8.38
10	**Sensitivity to key assumptions****		
	Discount rate Sensitivity		
	Increase by 0.5%	439.51	374.26
	(% change)	-3.32%	-4.07%
	Decrease by 0.5%	470.53	398.27
	(% change)	3.51%	2.08%
	Salary growth rate Sensitivity		
	Increase by 0.5%	468.97	397.04
	(% change)	3.16%	1.77%
	Decrease by 0.5%	440.74	375.20
	(% change)	-3.05%	-3.83%
11	**Expected contributions to the defined benefit plan in next years**	**26.76**	**23.53**

****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 consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 39: Related party transactions

A) Related parties

(a) Ultimate Holding Company :

1 Wilmar International Limited

(b) Holding Company :

1 Wilmar Sugar and Energy Pte. Ltd.

(c) Affiliate Companies :

1 Adani Wilmar Limited
2 Wilmar Sugar Pte. Ltd.
3 Wilmar Sugar India Private Limited
4 Wilmar Agri Trading DMCC
5 Surface Wilmar Pvt. Ltd.
6 PT. Jawamanis Rafinasi
7 BIDCO Uganda Limited
8 MW Rice Millers Limited
9 SANIA Cie
10 PT DUTA Sugar International
11 Wilmar Africa Limited
12 Delta Wilmar Ukraine LLC
13 Wilmaco Food Industries
14 Wilmar Processing SA (Pty) Ltd
15 Global Industries Limited
16 PT Multi Nabati Sulawesi
17 Wilmar Edible Oils Philippines, INC
18 PT Wilmar Nabati International
19 Wilmar SA Pty. Ltd.
20 PT Wilmar Bioenergi Indonesia
21 Wilmar Rice Tanzania Ltd.
22 Wilmar Sugar Pty. Ltd.
23 AW Food Ingredients SA
24 WII Pte. Ltd.

(d) Associate Companies :

1 Shree Renuka Global Ventures Limited
2 Shree Renuka do Brazil Participacoes Ltda
3 Renuka Vale do Ivaí S/A
4 Renuka do Brasil S/A
5 Shree Renuka Sao Paulo Participacoes Ltda

(e) Entities in which Director is a Key managerial personnel:

1 The Solvent Extractors Association

(f) Key managerial personnel

1 Mr. Atul Chaturvedi – Executive Chairman
2 Mr. Vijendra Singh – Executive Director & Dy. CEO
3 Mr. Ravi Gupta – Executive Director
4 Mr. Sunil Ranka – Chief Financial Officer
5 Mr. Deepak Manerikar – Company Secretary

(g) Additional related parties as per the Companies Act, 2013 :

1 Mr. Kuok Khoon Hong – Non-Executive Director
2 Mr. Jean-Luc Bohbot – Non-Executive Director
3 Mr. Charles Loo Cheau Leong – Non Executive Director
4 Mr. Madhu Rao – Independent Director
5 Dr. B. V. Mehta – Independent Director
6 Ms. Priyanka Mallick – Independent Director
7 Mr. Arun Chandra Verma – Independent Director
8 Mr. Seetharaman Sridharan – Independent Director
9 Mr. Siraj Hussain – Independent Director
10 Mr. T.K. Kanan (Alternate Director to Mr. Kuok Khoon Hong)

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

A. Transactions with related parties

Sr No	Particulars	As at and year ended	Sales*	Purchases of goods and services*#	Rental income/ other income	Interest expense on payables and others	Interest waiver	Loans and advance (received)/ repaid	Advance received for supply of goods / services	Advance given for supply of goods	Interest on ECB Loan and commitment fees	Others - CSR Contribution
(a)	Ultimate Holding Company :											
i	Wilmar International Limited	31 March 2024	-	37.98	59.95	728.30	-	-	-	-	-	-
		31 March 2023	-	33.26	55.20	186.94	-	-	-	-	-	-
(b)	Holding Company :											
i	Wilmar Sugar and Energy Pte. Ltd.	31 March 2024	-	-	-	862.65	862.65	-	-	-	2,382.63	-
		31 March 2023	-	-	-	480.46	175.83	(698.69)	-	-	1,531.68	-
(c)	Affiliate Companies :											
i	Adani Wilmar Limited	31 March 2024	269.58	1.82	-	-	-	-	-	-	-	-
		31 March 2023	762.58	-	-	-	-	-	8.41	-	-	-
ii	Wilmar Sugar Pte. Ltd.	31 March 2024	20,778.46	86,329.26	-	2,799.72	62.58	-	34.81	-	-	-
		31 March 2023	45,838.70	19,865.12	6.35	704.01	111.14	-	6,487.38	-	-	-
iii	Wilmar Sugar India Private Limited	31 March 2024	-	3,058.57	0.80	109.22	-	-	-	137.39	-	-
		31 March 2023	-	29,986.98	87.15	321.03	-	-	-	4,247.30	-	-
iv	Wilmar Sugar Pty. Ltd.	31 March 2024	-	0.06	-	-	-	-	-	-	-	-
		31 March 2023	-	-	-	-	-	-	-	-	-	-
v	Wilmar Agri Trading DMCC	31 March 2024	416.21	-	2.78	-	-	-	-	-	-	-
		31 March 2023	-	-	2.08	-	-	-	-	-	-	-
vi	PT. Jawamanis Rafinasi	31 March 2024	46.96	-	-	-	-	-	137.37	-	-	-
		31 March 2023	51.13	-	-	-	-	-	115.41	-	-	-
vii	BIDCO Uganda Limited	31 March 2024	4.65	-	-	-	-	-	9.21	-	-	-
		31 March 2023	11.75	-	-	-	-	-	10.38	-	-	-
viii	MW Rice Millers Limited	31 March 2024	-	-	-	-	-	-	-	-	-	-
		31 March 2023	1.67	-	-	-	-	-	0.09	-	-	-
ix	SANIA Cie	31 March 2024	44.62	-	-	-	-	-	30.12	-	-	-
		31 March 2023	1.19	-	-	-	-	-	14.14	-	-	-
x	Surface Wilmar Pvt. Ltd.	31 March 2024	0.20	-	-	-	-	-	1.55	-	-	-
		31 March 2023	-	-	-	-	-	-	-	-	-	-
xi	Wilmar Africa Limited	31 March 2024	8.43	-	-	-	-	-	6.69	-	-	-
		31 March 2023	35.26	-	-	-	-	-	26.03	-	-	-
xii	Wilmar Rice Tanzania Ltd.	31 March 2024	65.54	-	-	-	-	-	77.56	-	-	-
		31 March 2023	-	-	-	-	-	-	-	-	-	-
xiii	PT DUTA Sugar International	31 March 2024	-	-	-	-	-	-	-	-	-	-
		31 March 2023	0.40	-	-	-	-	-	-	-	-	-
xiv	Global Industries Limited	31 March 2024	11.39	-	-	-	-	-	6.98	-	-	-
		31 March 2023	67.06	-	-	-	-	-	39.40	-	-	-

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Sr No	Particulars	As at and year ended	Sales*	Purchases of goods and services*#	Rental income/ other income	Interest expense on payables and others	Interest waiver	Loans and advance (received)/ repaid	Advance received for supply of goods / services	Advance given for supply of goods	Interest on ECB Loan and commitment fees	Others - CSR Contribution
xv	Wilmaco Food Industries	31 March 2024	-	-	-	-	-	-	21.19	-	-	-
		31 March 2023	5.93	-	-	-	-	-	-	-	-	-
xvi	Wilmar Processing SA (PTY) Ltd.	31 March 2024	8.02	-	-	-	-	-	2.47	-	-	-
		31 March 2023	195.44	-	-	-	-	-	35.47	-	-	-
xvii	Delta Wilmar Ukraine LLC	31 March 2024	-	-	-	-	-	-	-	-	-	-
		31 March 2023	2.95	-	-	-	-	-	1.49	-	-	-
xviii	PT Multi Nabati Sulawesi	31 March 2024	4.97	-	-	-	-	-	3.48	-	-	-
		31 March 2023	-	-	-	-	-	-	1.50	-	-	-
xix	Wilmar Edible Oils Philippines, INC	31 March 2024	3.06	-	-	-	-	-	2.67	-	-	-
		31 March 2023	-	-	-	-	-	-	0.29	-	-	-
xx	PT Wilmar Nabati International	31 March 2024	0.04	-	-	-	-	-	0.04	-	-	-
		31 March 2023	0.11	-	-	-	-	-	-	-	-	-
xxi	Wilmar SA Pty. Ltd.	31 March 2024	8.02	-	-	-	-	-	2.47	-	-	-
		31 March 2023	-	-	-	-	-	-	7.28	-	-	-
xxii	PT Wilmar Bioenergi Indonesia	31 March 2024	9.84	-	-	-	-	-	7.13	-	-	-
		31 March 2023	-	-	-	-	-	-	2.62	-	-	-
xxiii	WII Pte. Ltd.	31 March 2024	-	1.23	-	-	-	-	-	-	-	-
		31 March 2023	-	0.95	-	-	-	-	-	-	-	-
xxiv	AW Food Ingredients SA	31 March 2024	-	-	-	-	-	-	21.19	-	-	-
		31 March 2023	-	-	-	-	-	-	-	-	-	-
(d)	Entities in which Director is a Key managerial personnel :											
i	The Solvent Extractors Association	31 March 2024	-	-	-	-	-	-	-	-	-	1.00
		31 March 2023	-	-	-	-	-	-	-	-	-	-

* Amounts are excluding GST.

includes services received from related parties which are disclosed under other expenses.

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 amounting to INR 25,612 million (31st March 2023: INR 20,700 million) towards term loans, non-convertible debentures and working capital limits extended by Banks to Shree Renuka Sugars Limited.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Details of amount receivable from related parties as at 31st March 2024 and 31st March 2023 are as follows:

Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Loans (refer note 4 (b))						
Associate Companies :						
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.	30.79	30.79	30.79	30.79	–	–
	15,588.26	**15,588.26**	**15,588.26**	**15,588.26**	**–**	**–**
Trade receivables (refer note 9)						
Affiliate Companies :						
Adani Wilmar Limited	16.44	52.77	–	–	16.44	52.77
Sania CIE	1.20	–	–	–	1.20	–
BIDCO Uganda Limited	–	2.03	–	–	–	2.03
PT. Jawamanis Rafinasi	–	23.20	–	–	–	23.20
Wilmar Agri Trading DMCC	49.14	–	–	–	49.14	–
Wilmar Sugar Pte. Ltd.	1,309.77	152.44	–	–	1,309.77	152.44
	1,376.55	**230.44**	**–**	**–**	**1,376.55**	**230.44**
Other current financial assets (refer note 12)						
Other receivables						
Ultimate Holding Company :						
Wilmar International Limited	7.94	17.91	–	–	7.94	17.91
Affiliate Companies :						
Wilmar Sugar India Private Limited	–	5.54	–	–	–	5.54
Wilmar Sugar Pte. Ltd.	84.87	43.68	–	–	84.87	43.68
	92.81	**67.13**	**–**	**–**	**92.81**	**67.13**
Other current assets (refer note 13)						
Associate Company :						
Renuka vale do Ivai S/A	91.24	91.24	91.24	91.24	–	–
Affiliate Company :						
Wilmar Sugar India Private Limited	–	354.57	–	–	–	354.57
	91.24	**445.81**	**91.24**	**91.24**	**–**	**354.57**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Impairment of amounts owed by related parties

As at 31st March 2024, the Group has accumulated impairment of INR 15,679.50 million (31st March 2023: INR 15,679.50 million) against total gross amount owed by related parties of INR 17,148.86 million (31st March 2023: INR 16,331.63 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.

Details of amounts payable to related parties as at 31st March 2024 and 31st March 2023 are as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
Borrowings (non-current) (refer note 15)		
Holding Company :		
Wilmar Sugar and Energy Pte. Ltd.	24,894.88	24,445.92
	24,894.88	**24,445.92**
Borrowings (current) (refer note 19)		
Holding Company :		
Wilmar Sugar and Energy Pte. Ltd.	12,537.63	12,360.30
	12,537.63	**12,360.30**
Trade payables (refer note 20)		
Affiliate Companies :		
Wilmar Sugar Pte. Ltd.	43,172.64	13,983.73
Wilmar Sugar India Private Limited	–	2,785.74
	43,172.64	**16,769.47**
Other current financial liabilities (refer note 21)		
Affiliate Company :		
Wilmar Sugar Pte. Ltd.	–	147.37
	–	**147.37**
Interest accrued on others		
Affiliate Companies :		
Wilmar Sugar Pte. Ltd.	1,196.98	442.85
Wilmar Sugar India Private Limited	–	51.15
	1,196.98	**494.00**
Interest accrued but not due on borrowings		
Holding Company :		
Wilmar Sugar and Energy Pte. Ltd.	463.10	398.27
	463.10	**398.27**
Advance from customers		
Affiliate Companies :		
PT. Jawamanis Rafinasi	159.75	82.47
BIDCO Uganda Limited	7.89	4.32
SANIA Cie	–	12.98
Wilmar Africa Limited	–	1.74
Global Industries Limited	–	2.64

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Particulars	As at 31st March 2024	As at 31st March 2023
PT Multi Nabati Sulawesi	–	1.50
Wilmar Edible Oils Philippines, INC	–	0.29
Wilmar SA Pty. Ltd.	1.87	7.28
PT Wilmar Bioenergi Indonesia	–	2.62
Wilmar Industries Zambia Ltd.	1.52	4.15
Adani Wilmar Limited	0.31	9.33
Surface Wilmar Pvt. Ltd.	1.35	–
Wilmar Rice Tanzania Ltd.	12.04	–
Wilmar Sugar Pty. Ltd.	0.91	–
Wilmar Sugar Pte. Ltd.	34.81	–
AW Food Ingredients SA	21.19	–
Wilmar Agri Trading DMCC	0.22	–
	241.86	**129.32**
Other payables		
Ultimate Holding Company :		
Wilmar International Limited	6.75	170.55
Affiliate Companies :		
Adani Wilmar Limited	1.64	–
WII Pte. Ltd.	0.24	–
	8.63	**170.55**

B. Transactions with key managerial personnel

Compensation of key managerial personnel*

	As at 31st March 2024	As at 31st March 2023
Short-term employee benefits	174.72	160.25
Contribution to provident fund	5.02	3.01
Sitting fees	2.92	20.65
Total	**182.66**	**183.91**

* Gratuity and leave encashment for Key managerial personnel is included in overall provision for gratuity and leave encashment.

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 31st March 2024 and 31st March 2023:

Particulars	Gokak Sugars Limited
Proportion of non-controlling interest	6.36%
Country of incorporation and operations	India

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Accumulated balance of material non-controlling interest

Particulars	As at 31st March 2024	As at 31st March 2023
Accumulated balance of material non-controlling interest	5.24	5.72
Profit/(Loss) allocated to material non-controlling interest	(0.48)	3.02

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 31st March 2024	As at 31st March 2023
Non-current assets	1,567.79	1,595.67
Current assets	959.01	542.44
Total Assets	**2,526.80**	**2,138.11**
Non-current liabilities	1,811.94	1,393.28
Current liabilities	545.91	565.59
Total Liabilities	**2,357.85**	**1,958.87**

Summarised statement of profit and loss

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Total revenue	1,896.08	2,709.58
Less:		
Cost of goods sold	1,296.48	2,073.26
Finance Cost	169.48	182.93
Other expenses	400.99	389.00
Total cost	**1,866.95**	**2,645.19**
Profit before tax	29.13	64.39
Tax expenses	36.72	17.02
Profit after tax	(7.59)	47.37
Other comprehensive income	(2.73)	(1.85)
Total Comprehensive Income	**(10.32)**	**45.52**

Note 41: Hedging activities and derivatives

The Group has obtained External Commercial Borrowings (ECB) during the financial year ended 31st March 2021 from its Holding Company, Wilmar Sugar and Energy Pte. Ltd. amounting to USD 300 million. The Group 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.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and thus, these contracts are accounted as financial instruments with out hedge accounting.

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of 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:

a. 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 designated as hedging instruments:

	Maturities		
	1 to 3 months	**3 to 6 months**	**Total**
As at 31st March 2023			
Foreign exchange forward contracts			
Notional amount (million INR)	8,355.00	16,770.50	25,125.50
Average forward rate (INR/USD)	83.55	83.75	
As at 31st March 2024			
Foreign exchange forward contracts			
Notional amount (million INR)	25,032.99	–	25,032.99
Average forward rate (INR/USD)	83.44	–	

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
As at 31st March 2023				
Foreign exchange forward contracts	25,125.50	1,074.24	Other current financial liabilities	1,957.57
As at 31st March 2024				
Foreign exchange forward contracts	25,032.99	(126.56)	Other current financial assets	354.00

Notes to consolidated financial statements for the year ended 31st March, 2024

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 hedging reserve
As at 31st March 2023			
Foreign exchange forward contracts	1,957.57	1,957.57	(883.33)
As at 31st March 2024			
Foreign exchange forward contracts	354.00	354.00	(480.56)

The effect of the cash flow hedge in the statement of profit and loss is as follows :

	Total hedging gain 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
Year ended 31st March 2023					
Net gain/(loss) on cash flow hedges	1,957.57	–	–	(1,957.57)	Foreign exchange loss (net)
Net change in costs of hedging	–	–	(883.33)	834.15	Finance cost
Year ended 31st March 2024					
Net gain/(loss) on cash flow hedges	354.00	–	–	(354.00)	Foreign exchange loss (net)
Net change in costs of hedging	–	–	(480.56)	531.62	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 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Financial assets:				
Fair value through profit or loss				
Derivative instruments at fair value through profit or loss	40.46	–	40.46	–
Investment in equity shares of Simbhaoli Sugars Limited	–	2.97	–	2.97
Fair value through other comprehensive income				
Investment in equity shares of National Commodity Derivative Exchange Limited(NCDEX)	342.89	420.82	342.89	420.82
Other financial assets at amortised cost				
Trade receivables	6,180.82	2,067.74	6,180.82	2,067.74
Cash and cash equivalents	378.72	1,670.33	378.72	1,670.33
Other bank balance	156.89	181.06	156.89	181.06
Other financial assets	663.79	652.36	663.79	652.36
Total financial assets	**7,763.57**	**4,995.28**	**7,763.57**	**4,995.28**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

	Carrying Value		Fair Value	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Financial liabilities:				
Fair value through profit and loss				
Derivative financial instruments	–	271.67	–	271.67
Other financial liabilities at amortised cost				
Borrowings				
Redeemable non-convertible debentures	4,743.08	2,008.71	4,743.08	2,008.71
Other borrowings at floating rate of interest	51,677.22	51,617.78	51,677.22	51,617.78
Other borrowings at fixed rate of interest	1,304.68	1,859.71	1,304.68	1,859.71
Trade Payables	49,999.41	23,150.68	49,999.41	23,150.68
Other financial liabilities	2,671.45	1,703.38	2,671.45	1,703.38
Total financial liabilities	**110,395.84**	**80,611.93**	**110,395.84**	**80,611.93**

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 3 Fair value hierarchy.

The following methods and assumptions were used to estimate the fair values:

Fair value of the unquoted equity shares of National Commodity Derivative Exchange Limited(NCDEX) at FVTOCI has been estimated on the basis of market multiple method using the price to book value ratio of comparable quoted investments, adjusted for certain significant unobservable inputs like company specific risk and discount for lack of marketability.

The fair values of the Group's interest-bearing borrowings and loans are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March 2024 was assessed to be insignificant.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and foreign exchange spot and forward rates. There was no change observed in counterparty credit risk to have any material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2024 and 31st March 2023 are as shown below:

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Description of significant unobservable inputs to valuation:

	Valuation technique	Sensitivity of the input to fair value
Unquoted equity shares of National Commodity Derivative Exchange Limited(NCDEX)	Market realisable value has been estimated based on market multiple method using the price to book value ratio of comparable quoted investments, adjusted for certain significant unobservable inputs like company specific risk and discount for lack of marketability.	31st March 2024: 5% (31st March 2023: 5%) increase / (decrease) in the market price per share would result in increase/(decrease) in fair value by INR 17.14 million (31st March 2023: INR 21.04 million)

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI:

	Amount
As at 01st April 2022	**429.16**
Measurement recognised in OCI	(8.34)
As at 31st March 2023	**420.82**
Measurement recognised in OCI	(77.93)
As at 31st March 2024	**342.89**

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2024:

		Fair value measurement using		
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value – recurring fair value measurement:				
Derivative instruments at fair value through profit or loss	40.46	–	40.46	–
Investment in equity shares of National Commodity Derivative Exchange Limited(NCDEX)	342.89	–	–	342.89
Liabilities measured at fair value – recurring fair value measurement:				
Liabilities which are measured at amortised cost for which fair values are disclosed:				
Borrowings				
Redeemable non-convertible debentures	4,743.08	–	–	4,743.08

There are no changes in fair value hierarchy level during the year ended 31st March 2024.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2023:

	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value – recurring fair value measurement:				
Investment in equity shares of Simbhaoli Sugars Limited and National Commodity Derivative Exchange Limited (NCDEX)	423.79	2.97	–	420.82
Liabilities measured at fair value – recurring fair value measurement:				
Derivative financial instruments	271.67	–	271.67	–
Liabilities which are measured at amortised cost for which fair values are disclosed:				
Borrowings				
Redeemable non-convertible debentures	2,008.71	–	–	2,008.71

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 of the Company reviews and agrees for managing each of these risks.

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as equity price risk and commodity price risk.

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 and also short term borrowing of USD 150.32 million availed from its holding company Wilmar Sugar and Energy Pte. Ltd. and other foreign currency receivables and payables.

The Group manages its foreign currency risk for principal portion of ECB by hedging for a period of 4-6 months. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

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.

At 31st March 2024, the Company has fully hedged the foreign currency exposure related to principal portion of External Commercial Borrowing (ECB) loan for 4 to 6 months using foreign currency forward contracts and expects to roll-forward these hedges in the future periods to hedge the foreign currency risk.

Foreign currency sensitivity:

As at 31st March 2024 and 31st March 2023 net unhedged exposure of the Group to foreign currency asset and liabilities is as follows:

Amount in INR million

Currency	Assets as at		Liabilities as at	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
United States Dollar (USD)	5,147.18	1,320.75	(61,308.50)	(29,386.29)
United Arab Emirates Dirham (AED)	62.87	32.20	–	–
European Union (EURO)	–	13.26	–	(0.30)

5% increase and decrease in the foreign exchange rates will have the following impact on profit/(loss) before tax:

Amount in INR million

Currency	Sensitivity Analysis Assets		Sensitivity Analysis Liabilities	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Increase by 5%				
United States Dollar (USD)	257.36	66.04	(3,065.43)	(1,469.31)
United Arab Emirates Dirham (AED)	3.14	1.61	–	–
European Union (EURO)	–	0.66	–	(0.01)
Decrease by 5%				
United States Dollar (USD)	(257.36)	(66.04)	3,065.43	1,469.31
United Arab Emirates Dirham (AED)	(3.14)	(1.61)	–	–
European Union (EURO)	–	(0.66)	–	0.01

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 and short-term debt obligations with floating interest rates.

The Group manages its interest risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Interest rate sensitivity:

Particulars	As at 31st March 2024	Composition	As at 31st March 2023	Composition
Borrowing - Fixed interest rate	6,047.76	10.48%	3,868.42	6.97%
Borrowing - Floating interest rate	51,677.22	89.52%	51,617.78	93.03%
Total	**57,724.98**		**55,486.20**	

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/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit/ (loss) before tax
31st March 2024		
INR	50	258.39
31st March 2023		
INR	50	258.09

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 commodity prices on the profit/(loss) of the Group.

Commodity price sensitivity:

	Sugar	Cane	Raw-sugar
Increase in price by 5%			
31st March 2024	4,909.71	(1,052.55)	(3,783.57)
31st March 2023	3,604.89	(1,012.43)	(2,497.06)
Decrease in price by 5%			
31st March 2024	(4,909.71)	1,052.55	3,783.57
31st March 2023	(3,604.89)	1,012.43	2,497.06

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 conducts thorough credit assessments before granting credit terms and limits to customers, who are then monitored closely for adherence. Group's export sales are executed against advance or receipt against submission of documents. The Group's domestic sugar sales are primarily made to corporate customers, who are provided credit terms after thorough credit assessments and thereby, credit default risk is not significant for these customers. Other domestic sugar sales are primarily made on receipt of advance amount before goods are dispatched. Further, ethanol is sold to public sector undertakings and power is supplied to corporations run by state government, thereby the credit default risk is significantly mitigated.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Trade receivables:

Trade receivables are non-interest bearing and are generally on credit terms of 7 to 60 days.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on credit loss expected on the ageing of receivable balances (which is formulated based on past history of collections and business conditions combined). The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of the receivables (net of expected credit loss) has been considered from the date the invoice falls due.

The ageing is as follows:

	As at 31st March 2024	As at 31st March 2023
Up to 6 months	6,064.09	1,945.75
More than 6 months	116.73	121.99
	6,180.82	**2,067.74**

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, financial support from parent, etc. 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 cash flows.

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31st March 2024				
Borrowings	25,490.14	31,307.32	1,250.00	58,047.46
Trade and other payables	49,999.41	–	–	49,999.41
Lease liabilities	14.24	34.58	915.58	964.40
Other financial liabilities	2,456.75	–	–	2,456.75
Total	**77,960.54**	**31,341.90**	**2,165.58**	**111,468.02**
As at 31st March 2023				
Borrowings	25,000.84	29,810.63	1,250.00	56,061.47
Trade and other payables	23,150.68	–	–	23,150.68
Lease liabilities	15.83	36.83	922.27	974.93
Other financial liabilities	1,774.74	–	–	1,774.74
Total	**49,942.09**	**29,847.46**	**2,172.27**	**81,961.82**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

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 Group's capital management, amongst other things, aims to ensure that it meets financial and non-financial covenants (if any) and maximise shareholder's wealth. 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 Group 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 31st March 2024	As at 31st March 2023
Equity share capital	2,128.49	2,128.49
Other equity (including securities premium)	(16,506.99)	(10,940.65)
	(14,378.50)	**(8,812.16)**

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 31st March 2024	As at 31st March 2023
Equity	2,128.49	2,128.49
Other equity	(16,506.99)	(10,940.65)
	(14,378.50)	**(8,812.16)**
Total borrowings	57,724.98	55,486.20
Debt equity ratio	(4.01)	(6.30)

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2024 and 31st March 2023.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 45: Segment information

Primary segment reporting for the year ended 31st March 2024

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-Milling		Sugar - Refinery		Trading		Co-Generation		Distillery		Engineering		Other		Eliminations		TOTAL	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue																		
External sales	15,421.93	16,100.18	83,693.92	56,755.47	2,420.43	1,474.61	1,064.62	1,345.71	8,604.38	11,977.27	1,788.62	2,313.60	196.29	240.61	-	-	113,190.19	90,207.45
Inter-segment sales	8,108.14	13,324.59	0.91	1,239.53	-	-	3,427.56	3,073.20	-	-	660.37	2,285.79	-	-	(12,196.98)	(19,923.11)	-	-
Total Revenue	**23,530.07**	**29,424.77**	**83,694.83**	**57,995.00**	**2,420.43**	**1,474.61**	**4,492.18**	**4,418.91**	**8,604.38**	**11,977.27**	**2,448.99**	**4,599.39**	**196.29**	**240.61**	**(12,196.98)**	**(19,923.11)**	**113,190.19**	**90,207.45**
Results	64.33	568.97	4,061.30	2,507.30	84.22	(10.58)	328.34	45.96	908.57	2,084.81	(47.51)	(93.89)	106.03	159.62	-	-	5,505.28	5,262.19
Unallocated corporate expenses																	(1,005.76)	(1,300.67)
Operating profit																	**4,499.52**	**3,961.52**
Finance costs																	(9,179.77)	(5,913.99)
Foreign currency and derivative loss (net)																	(335.83)	(701.08)
Other income																	398.00	857.90
Total loss before tax																	**(4,618.08)**	**(1,795.65)**
Other Information																		
Segment assets	31,005.06	22,684.11	40,996.74	22,039.39	65.38	883.41	10,095.22	10,377.73	12,805.25	13,002.86	1,265.99	1,789.54	558.68	575.30	-	-	96,792.32	71,352.34
Unallocated corporate assets																	4,916.98	4,689.47
Total assets																	**101,709.30**	**76,041.81**
Segment liabilities	6,586.22	4,827.40	46,311.08	18,840.02	21.98	5.64	297.71	344.47	121.32	184.73	615.63	1,352.44	165.25	67.45	-	-	54,119.19	25,622.15
Unallocated corporate liabilities																	61,963.37	59,226.10
Total liabilities																	**116,082.56**	**84,848.25**
Capital expenditure	910.41	578.64	335.33	629.58	-	-	294.17	947.41	436.35	2,365.73	8.40	12.67	12.39	3.34	-	-	1,997.05	4,537.37
Unallocated corporate capital expenditure																	17.52	14.77
Total capital expenditure																	**2,014.57**	**4,552.14**
Depreciation	1,075.40	963.21	571.24	538.30	1.67	1.62	486.12	458.45	461.70	329.47	9.88	8.61	23.11	23.19	-	-	2,629.12	2,322.85
Unallocated corporate depreciation																	33.20	53.68
Total depreciation																	**2,662.32**	**2,376.53**

Inter-segment revenues are eliminated upon consolidation and are reflected in the 'eliminations' column.

All other adjustments forming a part of unallocated corporate segment are provided with detailed reconciliations.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Reconciliations to amounts reflected in the financial statements

Reconciliation of assets

	31st March 2024	31st March 2023
Segment operating assets	**96,792.32**	**71,352.34**
Investment (refer note 4)	342.89	423.79
Cash and cash equivalents (refer note 10)	378.72	1,670.33
Other bank balances (refer note 11)	156.89	181.06
Non-current tax assets	107.52	122.28
Other assets forming a part of unallocated segment	3,930.96	2,292.01
Total assets	**101,709.30**	**76,041.81**

Reconciliation of liabilities

	31st March 2024	31st March 2023
Segment operating liabilities	**54,119.19**	**25,622.15**
Non-current borrowings (refer note 15)	32,357.27	30,580.86
Current borrowings (refer note 19)	25,367.71	24,905.34
Government grants (refer note 18)	318.38	445.08
Deferred tax liabilities (refer note 7)	3,133.97	1,415.85
Other liabilities forming part of unallocated segment	786.04	1,878.97
Total liabilities	**116,082.56**	**84,848.25**

Revenue from customers

	31st March 2024	31st March 2023
India	27,825.60	29,265.64
Outside India	85,364.59	60,941.81
Total revenue	**113,190.19**	**90,207.45**

Total assets

	31st March 2024	31st March 2023
India	96,170.02	74,610.06
Outside India	5,539.28	1,431.75
Total assets	**101,709.30**	**76,041.81**

Total liabilities

	31st March 2024	31st March 2023
India	34,927.29	30,808.27
Outside India	81,155.27	54,039.98
Total liabilities	**116,082.56**	**84,848.25**

Segment revenue from customer groups to whom sales of 10% or more are made during the period ended

	31st March 2024	Segment	31st March 2023	Segment
Customer- 1	20,020.00	Sugar refinery Engineering	46,974.17	Sugar refinery Engineering
Customer- 2	–	Nil	–	Nil

Notes to consolidated financial statements for the year ended 31st March, 2024

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	**Parent**								
	Shree Renuka Sugars Limited	10%	(1,456.76)	89%	(5,595.09)	-55%	(228.65)	-87%	(5,823.74)
II	**Indian subsidiaries**								
	Gokak Sugars Limited	-1%	168.95	0%	(7.59)	1%	(2.74)	0%	(10.33)
	Shree Renuka Agri Ventures Limited	2%	(219.50)	0%	(0.16)	0%	-	0%	(0.16)
	Monica Trading Private Limited	0%	(50.27)	0%	(19.86)	0%	-	0%	(19.86)
	Shree Renuka Tunaport Private Limited	0%	(8.52)	0%	(0.18)	0%	-	0%	(0.18)
	KBK Chem-Engineering Private Limited	0%	(59.46)	3%	(165.91)	0%	0.72	2%	(165.19)
	Anamika Sugar Mills Private Limited	-15%	2,101.37	-2%	143.06	-1%	(3.24)	-2%	139.82
III	**Foreign subsidiaries**								
	Renuka Commodities DMCC	86%	(12,424.14)	14%	(876.10)	0%	-	-13%	(876.10)
	Shree Renuka East Africa Agriventures PLC	0%	0.01	0%	-		-	0%	-
IV	**Non controlling interest**	0%	5.24	0%	(0.48)	0%	-	0%	(0.48)
V	**Consolidation adjustments / eliminations**	17%	(2,430.18)	-4%	250.39	44%	(183.82)	-1%	66.57
			(14,373.26)		**(6,271.93)**		**(417.73)**		**(6,689.66)**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

Note 47: Leases

Group as a lessee

The Group has lease contracts for various land, building and plant, machinery and equipments. Leases of land have a lease term of 30 years and 90 years, building generally 3 years and 5 years and plant, machinery and equipments generally 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 and lease value of less than INR 0.40 million. 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
As at 01st April 2022	**602.58**	**42.49**	**1,089.57**	**1,734.64**
ROU assets recognized to the extent of ROU liabilities	–	13.11	–	13.11
Prepayments capitalised as ROU	–	–	3.99	3.99
ROU assets derecognized	–	(1.76)	–	(1.76)
Total	**602.58**	**53.84**	**1,093.56**	**1,749.98**
Depreciation expense	(8.03)	(24.42)	(102.61)	(135.06)
As at 31st March 2023	**594.55**	**29.42**	**990.95**	**1,614.92**
Additions on business combination	2.69	1.01	–	3.70
ROU assets recognized to the extent of ROU liabilities	–	13.23	–	13.23
Prepayments capitalised as ROU	–	–	3.49	3.49
ROU assets derecognized	–	–	(89.53)	(89.53)
Total	**597.24**	**43.66**	**904.91**	**1,545.81**
Depreciation expense	(8.75)	(3.02)	(102.26)	(114.03)
As at 31st March 2024	**588.49**	**40.64**	**802.65**	**1,431.78**

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:

Particulars	Amount
As at 01st April 2022	**190.04**
Additions	13.11
Deletion	(0.43)
Accretion of interest	19.69
Payments	(22.10)
As at 31st March 2023	**200.31**
Additions on business combination	0.55
Additions	13.23
Deletion	–
Accretion of interest	17.78
Payments	(17.17)
As at 31st March 2024	**214.70**

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

The following are the amounts recognised in profit or loss:

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Amortization of right-of-use assets	114.03	135.06
Interest expense on lease liabilities	17.77	19.69
Expense relating to short-term leases and low value leases	12.82	8.26
Total amount recognised in profit or loss	**144.62**	**163.01**

The Company had total cash outflows for leases of INR 27.87 million (31st March 2023: INR 27.74 million) during the financial year ended 31st March 2024. The Company do not have any future cash outflows relating to leases that have not yet commenced.

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	
		31st March 2024	31st March 2023
Renuka Commodities DMCC	Dubai	100.00%	100.00%
Shree Renuka East Africa Agriventures PLC	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%
Anamika Sugar Mills Private Limited (w.e.f. 06th October 2024)	India	100.00%	-

Note 49: Other Statutory Information

(i) There are no proceedings initiated or are pending against the Group for holding any benami property under the prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(vii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 50:

The Holding Company and subsidiaries which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of audit trail except for the following:

Instances of accounting software for maintaining its books of account which did not had a feature of recording audit trail (edit log) facility and the same did not operate throughout the year for all relevant transactions recorded in the software.	1) The Holding Company has used two accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using certain privileged/ administrative access rights for one of the application and for two softwares, audit trail was not enabled for direct changes to database. 2) One of the subsidiaries did not have the feature of recording audit trail (edit log) facility and the same did not operate throughout the year for all relevant transacitons recorded in the software in respect of this subsidiary."

No instances of audit trail feature being tampered with, was noted in respect of accounting softwares where the audit trail has been enabled.

Note 51 A:

On 06th October 2023, The Group has acquired 100% shareholding in Anamika Sugar Mills Private Limited (Anamika), a Company possessing sugar mill located in the state of Uttat Pradesh. The acquisiton was executed through a share purchase agreement to acquire 100% ownership interest in Anamika. Additionally, the Group also subscribed to the rights issue of equity shares of Anamika, the allotment for which was completed on 11th October 2023. The proceeds from the right issue were used to repay the redeemable preference shares issued to the erstwhile owners of Anamika.

The business acquisiton of Anamika was undertaken to expand the business operation of the Group in the state of Uttar Pradesh, which is one of the highest sugarcane producing state in India. The business of Anamika's sugar mill is well established with a potential to increase sugarcane crushing on installation of increased crushing capacity and this increased sugar produce would be used to cater to the demand of sugar in the northern regions of the country. The Group has recognised a goodwill of INR 1,429.36 million, which demonstrates the potential earnings that could be realised through the existing and expanded production of the sugar and sugar mill.

Notes to consolidated financial statements for the year ended 31st March, 2024

All amounts in million Indian Rupees, unless otherwise stated

The fair value of purchase consideration as per final Purchase Price Allocation (PPA) is INR 2,350 million, which is detailed below:

Assets acquired and Liabilities assumed	Fair Value as at acquisition date
Property, plant and equipment (including right to use assets)	1,555.07
Capital work in progress	61.98
Inventories	835.04
Cash and Cash Equivalent	252.18
Others	141.21
Assets acquired (A)	**2,845.48**
Redeemable preference shares	(1,093.85)
Borrowings	(535.20)
Deferred tax liabilities	(204.05)
Net employee benefit liabilities	(41.49)
Lease liabilities	(0.55)
Others	(44.60)
Liabilities assumed (B)	**(1,919.74)**
Total (A) - (B)	**925.74**
Amount paid on Acquisition	**2,355.00**
Goodwill	**1,429.26**

Note 51 B:

Impact on acquisition on the results of the Group :

Results for the year ended 31st March 2024 includes the following revenue and profit generated from the new acquisition :

Particulars	Amount
Revenue from operations and other income	1,701.05
Profit after Tax	143.08

Had this business combinations been effected at 01st April 2023, the profarma revenue and profit for the year from the business acquired would have been as below :

Particulars	Amount
Revenue from operations	3,323.38
Profit after Tax	79.29

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. : **049237**

Date : 29th May 2024
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 29th May 2024
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 29th May 2024
Place : Mumbai

Sunil Ranka
Chief Financial Officer
Date : 29th May 2024
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 29th May 2024
Place : Mumbai

Notes

Notes

Shree Renuka Sugars Limited

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