25th August 2022

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051

Dept. of Corporate Service
BSE Limited
P. J. Towers, Dalal Street
Mumbai – 400 001

NSE Symbol: **RENUKA**

BSE Scrip Code: **532670**

Sub: Annual Report 2021-22 - Regulation 34(1)(a) of SEBI (LODR) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 34(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we are submitting herewith a copy of the Annual Report for the financial year 2021-22.

Further, the said Annual Report is available on the website of the company at www.renukasugars.com.

You are requested to kindly take the above on record.

Thanking you,

Yours faithfully,
For **Shree Renuka Sugars Limited**

Deepak Manerikar
Company Secretary

Shree Renuka Sugars Limited
Corporate Office : 7th Floor • Devchand House • Shiv Sagar Estate • Dr. Annie Besant Road • Worli Mumbai 400 018 • Maharashtra • India
P +91 22 2497 7744/4001 1400 F +91 22 2497 7747 E info@renukasugars.com
Registered Office : 2nd / 3rd Floor, Kanakshree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Po : Belagavi - 590 010 • Karnataka • India
P +91 831 2404000 F +91 831 2404961
W www.renukasugars.com • Corporate Identification No. : L01542KA1995PLC019046

Shree Renuka Sugars Limited

A Wilmar Subsidiary

REBUILDING RESPONSIBLY

Annual Report 2021-22

Scan the QR code to know more about us

Forward-looking statements

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

Corporate Overview

Statutory Reports

Financial Statements

Responsibility and innovation are at the core of building a sustainable business and exploring possibilities of growth. By leveraging our high-end manufacturing facilities and technical know-how, we cater to the diverse needs of our customers worldwide.

At Shree Renuka Sugars Ltd., our relentless focus is on building an integrated sugar/energy company, has earned us the reputation of being one of the largest sugar and green energy producers in India.

With a sharp focus on quality standards, we deploy best available technologies and processes to drive resource efficiency and develop products, which are sustainable and affordable.

Notwithstanding the ebbs and flows of business cycles, we focused in FY 2021-22 on strengthening our balance sheet, helped by large addressable opportunities with strong tailwinds and a resilient business model.

Despite overwhelming challenges in our operating environment that tested our resilience in the first half, we stayed true to our core values and worked with our stakeholders to rebuild our pivots of growth and deliver a stellar performance.

Carving a Niche in Global Agro-Business

SHREE RENUKA SUGARS LIMITED

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

Vision:

To be a leading sustainable agribusiness company in food and bioenergy space committed to its customers and farmer community.

Purpose:

To be partners in our country's growth by providing sugar and energy security. Also, staying committed to providing greener environment with a focus to generate value for our shareholders and stakeholders which includes farmer community, our employees and customers.

Producers of India's leading consumer sugar brand, Madhur

One of the largest sugar and ethanol manufacturers and raw sugar refiners in India

Leveraging the strategic location of our mills in highly productive sugarcane belts of India and refineries

Undertaking power projects at third-party mills on a build-own-operate-transfer (BOOT) basis

Focused on bio-energy and branded sugar

Catering to the growing needs of our customers worldwide

Creating Sustained Value

Sugar

Overview

Among the leading sugar producers in India, we have built an integrated business model. Our strategically located plants in high-yielding highly productive sugarcane belts and port-based sugar refineries near the Eastern and Western coasts of India enable us to deliver superior quality products to our customers.

In India, we pioneered sugar refining and operating sugar manufacturing assets on lease. Our sugar mills are fully integrated to process sugarcane and manufacture sugar using a sulphur-free process, enabling us to provide our customers with superior quality products.

Operational performance highlights

Refinery production

Our refineries run on a mix of domestic and imported raw sugar, and we possess one of the most cost-effective refinery across the world. We were able to reduce our refinery finished goods (white sugar) inventory to 20 days during the year. For the year under review, we faced several challenges in refineries, including lack of containers/vessels, high freight costs, low white premiums, high power costs, and low-priced contracts. Due to Covid-19 related logistical disruptions, our refinery production was down by 28% this year compared to last year. As a result, our Haldia plant in West Bengal operated for a part of this year.

Refineries (TPD*)

3,000
Kandla refinery

2,500
Haldia refinery

*(TPD - Tonnes Per Day)

Cane crushed

The record cane availability in Maharashtra and Karnataka resulted in a 33% increase in cane crushed in the year under review. This is the highest total cane crush we have ever achieved without incurring significant capital expenditure. We crushed a record of 5.67 million tonnes against a rated capacity of 37,500 tonnes of cane per day (TCD) with peak crush rate of 44,370 TCD achieved.

56,67,827MT
Cane crushed – Highest ever crush achieved

Sugar cane crushed
(MT)

Sugar production

We had the highest sugar production ever in the fiscal year under review, and our total sugar bagged was 26% higher than the previous year. We also had a new high for average sugar recovery, with a 5.92% increase, resulting in an 11.8% recovery rate.

Madhur, our flagship brand, is a market leader in the areas it is present in. Owing to our strong marketing and sales support, Madhur has become a household name - from local kirana stores to the leading modern retail chains across the country. The brand registered exceptional performance with a 34.63% increase in production and overshot sales targets. Our 'Consumer Pack' recorded 21% annual growth and contributes to more than 50% of domestic sugar sales.

9,54,065 MT
Sugar refined

Sugar units (TCD*)

10,000
Athani

10,000
Munoli

7,500
Havalga

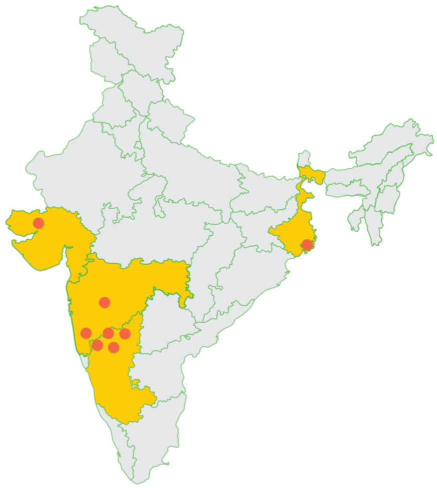
6,000
Panchaganga

2,500
Raibag

1,500
Pathri

*(TCD- Tonnes of Cane Per Day)

Our footprint



2
Refineries in the state of Gujarat (1) and West Bengal (1)

6
State-of the-art sugar plants in the states of Karnataka (4) and Maharashtra (2)

Creating Sustained Value

Ethanol

Overview

The by-products from our sugar-manufacturing process are utilised, including ethanol, which is produced either directly from cane juice or from molasses. Our distilleries produce both potable alcohol and ethanol that can be blended with petroleum.

We produce three grades of ethanol at our distilleries:

Absolute Alcohol (AA) or Ethanol (used for fuel blending)

Rectified Spirit (RS)

Extra Neutral Alcohol (ENA)

The distillery had a successful year, with record production and sales to oil marketing companies. In India, the oil marketing companies (for blending with petrol), potable alcohol industry and chemical industries are the primary consumers of ethanol.

Ethanol produced
(KL)

We provide turnkey Distillery EPC Projects through our subsidiary, KBK Chem-Engineering Pvt. Ltd.

Operational performance highlights

Alcohol production

During the crushing period, we produced 900 kilo litres per day (KLPD) at peak, which is about 125% of the rated capacity. Our highest output was 1 million litres per day. We produced 164.84 million litres of alcohol, a 21% increase over last year's production and the highest ever dispatch of 157.46 million litres, a rise of 32% over the last year, with a realisation higher by 2.8%.

Distilleries (KLPD*)

300

Athani distillery

120

Munoli distillery

300

Havalga distillery

(*KLPD - Kilo Litres Per Day)

Expansion of distilleries

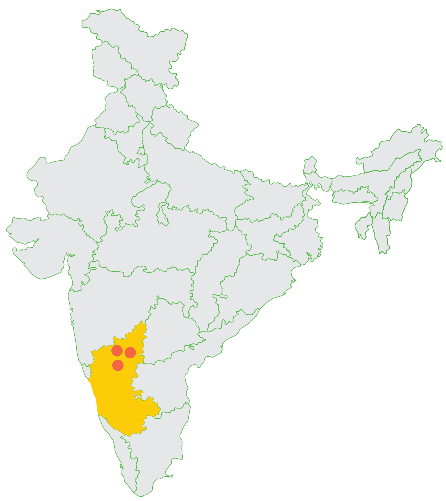
The Government of India continued to push the Ethanol Blending Programme (EBP) and to that effect the Ethanol blending target of 20% was advanced from the year 2030 to 2025. The government has also taken up initiatives to help the industry put up new or expand existing ethanol capacities, and has re-opened the interest subvention scheme for a period of six months. Also, most car manufacturers have agreed to make their cars E20 compliant by the year 2023.

Consequently, we have taken up the following projects for expansion of distilleries

- Expansion of Munoli distillery from 120 KLPD to 500 KLPD
- Expansion of Athani distillery from 300 KLPD to 600 KLPD

Implementation of these projects is well underway and financial closure has been achieved for 530 KLPD. Our investment strategy in ethanol capacity is paying off, with capacity utilisation exceeding 100%.

Our footprint



3

Distilleries located in states of Karnataka

Creating Sustained Value

Building a circular economy through Renewable Green Energy

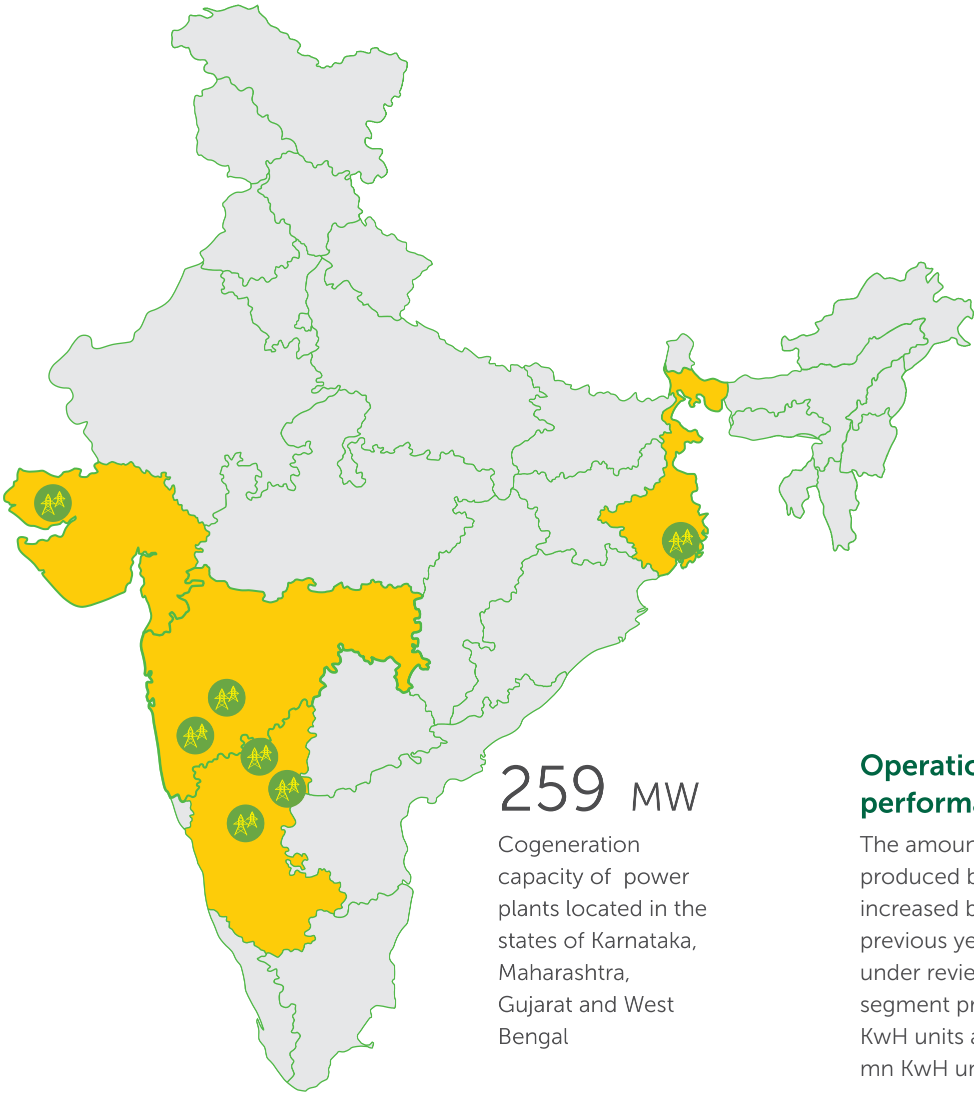
Overview

Our cogeneration power plants convert bagasse, a by-product of the sugar manufacturing process, into electrical and thermal energy. Hence, the majority of our cogeneration process is powered through a circular economy that ultimately results in significant reductions in greenhouse gas emissions. A significant portion of the power generated is consumed captively within our plants, while the remainder is sold to the state electricity grid, other industries & in power exchanges.

Power plants (MW) - 259

35.50 Munoli	76 Athani	45 Kandla	
30 Panchaganga	24 Ajinkyatara	15 Haldia	33.50 Havalga

Our footprint



259 MW

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

Operational performance highlights

The amount of power produced by our power plants increased by 14.4% over the previous year. For the year under review, our power segment produced 459.01 mn KwH units and sold 196.46 mn KwH units to the grid at an average price of Rs. 5.82 per unit, resulting in a 2.57% increase in sales realisation.

459.01 MN KwH

Green Energy Produced

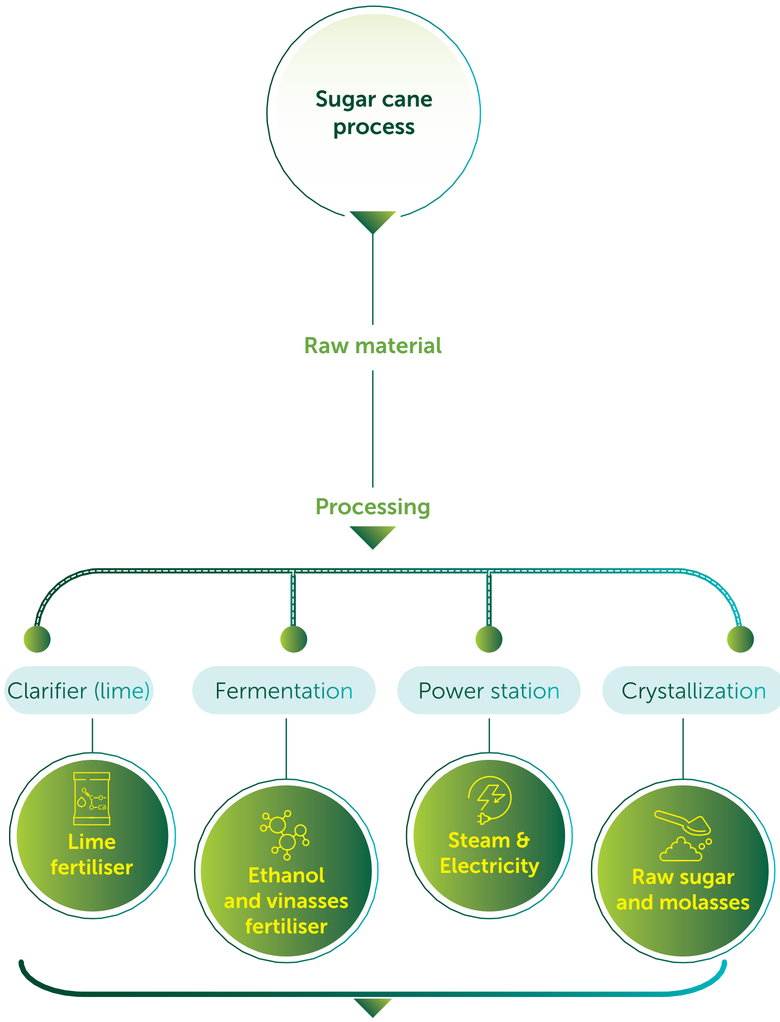
Karnataka

Value Accretive Model

INPUT

- Our financial resource includes equity, current assets and Net worth
- Innovation and improvement in the development of new product and technologies.
- State-of-the-art infrastructure - sugar production, including buildings, mills, systems and applications, logistics, warehousing, and sales
- Our human resource include our knowledgeable and skilled employees having an extensive experience
- Natural resources are required for operations. We use these resources in a sustainable manner
- Strengthen our partnership with stakeholder and keeping in touch with not only customer, lenders, farmers and all stakeholders but also with communities

VALUE CREATION PROCESS



Stakeholders impacted

- Customer
- Employees
- Shareholders
- Investors
- Business partners
- Government authorities
- Communities

OUTPUT	OUTCOME	Linked SDG*
• Turnover ₹ **61,259 Mn** • PAT ₹ **1,131 Mn**	• Increase in profitability • Stronger balance sheet	8 DECENT WORK AND ECONOMIC GROWTH Decent work and economic growth
• Total sugar produced **4,64,125 MT**	• Deliver best quality products • Continuous work towards innovation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Industry, innovation and infrastructure
• **1,962** Number of employees as on March 31, 2022	• Robust operational processes • Holistic development	12 RESPONSIBLE CONSUMPTION AND PRODUCTION Responsible consumption and production
• Total renewable energy consumed **262.47 Mwh** • Clean energy generated **459.01 MKwh** • Water recycled **8,54,126 KL**	• Safe and healthy workspace • Professional growth opportunities Diverse workforce	5 GENDER EQUALITY Gender equality 3 GOOD HEALTH AND WELL-BEING Good health and well-being
• **24%** Market share of Madhur	• Optimise the use of the resources.	7 AFFORDABLE AND CLEAN ENERGY Affordable and clean energy
Enhancing relationship with our stakeholders	• Positive impact on society and communities • Value creation for stakeholders	17 PARTNERSHIPS FOR THE GOALS Partnerships to achieve the Goal

*Sustainable Development Goal

Aligning Business Goals with Stakeholders' Expectations

We consider our stakeholders as partners in our efforts to deliver long-term value. We seek to balance the needs,

Our stakeholders		Material issues	
Employees	We employ 1962 employees who are critical to our business growth	• Health and Safety • Diversity and Inclusion	• Engagement and empowerment • Learning and development
Suppliers/ Farmers	As an integrated sugar producer present across the value-chain, we cater to a diverse and growing base of suppliers / farmers.	• Payment schedules • Responsible sourcing	• Supply chain sustainability
Customer	The end-users of multiple products – Madhur – pure and hygienic sugar, ethanol and co-gen power	• Product safety and quality • Value for money • Availability of products	• Impact on environment • Engagement levels
Regulators	Changes in regulations and laws are critical for ensuring business sustainability.	• Regulatory changes due to changes in tax structure or caused by Covid-19	• Climate and environment related matters • Industry related changes • Changes in renewable energy prices
Shareholders	Our individual and institutional shareholders form an integral part of our stakeholder ecosystem.	• Enhancing shareholder value • Governance	• Sustainability issues

interests and expectations of stakeholders with those of the business through an inclusive process

Stakeholder expectations		Means of engagement	
• Job satisfaction • Career Growth • Health and Safety	• Training and Development • Reward and Recognition	• Email • Intranet • Newsletter • Notice Boards	• Programmes and activities on multiple issues • Townhall • Virtual meetings
• Timely payment • Mutually beneficial relationship	• Technology sharing	• Face-to-face meetings • Training camps	• Communicating via emails / tele- calls Timely correspondence • Audits
• Availability of products and after-sales services • Competitive pricing	• Provide regular updates on existing and new product	• Customer surveys • Digital / social media • Customer care	• Backend office support for B2B customers
• Compliance with regulation • Regular tax payments • Employment generation	• Communicate regulatory compliance status • Social responsibility	• Meetings Industry body / association forums • Participation in government body meetings	• Representations before relevant forums
• Sustainable growth in revenues and profits • Consistent dividend payout	• Quick resolution of complaints	• Website • Annual General Meeting • Notices	• Press releases • Quarterly Results announcements

Message from the Chairman

We appreciate the government thrust towards the ethanol blending program by pre-poning the 20% ethanol blending target from 2030 to 2025.

Atul Chaturvedi
Executive Chairman

Dear Shareholders,

Mankind witnessed one of the worst traumatic year with a full blown Covid creating havoc all around. India was no exception and we faced the full fury of the Delta Variant which created mayhem in our lives. The worst now seems to be behind us but it's after effects can be felt across the economy.

Commodity prices have aggressively moved northwards fuelling unbridled inflationary pressures and the tremors are being felt practically all over the world .The continued standoff between Russia and Ukraine has further complicated the scenario and is threatening the Food Security of the world.

Your company faced the challenges bravely and our employees exhibited exemplary courage and resilience during these trying times and did not allow any dislocation in maintaining smooth production and supply of an essential commodity. Indian Cane grower also responded admirably to strong demand on the back of a good monsoon .Sugar production during the current season has broken all records and is likely to achieve the magical figure of 36 million tons plus an additional diversion of around 3.5 million tons of sucrose to ethanol.With farmers getting good returns vis a vis other competing crops, we feel that the production is likely to keep improving year on year.The icing on the cake during the current year has been strong international demand for sugar and india is likely to export more than 10 million tons of sugar .

No wonder higher cane production which used to be treated as a 'Bane'has now turned into a 'Boon 'for all stakeholders.

In our domestic sugar business, we continued to focus on our Consumer Pack -Madhur as well as institutional buyers. This not only helped in improved realisation but also de-risked our business from Commodity volatility. Our Consumer pack displayed strong growth of about 21% during the year. Further, despite strong headwinds in the first half of the year due to Covid-19 related issues, the company bounced back strongly in the second half when operations normalised. Our financial performance exhibits a 11% improvement in revenues over the precedent year from ₹ 56,116 million to ₹ 62,091 Million this year.

Green energy now contributes more than 1/3rd of all our sugar milling business. While all segments registered price growth, we witnessed a slight de-growth in performance in our refinery segment with White Premiums at a historical low due to the higher freight and logistic costs resulting from a supply chain disruptions and worsened by geopolitical tensions . These factors resulted in a compression of margin in the refinery segment. However, our overall profitability witnessed a remarkable growth with profit after taxes exhibiting a 103% growth from ₹ 557 million last year to ₹ 1,131 million this year. We have doubled our net worth from ₹ 2,156 million to ₹ 5,470 million this year. Furthermore, resolution of NPA classification enabled SRSL to access bank funds swiftly for working capital and ethanol capex.

A significant contributor towards our growth is the payoff due to our timely investment towards increasing the ethanol capacity and increase in market share of our consumer pack business. We achieved the highest ever ethanol production this year with a 21% increase over the preceding year. Our Distilleries consistently ran above full rated capacity.

The sales volume of ethanol observed a remarkable 32% increase. While domestic sugar market remained competitive, sugar production grew by 26% from last year consequent to the record cane availability in Maharashtra and Karnataka leading to the highest ever cane crush resulting in a 33% increment over last year. Consumer Pack recorded 21% annual growth and contributes more than 50% of domestic sugar sales. The refinery segment is expected to bounce back in the coming year as Indian raw sugar is quite competitively priced in relation to Brazilian raw sugar and should help improve our operating margins.

We appreciate the government thrust towards the ethanol blending program by pre-poning the 20% ethanol blending target from 2030 to 2025. India is committed to attaining Carbon neutrality and ethanol is not only a renewable resource but helps reduce carbon footprints as well. The current year target of 10% blending will be easily achieved.In line with National requirement we are expanding our Munoli distillery from 120 KLPD to 500 KLPD and Athani distillery from 300 KLPD to 600 KLPD. Financial closure has been achieved for 530 KLPD out of 680 KLPD of proposed expansion. We hope to start commercial production from expanded ethanol capacity during the new season .

Going forward our focus would continue to be on expanding our consumer base as we feel we have a winner in our brand 'Madhur' which is the acknowledged market leader in branded sugar segment. With consumer awareness on health and hygiene matters rising due to Covid we feel loose sugar sales may gradually give way to packed sugar and expand the market size. .Ethanol and Value added sugar exports would also remain our focus area.

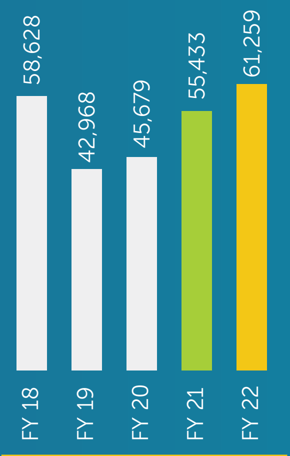
At this juncture, I would want to extend my deepest gratitude to our team and employees for their dedication, diligence and hard work in contributing towards the growth of the company and providing value to our stakeholders. I'd also want to thank our loyal shareholders, customers, distributors, suppliers, farmers, and lenders for their unwavering support and confidence in us. We are very well poised to cater to the increasing demand and are optimistic about maintaining a strong sustainable business performance.

Regards

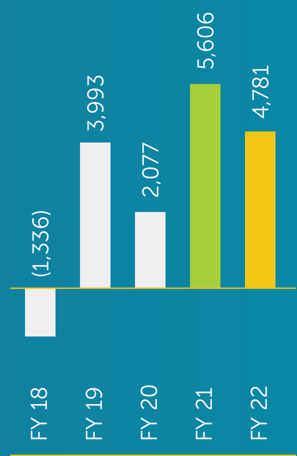
Atul Chaturvedi
Executive Chairman
(DIN: 00175355)

Delivering Robust Performance

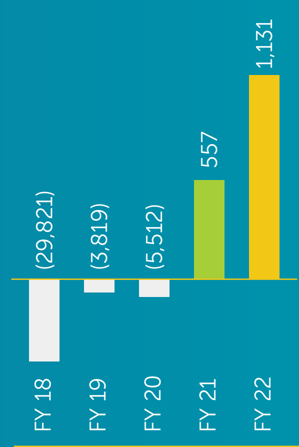
Revenue from operations
(including income from incentive to sugar mills)
(₹ in million)



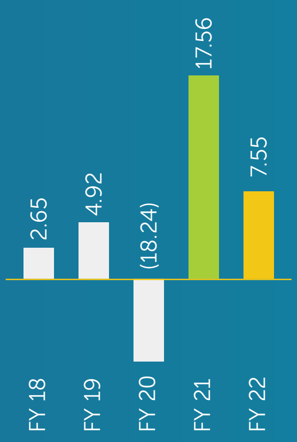
EBITDA
(excluding forex gain/loss)
(₹ in million)



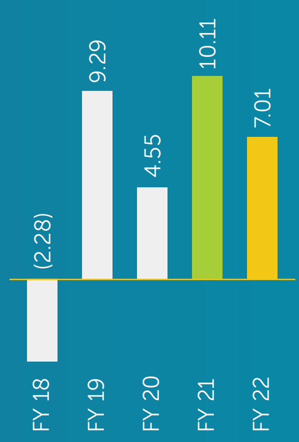
PAT
(₹ in million)



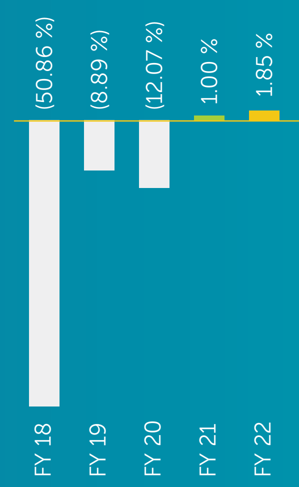
Debt/Equity ratio
(in times)



EBITDA margin
(%)

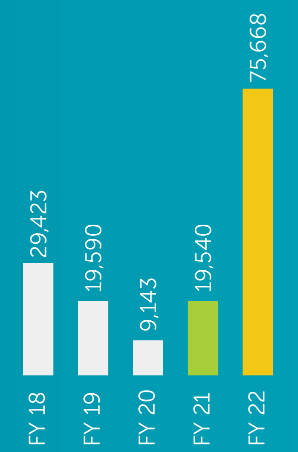


PAT margin
(%)



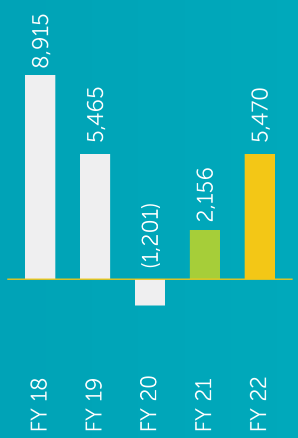
Market capitalisation

(₹ in million)



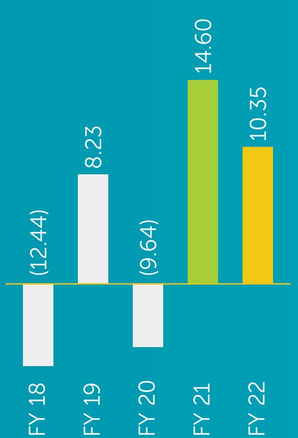
Net worth

(₹ in million)



ROCE

(%)



₹ 62,091 Mn

Revenue from operations (including incentives and other income)

₹ 4,781 Mn

EBITDA
(excluding forex gain/loss)

₹ 2,063 Mn

Net operating cash flow generated

7.01%

EBITDA/ total turnover

Branding

#SwaadMithaasKa #MadhurSugar

Our new slice of life films commemorate the pure Joy of Eating. The tagline for the campaign was 'Swaad Mithaas Ka' and the films capture the sweet moments enjoyed by families and friends from all walks of life – young playful siblings relishing cookies sprinkled with pristine crystals of Madhur Sugar, a husband giving in to his weakness for Mysore pak as his wife watches on with a smile on her face, a sweet young child and her grandfather hiding from the family as they enjoy mouthfuls of cupcake, a pregnant couple savouring steaming Gajar Halwa, or an elderly couple in a busy house during Diwali, stealing a moment of peace and enjoying their favourite sweets together, living a beautiful sweet moment.

The campaign celebrates how food is indelibly linked with memorable moments in life – that often times occasions call for sweets while at other times, sweets themselves make the occasion! The series of 6 films present a kaleidoscope of sweet moments – from the youngest to the eldest, through the length and breadth of the country, inspiring audiences to mark and savour the sweet moments in their life – to literally taste the #SwaadMithaasKa!

Users were encouraged to share their own Madhur memories as part of the promotion. Celebrities like Gauahar Khan, Puja Banerjee and Reem Sameer were amongst those who shared their #SwaadMithaasKa with us as part of the campaign.

36 Million

Reach

94 Million

Impressions

55 Million

Video Views

As a testament to Madhur Sugar's growing popularity and credibility, it has won three very prestigious awards:

Embedding Sustainability in our Operations

Our manufacturing methods use cutting-edge technology to ensure that our operations are environment-friendly and sustainable. In line with the government's goal of advanced development of ethanol production and use in blended fuels, we are focusing on improving our ethanol manufacturing with sustainability at the core.

Greening the supply chain

With the help of the CocaCola Foundation, we are collaborating with Solidaridad Asia to develop a project for sustainable sugarcane production in the districts of Karnataka, Belgaum and Gulbarga. The project's main focus is on training and capacity building in order to improve sugarcane yield through judicious use of agricultural inputs, increased irrigation efficiency, and timely information at each stage of plant growth.

1667

Farmers trained

Through the 'Sustainable Sugarcane Initiative·, we are increasing occupational health and safety awareness, primarily among women farmers. We had an event in Kolavi, Karnataka, where we distributed safety kits to sugarcane farmers. Gum boots, gloves, goggles, masks, and caps, among other items, were included in the safety kits to protect the farmers from accidents, cuts, and injuries while working in the fields.

45

Women farmers benefited

2,000

Kits planned for distribution

Green energy

For captive consumption, we use a large proportion of energy generated by our cogeneration units. Around 83% of our cogeneration process is renewable energy, resulting in a significant reduction in GHG emissions.

459.01 Mn KwH

Clean energy generated

Water treatment

We implement measures to reduce specific water consumption from natural sources and work on improving our water management. All our facilities are equipped with zero liquid discharge to enhance our sustainability measures.

8,54,126 KL

Reduction in water consumption

Raising awareness

We have planted trees in all of our units to help lower pollution levels. Additionally, environmental awareness posters and banners have been placed in prominent positions throughout the units to raise employee awareness. Every year, we also commemorate World Environment Day by planting trees in and around the company's operations.

6528

Trees planted till date

Did you know?

Once the energy is extracted from spent wash, the potash-rich fly ash generated from the incineration boilers are used as a source of potash nutrition for agricultural green belt development.

Corporate Information

BOARD OF DIRECTORS

Mr. Atul Chaturvedi
Executive Chairman

Mr. Vijendra Singh
Executive Director & Dy. CEO

Mr. Ravi Gupta
Executive Director
(w.e.f. 28th October 2021)

Mr. Kuok Khoon Hong
Non-Executive Director

Mr. Jean-Luc Bohbot
Non-Executive Director

Mr. Charles Cheau Leong Loo
Non-Executive Director

Mr. Madhu Rao
Independent Director

Mr. Surender Kumar Tuteja
Independent Director
(upto 31st March 2022)

Mr. Dorab Mistry
Independent Director

Mr. Bhupatrai Premji
Independent Director

Dr. Bharat Kumar Mehta
Independent Director

Ms. Priyanka Mallick
Independent Director

Mr. Arun Chandra Verma
Independent Director
(w.e.f. 1st April 2022)

Mr. S. Sridharan
Additional Director (Independent)
(w.e.f. 9th August 2022)

Mr. Siraj Hussain
Additional Director (Independent)
(w.e.f. 9th August 2022)

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, 2nd Floor, CTS No. 10634, JNMC Road, Neharu 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

BANKERS

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

PLANT LOCATIONS (INDIA)

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

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

Unit III Havalga Sugar, Distillery, Co- Generation 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 (BOOT) Co-Generation, 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 economic overview

Persistent inflation and uneven recovery cloud the world's economic future. The year under review has been turbulent and unpredictable, Looking ahead and recognising potential future dangers and opportunities is critical as corporates across the world attempt to recover from the pandemic and adjust to a world more focused on the climate crisis.

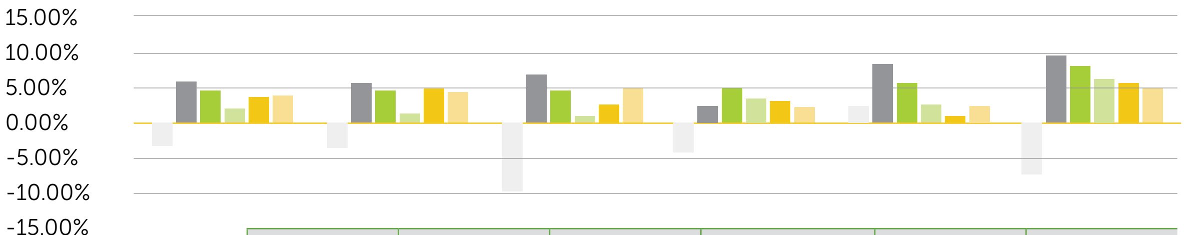
Global growth is expected to moderate from 5.9% in FY21 to 4.4% in FY22, indicating a recovery that has been uneven so far. Most emerging market and developing economies (EMDEs) are still lagging behind, whereas sharp rebounds in major economies can be seen. With the pandemic-inspired digitisation (and pre-pandemic momentum towards digitisation), the expected annual growth of digital revenue between FY20 and FY24 is set to reach around 13% in developing countries as compared to 11% in emerging markets and 6% in developed markets.[1] Economic reforms in developing countries would drive productivity and therefore, could lead to better economic growth.

The Russia Ukraine war is still disrupting global supply lines, particularly those for food and fuel, which is adding to inflationary pressures and placing more strain on developing countries. It is challenging to have a clear economic forecast as the Russia-Ukraine crisis shows no signs of ending, leaving the world economy in uncertainty.

Outlook

In FY22 and FY23, global growth is projected to slow sharply, as the initial rebound in consumption and investment fades and macroeconomic support is withdrawn. EMDEs are expected to experience substantial scarring from the pandemic and register a weaker recovery than advanced economies. Global inflation is expected to remain elevated due to supply disruptions and high food and energy prices in wake of the Ukraine war. Global growth is predicted to slow from 5.9% in FY21 to 4.4% in FY22, down half a percentage point from the October World Economic Outlook (WEO), owing to estimate revisions in the world's two largest economies.[2]

Global economic scenario, FY20-22



	World	US	UK	Saudi Arabia	China	India
GDP 2020	-3.30%	-3.40%	-9.70%	-4.10%	2.30%	-7.30%
GDP 2021	5.80%	5.50%	6.80%	2.40%	8.20%	9.30%
GDP 2022	4.50%	4.40%	4.40%	4.90%	5.50%	7.90%
In flation 2020	2%	1%	0.90%	3.40%	2.50%	6.20%
In flation 2021	3.60%	4.70%	2.50%	3.10%	0.90%	5.50%
In flation 2022	3.70%	4.30%	4.80%	2.20%	2.30%	4.90%

Source: https://assets.kpmg/content/dam/kpmg/xx/pdf/2021/11/global-economic-outlook.pdf

[1] https://thedocs.worldbank.org

[2] https://www.imf.org/en/Publications/WEO

Indian economic overview

The Indian economy staged a strong rebound in 2021-22 with a GDP growth of 8.7% which was bolstered by massive vaccine coverage and buoyant demand. Despite a number of headwinds throughout the year, the economy registered the highest GDP growth rate among major economies. Most of the sectors recovered to pre pandemic levels. While the first quarter posed a grievous toll on the healthcare infrastructure of the country, the economy bounced back in the second quarter growing by 1.3% over pre pandemic levels (FY2019-20) and continued the pace in quarter 3. However in the fourth quarter, the third wave of the pandemic and Russia Ukraine war impacted the recovery to some extent.

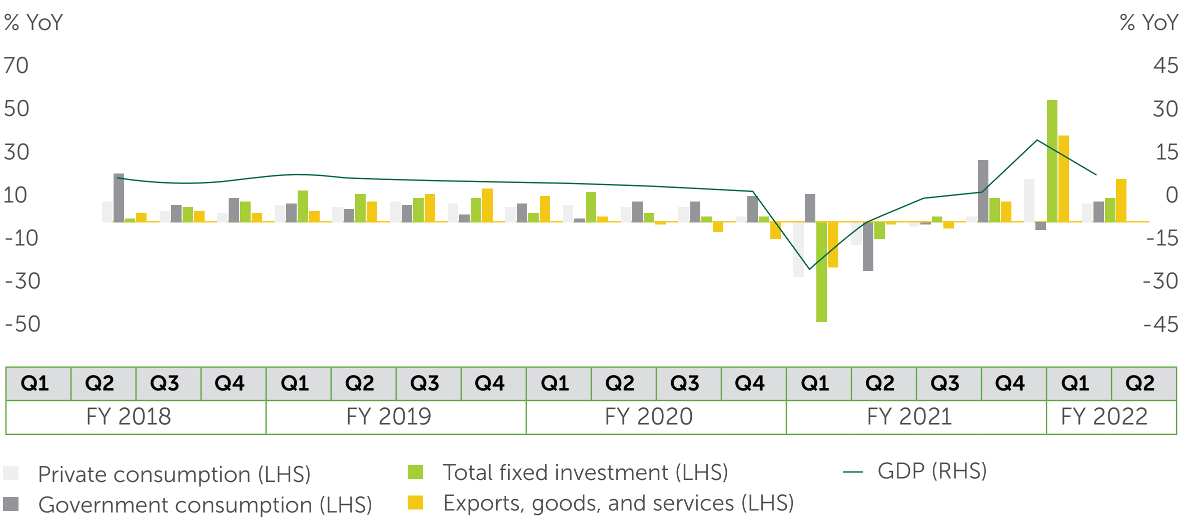
In December, India's Consumer Price Index (CPI) inflation stood at 5.6% YoY, which was within the intended tolerance limit. Wholesale price inflation, on the other hand, has been in the double digits. Overall, macroeconomic stability indicators indicate that India's economy is well positioned to meet the challenges of FY23.[3] The Indian government's careful mix of emergency support and economic policy actions is one of the reasons for its success. Rather than commit to a rigorous reaction in advance, the Indian government chose to employ safety nets for vulnerable groups on the one hand, while responding strategically to global shocks on the other.

Outlook:

The Indian economy is anticipated to grow by 7.3 percent in 2022–2023, maintaining its position as the fastest–growing economy in the world. However, the pandemic coupled with Russia Ukraine war induced supply chain disruptions continue to produce inflationary pressures and pose a risk of rising commodity and fuel prices, thereby affecting the outlook for inflation.

Broad-based growth helped maintain a steady rebound in Q2 FY2021-22

Four growth engines of real GDP



Source: https://www2.deloitte.com/xe/en/insights/economy/asia-pacific/india-economic-outlook.html

[3] https://www.indiabudget.gov.in/economicsurvey/

Global sugar industry overview

In CY21, the worldwide sugar market reached a volume of 185 million tonnes. It is expected to reach a volume of 206.6 million tonnes by CY27, with a CAGR of 1.8 percent from CY22 to CY27.[4]

The second wave of the pandemic affected sugar consumption as global recovery faced a slowdown. Harvests from India and Thailand produced better results than expected and helped moderate inflation in sugar prices.

Growth drivers of sugar industries

Sugar is both economical and easily available compared to sugar substitutes. Economic downturns have little impact on the global food and beverage industry. As a result, throughout the last few years, the growth graph of the industry has been on an upward trajectory. Sugar consumption is currently driven by the food and beverage industry, which is expected to impact the sugar industry positively. Sugar also has high usage in pharmaceutical and cosmetic industries. Sugar is used in the pharmaceutical industry to make antibiotics and cough syrups. On the other hand, sugar is utilised in the beauty industry to make scrubs due to its exfoliating properties. Thus, the rise of the pharmaceutical and beauty industries aided the growth of the sugar sector.

Although the sugar market in developed economies such as North America and Western Europe is saturated, emerging markets are now promising. Sugar-based products are in great demand in developing economies like India, China and the Middle East, owing to rising disposable incomes, urbanisation, and changing food habits.

Cane sugar produces the bulk of the world's sugar, with beet sugar accounting for the rest. Sugar is grown as a raw material in almost every tropical and subtropical region on the planet. In terms of both geography and economics, Brazil is the world's greatest sugar producer. Sugar is a substantial part of the Brazilian economy, accounting for over a quarter of the country's GDP. The Central-South region of Brazil produces a substantial amount of sugar due to favourable climatic conditions. Brazil is followed by India, the US, the European Union (EU), China, Thailand, and other countries in sugar production.

Indian sugar industry overview

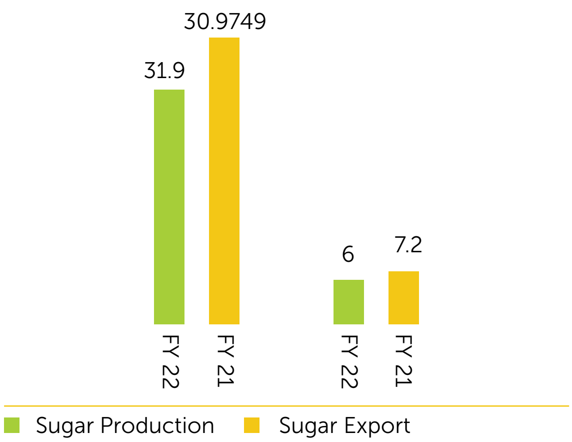
India is one of the largest consumers of industrialised sugar and is projected to grow over a period of time in comparison to other regions worldwide.

According to the first estimate issued by the trade association AISTA, sugar production in India, the world's second largest producer after Brazil, increased to 36 million tonnes in the current fiscal year. Apart from this, 3.4 million tonnes of sugar was diverted to ethanol.[5]

Following lower output in Brazil due to unfavourable weather conditions, the nation's sugar exports are anticipated to rise to approximately 10–11 million tonnes in sugar season 2022.

According to ISMA, the next marketing year would see a 45 lakh tonnes decrease in sugar production due to the conversion of cane juice and B-molasses to ethanol. Approximately 34 lakh tonnes have been diverted in the current marketing year (2021–2022). Consumption of sugar is predicted to increase at a modest rate of 1% to 2%, and the shift of more cane to ethanol production would produce a 6–8 million tonne exportable surplus in the 2023 sugar season, preserving a favourable domestic balance. Consumption of sugar is predicted to increase at a modest rate of 1% to 2%, and the shift of more cane to ethanol production would produce a 6–8 million tonne exportable surplus in the 2023 sugar season, preserving a favourable domestic balance.

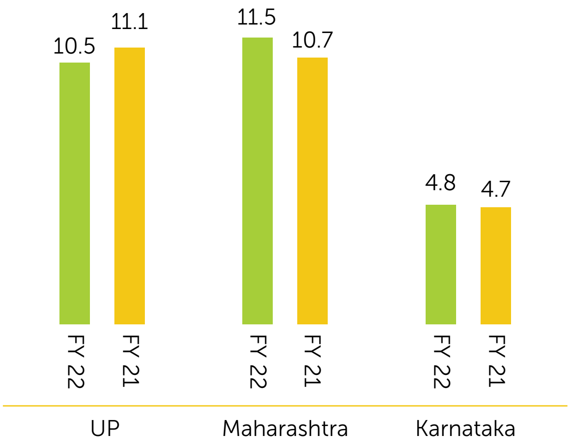
Overall sugar production and export in India
(in million tonnes)



[4] www.imacgroup.com

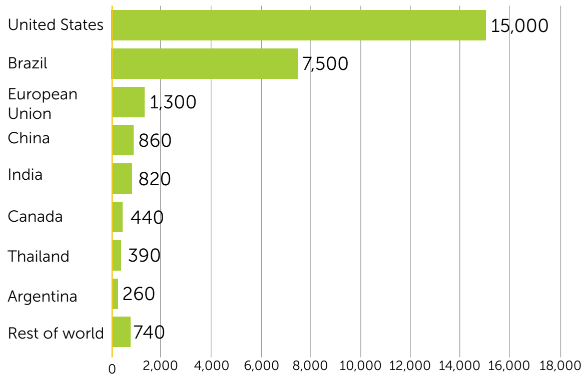
[5] All India Sugar Trade Association (AISTA)

State-wise production in India
(in million tonnes)



Fuel ethanol production worldwide in 2021, by country

(in million gallons)



Source: Statista.com

Global ethanol industry overview

The US is the leading producer of fuel ethanol in the world. In CY21, the US produced 15 billion gallons of the biofuel. Ethanol is a grain alcohol that can be blended with gasoline and used in regular motor vehicles at a concentration of up to 10%. Brazil is the world's second-largest ethanol-producing country, with an output of 7.5 billion gallons that same year.[6]

The most common ethanol fuel production type in Brazil is hydrous ethanol, which is the highest concentration grade of ethanol achieved through distillation. Brazil is one of the largest markets for biofuels worldwide, with specifically designed flexible-fuel vehicles available that run on fuels with a greater ethanol content than regular motor vehicles. As a result, the adoption rate of fuel ethanol has been a lot higher compared to other countries, with flexible-fuel vehicles the most widely produced car in Brazil.

After Brazil, the European region comes a close third in producing ethanol, for the whole year. The countries in European region produced around 1,300 million gallons of ethanol. Amongst the Asian countries, China, India and Thailand are three largest ethanol producers for current year. Amongst the South American countries, only Argentina produced a significant amount of ethanol in CY21.

Indian ethanol industry overview

The Indian Ethanol Market was valued at USD 2.81 billion in 2021 and is predicted to increase with a CAGR of 12.68% during the forecast period to reach a market value of USD 5.64 Bn by 2027.[7] This growth is anticipated to occur as a result of the rising demand for biofuels. The Indian Ethanol Market will develop over the next five years because of government initiatives like the new ethanol blending programme (EBP), which requires oil manufacturing companies (OMCs) to mix 10 percent ethanol in gasoline by the end of 2022 and 20 percent by 2025.

The need for ethanol as a solvent in the production of varnishes and perfumes is also growing significantly. Additionally, the current pandemic scenario has raised the demand for ethanol for use in hand sanitizers and cleaning products to meet the increasing need to maintain hygiene in order to prevent the COVID-19 virus infection.

According to the International Energy Agency, India is anticipated to overtake the US and Brazil as the third-largest ethanol market in the world by 2026. Between 2017 and 2021, India's demand for ethanol is expected to increase by three times to 3 billion litres. Demand expansion is thought to be primarily caused by government initiatives. Other factors including the total

[6] Statista.com

[7] https://www.techsciresearch.com/report/india-ethanol-market/3860.html

demand for transportation fuel, price, and the design of a specific policy will also be crucial.

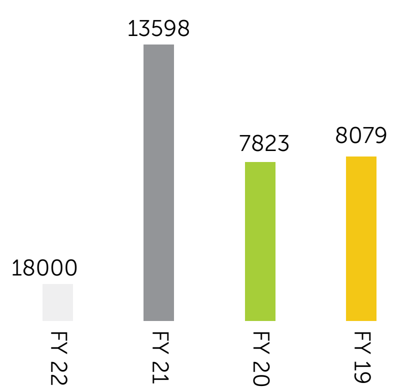
Sugar mills and distilleries are expected to earn over ₹18,000 crore from selling ethanol to oil marketing companies (OMC) for blending with gasoline in FY22. Sugar mills/ distilleries made revenue of ₹8,079 crore, ₹7,823 crore, and ₹13,598 crore from the sale of ethanol to OMCs during the last three ethanol supply years 2018-19, 2019-20, and 2020-21, respectively.[8]

In the current sugar season SS2021-22, it is estimated that ethanol will earn more over ₹18,000 crore in revenue.[15] In every sugar season, production of sugar stands at around 320-330 lakh tonnes as against the domestic consumption of 260-270 lakh tonnes, resulting in huge carry over stock of sugar with mills.

The ministry stated that diverting extra sugar to ethanol will alleviate the problem of excessive sugar stocks, enhance mill liquidity and therefore assist mills to pay their cane dues on schedule.

According to a report published by ICRA, India's ethanol production needs to be increased three times its current level in order to meet the aim of 20% ethanol blending by 2025. According to the report, India's ethanol production in 2021 was roughly 335 crore litres. As a result, ethanol was blended with gasoline at a rate of roughly 9%. In order to reach the E20 objective, India will need to produce 1,014 crore litres of ethanol by 2025.[9]

Revenue from Ethanol
(in crore)



Company overview

Shree Renuka Sugars is a major agricultural and biofuels company in India. The company is one of the world's largest sugar producers, and one of the world's largest sugar refiners. The company's headquarters are in Mumbai (Maharashtra, India), while its corporate office is in Belgaum (Karnataka, India). Shree Renuka Sugars has six mills with integrated ethanol and power co-generation capacity. In India, the firm operates two huge sugar refineries near ports.

Operational highlights

Refinery

The refinery business of Renuka Sugars is an exportoriented business. The company imports raw sugar and exports white sugar to different parts of the world. In the year 2021-22, the company relied on procuring raw sugar from the domestic market to substitute its imports. During FY 2021-22, the Kandla refinery continued to perform well. The operational performance of the plants were commendable despite the sluggish business environment and they attained remarkable raw sugar processing capacity and export levels during the year.

Ethanol

The company produces 3 grades of Ethanol - 1) Rectified Spirit (RS) 2) Extra Neutral Alcohol (ENA) & 3) Absolute Alcohol (AA) Or Ethanol (used for fuel blending). With focus on production of fuel ethanol, the company is gradually moving towards becoming an energy company rather than purely being a sugar company. The initiatives taken by the government to increase ethanol blending resulted in more Ethanol production than the previous years. During the year under review it achieved record high production of ethanol, amounting to about 164.84 Mn liters which was 21% more than the previous year.

The favourable Government policies also provides vast opportunities for the company to expand its footprints in the segment.

[8] https://economictimes.indiatimes.com/industry/renewables/sugar-mills-distilleries-to-earn-revenue-of-over-rs-18000-crore-from-ethanol-sales-in-2021-22-season/articleshow/88298970.cms

[9] Report by ICRA

Power

During the year. the Company's Power Generation was at 554 Million Kwh. of which the Company exported 231.42 Million Kwh to the Grid.

Madhur

Launched in 2007, the first leg of its Madhur journey was the years upto 2019, which largely comprised spreading awareness in the west and south markets, where it has grown to be indomitable.

It was from 2019-2021 that two critical factors caused an inflection point in the brand journey - for the first time in its history, Packing operations commenced in the north, which would allow cost-efficient and speedier supplies of Madhur Pure & Hygienic Sugar in the market. The second factor to have catapulted Madhur sugar on the fast track growth was Covid. The consumers became a lot more hygiene conscious and the loose sugar, which is exposed to hands and impurities became a pain point, and consumers started looking favourably towards Madhur sugar - which is untouched by hand from farm to kitchens!

In the last year, building on the growth inspired by the expansion in geographic coverage as well as evolving consumer habits, Madhur opened its gates to the Eastern consumers. Sourcing sugar from its refinery in Haldia, Madhur is now uniquely poised to offer its pure and hygienic sugar to the East consumers as well, bringing hygienic sweetness to their plates.

In addition to this, Madhur sugar is now offering the hygienic advantage to even out-of-home consumption avenues - HoReCa segment, local tea & weet shops as well as bigger companies and sweets brands. On average the out-of-home consumption is significantly higher as compared to in-home consumption and it is Madhur Sugar's mission to offer the purest, hygienic, refined sugar made with a sulphur-free process.

Financial Overview

Profit and Loss Statement

- The Company's operating revenue stood at ₹61,259 Mn vis-a-vis ₹55,434 Mn in FY 2020-21. This was mainly driven by increased sugar sale of ₹4,534 Mn with a value growth rate of 10% and increased ethanol sales of ₹2,480 mn with a value growth of 35% over last year.
- Operating expenses for the year stood at ₹5,924 Mn as against ₹5,814 Mn in FY 2020-21 majorly due to increase in expenses in line with the increase in volumes.
- Our Company generated EBITDA (excluding forex gain/loss) of ₹4,781 Mn visa-vis ₹5,606 Mn last year. The increase is largely on account of improved realisation in sugar and ethanol segment.
- The Company recorded a positive PAT of ₹1,131 Mn as compared to ₹557 Mn for the FY 2020-21, driven mainly by improved operational performance and savings in interest costs.

Balance Sheet

- Net worth : Our net worth increased to ₹5,470 Mn as compared to ₹2,156 Mn in FY 2020-21

Working Capital Management

- Current assets: Current assets as on 31st March 2022 stood at ₹26,126 Mn as compared to ₹30,344 Mn. Current ratio is 0.73 as on 31st March 2022.
- Inventories: Inventories decreased by 15% from ₹23,544 Mn in FY 2020-21 to ₹19,987 Mn in FY 2021-22, mainly due to decrease in refinery sugar stocks.

Risk Management

The Company primarily aims at managing the risks involved in all activities of the Company, minimizing any adversity and assisting in the decision-making processes that will minimize any potential loss.

The Risk Management Policies (RMP) of the Company identify various risks which are inherent to the business of the Company, along with the steps taken by the Company to mitigate these risks.

The RMP is available on the following path www.renukasugars.com

The Company conducts periodical risk analysis for timely identification of potential threats and adopts suitable measures to mitigate risks. The Risk Management Committee periodically reviews the Risk Management Policy considering the changing industry dynamics and evolving complexities. It periodically reviews the risk management processes and practices to ensure that the Company is taking appropriate measures to strike a prudent balance between risks and rewards in both ongoing and new business activities.

Internal Controls and Adequacy

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

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

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

Human Resources

The company constantly works on making a conducive working environment for its employees and is committed to retaining and attracting efficient employees. HR constantly works on developing employee skills in order to match with business objectives.

HR has taken a front foot in containing the deadly virus by formulating training programs, SOPs, and webinars/ workshops throughout the pandemic so that there was preparedness for employees, employee families and the neighbourhood. Few of the major accomplishments are noted below:

At manufacturing units and offices, all the safety measures were followed by following the HR guidelines, SOPs and circulars displayed at various locations for easy access of employees so as to ensure business continuity.

Nominated essential staff at each workplace who were provided necessary safety training and preparedness to keep the workplace safe.

Accomplished 100% vaccination (02 doses) against COVID-19 for all the employees just to ensure safety and good health.

Major accomplishments in FY 21-22 in various areas:

Technology transformation

Post pandemic, HR made a major comeback by rolling out new processes. One among those was the introduction of new technology in HRMS. The first step toward making the HR process paperless by digitalization.

This has been HR's constant endeavor to bring up-gradation in existing people systems and practices and the new HRMS will automate & simplify the process, Build Employee Centric Workplace and Drive Business transformation through technology.

Employees Engagements

In FY 2021-22, HR has designed various programs to keep employees motivated and connected inspite of situational challenges. There were many employee welfare programs and festivals celebrated in manufacturing sites and offices. Further, there were national and international days celebrated across the group to ensure employees are aware of their responsibilities. HR initiated celebrations on National Safety Day, World Environment Day, World Food Safety Day, Wellness month and various other occasions where the celebrations were clubbed with sports, competitions, and group games.

Training & Development

HR has formulated various training and development sessions including the developmental programs throughout the FY 21-22 thus succeeding in completing 14,858 hours of training. These training were carefully designed as per the requirement and were conducted by resourceful faculties from premier agencies and institutions.

Health and safety

During the year, the Company continued its efforts to strengthen the health and safety of its employees. All the sites of Shree Renuka Sugars have also increased visual safety awareness with the help of posters in different parts of the factory and office. The organization actively conducted health and safety training sessions at all its sites. The following programs were :

- Implementation of Lock Out Tag Out (LOTO): This training enables employees to protect themselves from injuries caused by machines that are being serviced or repaired.
- Self-contained Breathing Apparatus (SCBA) Implementation: This apparatus aids the employees in breathing while performing work in a confined space.
- Implementation of Road safety measure: Several safety measures were undertaken for road safety which promoted wearing of crash helmets and car safety belts. Besides, a road safety week was also celebrated at the sites.
- Safety week celebration : Employees were encouraged to take a safety oath with a promise to abide by it. Several competitions were also organised during the celebrations to promote awareness. Winners also received awards for their performance in various events.
- Fall protection safety: Advanced fall protection systems were implemented in a phased manner at all sites to ensure better safety of employees.
- Firefighting system assessment has been carried to comply OHSAS standard. Action plan preparation is under process
- We have placed third party safety consultancy for all distilleries to strengthen safety systems at the sites.
- We have started digital visual training/awareness program to make our contactors safe.
- We have digital platform named Enablon for reporting all incidents with action plan, hazards, nearmiss, campaigns assessment of factory environment matrices, warehouse fire assessment, sustainability assessment, spill prevention containment and control measures etc....
- We have started Contractors EHS evaluation which is going to help in reducing frequency rate of injury.

Wellness Month

HR initiated & celebrated SRSL Wellness Month from June 19 to July 17', 2021, and planned to introduce a few wellness programs for all employees so that together we adopt proactive strategies for improved physical, mental, and emotional wellbeing at our home and workplace. These programs were framed to employ virtual engagement practices for employees for their better mental and physical health.

Few of the very important programmes are outlined below:

- Inner Peace through Yoga-Meditation on account of International Yoga Day
- Staying Resilient & Happy amidst in the pandemic.
- Ergonomics- Posture Correction.
- Acupressure practices to boost Immunity/Building immunity
- Pranayama and Full body meditation

Awards

The company received the "Award for Best Talent Management Strategy." On account of various strategies, HR had structured to retain and hire talent.

Environment, Social and Governance (ESG)

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

Environment

Sugar manufacturing is a water intensive industry and has a high dependence on energy. Sugar manufacturing also produces effluents that must be treated before its release into the environment. To reduce its environmental footprint, the Company undertook the following initiatives in FY 2021-22:

- For captive consumption, the company uses a large proportion of energy generated by its cogeneration units. Around 77% of its co-generation process is renewable energy that results in a significant reduction in GHG emissions.

- Formed an inter-unit committee with the objective of minimising freshwater consumption. It is done by enhancing the use of recycled water, which automatically reduces the use of water.
- The Company is treating environmental effluents and all its facilities are equipped with zero liquid discharge to enhance its sustainability measures.
- Set up a standard operating procedure (SOP) for managing hazardous waste at all units
- Installed incineration boilers at all distilleries as a step towards achieving better utilisation of spent wash. After extracting energy from spent wash, the potash rich fly ash generated from these incineration boilers can be used as a source of potash nutrition for agricultural green belt development.
- The Company fully utilises raw materials and thus there is no waste generation.

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

To reduce air pollution levels, the Company has planted a total of 6528 trees during the year, across all its units. Besides, environmental awareness posters and banners have been put up at prominent locations, across units, to enhance awareness among employees. The Company also observes World Environment Day every year and plants trees to further the green cover in and around its operating areas.

Social

The Company is undertaking various activities to uplift the communities in its operational areas. To ensure health and safety of its communities, it has distributed sanitisers and oxygen concentrators during the pandemic. It has also ensured safety by setting up a fire-fighting vehicle near the farms. The Company is also focussing its efforts towards improving access to clean water and consequently has ensured the supply of potable water by installing RO plants and borewell hand pumps as well as carried out refurbishment of ponds. The Company believes in the importance of education and has distributed primary school supplies and educational kits among students.

The Company has partnered with Solidaridad, a Dutch non-profit organisation that assists sugarcane farmers in adopting sustainable practices and imparts training to them. The trainings are designed in a way that the adoption of these methods raises productivity levels, contributing towards economic development of the farmers. These methods contribute towards the progress of the farming community.

Governance

At Renuka Sugars, the Board functions as the centre of sound corporate governance. The Board strives to make sure that everything the Company does is governed effectively, with integrity, transparency and in accordance with sound corporate governance practices. The company's governance structures as well as processes are regularly reviewed to take into account new developments and facilitate effective leadership.

Board's Report

Dear Members,

The Board of Directors presents their Twenty-Sixth Annual Report and audited financial statements for the financial year ended 31st March 2022.

Results of our operations and state of affairs

The highlights of the standalone financial results are as under:

(Rs. in Mn)

Particulars	FY 2021-22	FY 2020-21
Total Income	62,091	56,116
Profit /(loss) before financial expenses, depreciation and exceptional items	4,466	6,353
Financial expenses	3,755	3,686
Depreciation	2,010	2,013
Profit /(loss) before provision for tax and exceptional items	(1,299)	654
Exceptional Items – Income	2,514	1,499
Provision for taxation:		
- Income Tax relating to earlier years	-	-
- Deferred Tax / (Income)	84	1,596
Net Profit/(Loss)	1,131	557
Total comprehensive income/(loss)	3,125	117
Retained Earnings and Items of Other Comprehensive Income (OCI) brought forward from the previous year	(33,096)	(34,139)
Changes in Retained Earnings	1,599	1,247
Changes in Items of OCI	1,715	(203)
Closing Retained Earnings and Items of OCI	(29,782)	(33,096)

Operating Highlights

The Company achieved total income of INR 62,091 million for the year ended 31st March 2022 as against INR 56,116 million for the previous year. The EBITDA (excluding foreign exchange gain/loss) for the year under review stood at INR 4,781 million as compared to INR 5,606 million for the previous year, while the Net Profit stood at INR 1,131 million as compared to INR 557 million for the previous year. Analysis of operating performance is covered under Management Discussion and Analysis which forms part of this Report.

There were no material changes in the nature of business of the Company during the year under review.

Dividend & Dividend Distribution Policy

Since the Company has carried forward losses as on 31st March 2022, your Directors have not recommended any dividend for the financial year ended 31st March 2022. The Company has complied with the requirement of formulation of the Dividend Distribution Policy of the Company which may be accessed on the Company's website at https://renukasugars.com/pdf/corporate-governance/dividend-distribution-policy.pdf.

Transfer to Reserves

Debenture Redemption Reserve (DRR) is created to the extent of 25% of the non-convertible debentures (NCDs) equally over the period till maturity of the NCDs, as per the requirements of the applicable laws. Since the Company does not have distributable profits, the Company Company has not transferred any amount to reserves during the financial year ended on 31st March 2022.

Deposits

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

Management Discussion and Analysis Report

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

Subsidiary Companies and Consolidated Financial Statements

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

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

Pursuant to Rule 8 of the Companies (Accounts) Rules, 2014, the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company during the period under review is provided in the notes on consolidated financial statements forming part of this annual report. There was no material change in nature of the business of any of the subsidiaries during the year.

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

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

During the year under review, the Company had filed the revised scheme of merger on 17th December 2021 with the Stock Exchanges i.e. BSE Limited (BSE) & National Stock Exchange of India Limited (NSE) for seeking in-principle approval of merger of its subsidiary (93.64%), Gokak Sugars Limited, with the Company. BSE and NSE forwarded the same to SEBI with their recommendation. The Company has received No Objection letter from BSE and NSE on 11th March 2022 and is currently in the process of filing application to the National Company Law Tribunal for seeking approval for the said merger.

The Board of Directors, at its meeting held on 24th May 2022, approved the merger of Monica Trading Private Limited, Shree Renuka Agri Ventures Limited and Shree Renuka Tunaport Private Limited, wholly owned subsidiaries of the Company, with the Company. The Company has submitted the scheme of merger to the Stock Exchanges on 1st August 2022 pursuant to SEBI Listing Regulations. The Company is now in the process of filing application to the National Company Law Tribunal for seeking approval for the said merger.

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

Share Capital

During the year under review, there was no change in the paid-up share capital of the Company which stands at Rs. 212,84,89,773 comprising of 212,84,89,773 equity shares of Re 1/- each fully paid-up. As on 31st March 2022, 99.83% of the total paid-up equity share capital of the Company stands in the dematerialized form.

Conversion of NCD into RPS

1,500 Non-Convertible Debentures (NCDs) (11.70%) of Rs. 10 Lakhs each and 1,000 Non-Convertible Debentures (NCDs) (11.30%) of Rs. 10 Lakhs each aggregating to Rs. 250 Crores of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited. The Company has filed an application for in-principle approval with BSE Limited (BSE) for conversion of 50% of listed NCDs into Redeemable Preference Shares, which is under process with Listing Operation team of BSE Limited.

Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152 of the Act, Mr. Charles Cheau Leong Loo (DIN: 08737827), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment at the forthcoming Annual General Meeting. Brief Resume of Mr. Loo is circulated to the members as part of this Annual report.

The members, through notice of postal ballot dated 11th February 2022, approved the appointment of Mr. Ravi Gupta (DIN: 00133106) as an Executive Director of the Company for a period of five years with effect from 28th October 2021.

Mr. S. K. Tuteja (DIN: 00594076) completed his tenure as an Independent Director of the Company on 31st March 2022. The Board placed on record its gratitude towards the services of Mr. S K Tuteja for his contributions to the proceedings of the Board and the valuable advice given by him as a Board member over a period of his tenure of 15 years.

The members, through notice of postal ballot dated 27th May 2022, approved the appointment of Mr. Arun Chandra Verma (DIN: 06981070) as an Independent Director of the Company for a period of five years with effect from 1st April 2022.

The Board of Directors, on recommendation of the Nomination & Remuneration/Compensation Committee (NRC), approved the appointment of Mr. Tinniyan Kalyansundaram Kanan (DIN: 00020968) as an Alternate Director to Mr. Kuok Khoon Hong, Non-Executive Director, w.e.f. 19th May 2022.

The Board of Directors, on the recommendation of the NRC, appointed Mr. Seetharaman Sridharan (DIN: 01773791) and Mr. Siraj Hussain (DIN: 05346215) as Additional Directors (Independent) of the Company as per the provisions of Sections 149, 152 and 161 of the Companies Act, 2013 ("the Act") for a period of 3 (Three) years effective from 9th August 2022, subject to the approval of the members.

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

The policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act and Listing Regulations adopted by the Board is appended as **Annexure I** to the Board's Report. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company. The policy is available on the website of the Company at https://renukasugars.com/pdf/corporate-governance/nomination-remuneration-policy.pdf.

As on date of this report, 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.

Performance Evaluation

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

The meeting of Independent Directors of the Company was held on 29th March 2022 to discuss matters as per the provisions of Companies Act, 2013 and the Listing Regulations.

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

Meetings of the Board

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

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

Directors' Responsibility Statement

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

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

(b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2022 and of the profit of the Company for the year ended on that date;

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

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

(e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors and Auditors' Report

M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) were appointed as Statutory Auditors of the Company at the 21st Annual General Meeting (AGM) held on 21st December 2017, for a term of 5 years to hold office from the conclusion of the 21st AGM till the conclusion of 26th AGM.

As the term of M/s. S R B C & CO LLP comes to an end at the ensuing 26th AGM of the Company, it is proposed to appoint a firm of Chartered Accountants as may be recommended by the Audit Committee and approved by the Board of Directors, as Statutory Auditors of the Company for a term of five years to hold office from the conclusion of 26th AGM till the conclusion of 31st AGM. The details of the firm to be appointed as Statutory Auditors would be provided in the notice convening the Annual General Meeting.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no qualifications or observations made by the Statutory Auditor in the said report.

During FY 2021-22, the Statutory Auditors had not reported any matter under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) of the Act.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board had appointed M/s. DVD & Associates, Practicing Company Secretary (Membership No. F6055/CP No. 6515), to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended 31st March 2022 is annexed herewith at **Annexure II** to this Report. There are no qualifications or observations made by the Secretarial Auditor in the said report.

During FY 2021-22, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) of the Act.

Cost Auditors

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. B. M. Sharma & Co, Cost Accountants, as the Cost Auditor to audit the cost records for the financial year ending 31st March 2023. 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 Accountants, forms part of Notice convening 26th AGM of the Company, along with relevant details of the proposed remuneration.

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

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

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

Corporate Governance

In compliance with the Regulation 34 read with Schedule V of Listing Regulations, a detailed report on Corporate Governance forms part of this Annual

Report. A Certificate from the Practicing Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is appended to the Corporate Governance Report.

Particulars of Employees

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

Employee Stock Option Scheme

The Nomination & Remuneration/Compensation Committee of the Board of Directors of the Company, inter alia, administers and monitors the SRSL Employees Stock Option Plan-2011 ("Scheme") of the Company in accordance with applicable SEBI regulations.

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

Contracts and Arrangements with Related Parties

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

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

Particulars of Loans, Guarantees or Investments

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

Corporate Social Responsibility

Your Company is committed to Corporate Social Responsibility (CSR) by catering to the needs of the weaker sections of the society. Since the CSR Committee was dissolved on 25th June 2021, the CSR functions were discharged by the Board during the remaining part of the year under review. 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 VI** to the Board's Report.

Based on the amount to be spent by the Company in terms of Section 135(9) of the Act, the provisions of constitution of CSR Committee have now again become applicable to the Company. Accordingly, the Board of Directors, at its meeting held on 9th August 2022, constituted a CSR Committee. The details relating to the composition, powers, roles, terms of reference etc. of CSR Committee are given in detail in the Corporate Governance Report, which forms part of this Annual 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 the Investor Education and Protection Fund ('IEPF'), constituted by the Central Government. Further, all shares in respect of which dividend has not been paid or claimed for seven consecutive years have to be transferred by the Company to IEPF.

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

The details of unclaimed/unpaid dividends and equity shares transferred to IEPF are available on the website of the Company at https://renukasugars.com/pdf/shares-trfd-to-iepf.pdf.

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

Annual Return

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules 2014, the Annual Return of the Company for FY 2021-22 is available on the website of the Company at https://renukasugars.com/en/agm-2022.html

Risk Management & Internal Financial Controls

The Company has adopted a Risk Management Policy which is reviewed on a periodic basis in order to recognize, assess and reduce exposure to risks wherever possible, identify steps to mitigate risks and to identify risk owners for all types of risks.

The Company's Risk Management Policy is based on the philosophy of achieving substantial growth while mitigating and managing risks involved. The Company's internal control systems with reference to the financial statements are adequate and commensurate with the nature of its business and the size and complexity of its operations. Periodic audits and checks are conducted and the controls to prevent, detect and correct any irregularities in the operations have been laid down by the Company.

The Board of Directors, at its meeting held on 25th June 2021, constituted a Risk Management Committee. 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

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

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

Prevention of Sexual Harassment at Workplace

The Company has complied with the requirement of constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("the Act") and Rules made thereunder. During the year, there were no complaints received by the Company under the Act.

Human Resources (HR)

The Company's HR policies and procedures are designed to recruit and retain the best talent to support the operations of the Company.

HR department has outlined a talent management strategy in place designed for the company to gain optimal results. In order to achieve desired goals, HR has transformed from Good to Great and made efforts in building "A people organization".

HR has transformed from Good to Great by moving from Traditional & Transactional to a more People-centric organisation, creating Centre for HR Excellence,driven strategically with a digital orientation.

Further, by marching forward HR has been able to transform the organisation by building "A People Organization" by aligning people with the Company's goals and visions, by objective and key result-driven performance, custom made training programs at all levels, investing in existing and future talent supply and optimizing organization structures and workflow to increase talent pipeline.

Material Changes & Events after Balance Sheet Date

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

OTHER EVENTS

Qualified Institutional Placement

The shareholders of the Company, at their Annual General Meeting held on 2nd September 2021, approved raising of INR 15,000 Mn by way of equity through Qualified Institutional Placement ("QIP") to eligible Qualified Institutional Buyers ("QIB"), under Schedule VI of SEBI (ICDR) Regulations 2018. The Company had conducted non-deal road shows with potential investors, during the months of November to March 2022. The Company is planning to conduct further road shows and launch the QIP as soon as possible, subject to necessary statutory approvals.

Business Responsibility Report

The Business Responsibility Report for the year ended 31st March 2022 as stipulated under Regulation 34 of SEBI Listing Regulations is annexed which forms part of this Annual Report as **Annexure VII**.

Other Disclosures/Reporting

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

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No application has been made by the Company and neither any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.
- The Company has not done any one time settlement during the year, and hence, 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.
- The Whole time Directors of the Company are not receiving any remuneration or commission from the Holding Company or Subsidiary Company of the Company.
- The Company has complied with the applicable Secretarial Standards for all Board meetings during the year.
- All recommendations of Audit Committee during the year were accepted by the Board.

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: 9th August, 2022
Place: Mumbai

Annexure I

Nomination and Remuneration Policy

[Pursuant to the provisions of the Companies Act, 2013 and Schedule II – Part D(A)(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 ("the Act") read along with the applicable rules thereto and Schedule II – Part D(A)(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration/Compensation Committee (NRC or the Committee) and has been approved by the Board of Directors of the Company.

1. Definitions

1.1 **"Act"** means Companies Act, 2013 and rules framed thereunder as amended from time to time.

1.2 **"Board of Directors"** or **"Board",** in relation to the company, means the collective body of the Directors of the Company.

1.3 **"Committee"** or **"NRC"** means Nomination and Remuneration/Compensation Committee of the Company as constituted or reconstituted by the Board.

1.4 **"Company"** means **"Shree Renuka Sugars Limited"**.

1.5 **"Managerial Personnel"** means Managerial Personnel or Persons, applicable under Section 196 and other applicable provisions of the Companies Act, 2013.

1.6 **"Policy"** or **"This policy"** means Nomination and Remuneration Policy.

1.7 **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

1.8 **"Independent Director"** means a Director referred to in Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.9 **"Key Managerial Personnel"** (KMP) means

a) The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director;

b) The Company Secretary and

c) The Chief Financial Officer

1.10 **"SEBI Listing Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.11 **"Senior Management"** means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of the management one level below the executive directors, including the functional heads.

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

2. Objective

The Nomination and Remuneration/ Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Schedule II – Part D(A)(1) of the SEBI Listing Regulations or any other applicable law(s) or regulation(s). The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:

2.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

2.3 Formulation of criteria for evaluation of Independent Director and the Board.

2.4 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

2.5 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2.6 To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

2.7 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

2.8 To develop a succession plan for the Board and to regularly review the plan.

2.9 To assist the Board in fulfilling responsibilities.

2.10 To Implement and monitor policies and processes regarding principles of corporate governance.

3. Constitution of the Nomination and Remuneration Committee

The Board constituted the "Nomination and Remuneration Committee" of the Board on 15th November 2016. This is in line with the requirements under the Act and SEBI Listing Regulations. This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together. The Board has authority to reconstitute this Committee from time to time.

4. Appointment and removal of Managerial Personnel, Director, KMP and Senior Management

4.1 Appointment Criteria and Qualifications

4.1.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

4.1.2 A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

4.1.3 For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required

b. consider candidates from a wide range of backgrounds, having due regard to diversity and

c. consider the time commitments of the candidates

4.1.4 Appointment of Independent Directors is also subject to compliance of provisions of Section 149 of the Act read with Schedule IV and rules thereunder and the SEBI Listing Regulations .

4.1.5 The Company shall not appoint or continue the employment of any person as Managerial Personnel who has attained the age as prescribed under Section 196 of the Companies Act, 2013.Provided that, the term of the person holding this position may be extended beyond the age prescribed under Section 196 of the Act with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 years.

4.1.6 A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

4.1.7 The Company shall not appoint any resigning independent director, as whole-time director, unless a period of one year has elapsed from the date of resignation as an independent director

5. Term / Tenure

5.1 Managerial Personnel:

The Company shall appoint or re-appoint any person as its Managing Director and CEO or wholetime Director as per the applicable laws.

5.2 Independent Director:

An Independent Director shall be appointed / re-appointed in the manner as specified under applicable laws.

5.3 Non-Executive Director

Non-executive director's office is subject to retirement by rotation at the Annual General Meeting in the manner as specified under the applicable laws.

6. Retirement:

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

7. Evaluation:

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

8. Removal

The Committee may recommend to the Board, with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

9. Remuneration of Managerial Personnel, KMP and Senior Management:

9.1 The Remuneration / Compensation / Commission etc. to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and/or Central Government, wherever required.

9.2 The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

9.3 Managerial Personnel, KMP and Senior Management shall be eligible for a remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force, subject to approval of the shareholders and the Central Government, as may be applicable.

9.4 If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the approval of the shareholders and/or the Central Government, in the manner prescribed under the relevant provisions of Companies Act, 2013.

9.5 If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

9.6 Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel subject to the provisions of the Act.

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

10. Remuneration to Non-Executive / Independent Directors:

10.1 Remuneration / Commission:

The remuneration/commission shall be in accordance with the provisions of the

Companies Act, 2013, and the rules made thereunder for the time being in force.

10.2 Sitting Fees:

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

10.3 Limit of Remuneration / Commission:

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

11. Duties in relation to nomination matters:

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

11.1 Determining the appropriate size, diversity and composition of the Board;

11.2 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

11.3 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

11.4 Identifying and recommending Directors who are to be put forward for retirement by rotation;

11.5 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

11.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

11.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

11.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

11.9 Recommend any necessary changes to the Board; and

11.10 Considering any other matters, as may be requested by the Board.

12. Duties in relation to remuneration matters:

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

12.1 Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

12.2 Approving the remuneration of the Directors, Senior Management including KMP of the Company maintaining a balance between fixed and incentive pay, if any, reflecting short and long term performance objectives appropriate to the working of the Company.

12.3 Delegating any of its powers to one or more of its members or the Secretary of the Committee.

12.4 Considering any other matters as may be requested by the Board.

13. Review and Amendment to the policy:

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

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

Annexure II

Secretarial Audit Report

For the financial year ended 31st march 2022

[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 2021 to 31st March 2022, 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 2022, 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 2022 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 the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

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

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable for the period under review)

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

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

(d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not applicable for the period under review);

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable for the period under review);

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ; (Not applicable for the period under review)

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable for the period under review);

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015: The Company has satisfactorily complied with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as applicable to the Company.

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

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period under review.

(ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange Of India Limited, Mumbai in respect of Shares issued by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

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

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

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

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

a) Board of Directors of the Company through board resolution dated 02nd August, 2021 approved to raise funds by issue of securities by way of QIP not exceeding INR 15,000 Mn (Rupees Fifteen Thousand Million only).

b) Board of Directors of the Company through board resolution dated 28th October, 2021 approved amendments to the scheme of merger of Gokak Sugars Limited with the Company.

c) The Company has passed following through postal ballot dated 25th March, 2022:

    i. Material related party transactions for FY 2021-22 and FY 2022-23

    ii. Increase in remuneration of Mr. Vijendra Singh, Executive Director & Dy. CEO

    iii. Appointment of Mr. Ravi Gupta as Executive Director of the Company

FOR **DVD & ASSOCIATES**
COMPANY SECRETARIES

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

Place: Pune
Date: 09.08.2022
UDIN: F006099D000767178

ANNEXURE A

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

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

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

FOR **DVD & ASSOCIATES**
COMPANY SECRETARIES

DEVENDRA DESHPANDE
FCS No. 6099
CP No. 6515
PR No. 1164/2021

Place : Pune
Date: 09.08.2022
UDIN: F006099D000767178

Annexure III

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

1. Steps taken for conservation of energy

The Company has undertaken various power conservation initiatives during the year, mainly installation of LED bulbs in place of conventional bulbs, solar power plants and solar heaters. The Company installed 150 KWH Solar power plant at Pathri plant, 32 No. of 2.0 KWH capacity of solar heater at Athani Plant and 1,921 LED bulbs from 20 Watts to 200 Watts at all the plants. All this resulted in power saving of 2.85 Mn KWH during the year.

2. Steps taken by the company for utilizing alternate sources of energy

The Company uses Distillery Plant waste-water spent wash which is generated during Ethanol production, as an alternative source of energy. This spentwash is concentrated in Multi-effect evaporators , which is then used as an alternate source of fuel for Incineration boilers in Athani and Havalga. During the year, the Company reduced coal usage by 39,339 MT due to this. The Company generated 459 Mn KwH of energy by using bagasse, a by-product of sugar manufacturing process, which was partly utilized by the Company for its own operations, and the excess power was sold to the grids.

3. Capital investment on energy conservation equipment

The Company has made investments during the year for electricity conservation projects of Rs. 3.7 Mn. In six units installation of LED bulbs, in one unit installation of solar heater and in one unit installation solar power plant to conserve the energy 2.849 Mn kwh per year.

B. Technology Absorption

1. Efforts made towards technology absorption:

The Company installed incineration boilers in its distilleries to treat spent wash for use as fuel for the boilers.

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

The use of concentrated spent wash enabled the Company to save an amount Rs. 307.67Mn during the year, apart from reducing usage of coal.

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

NIL

4. Expenditure incurred on Research and Development:

NIL

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earned: Rs. 42,011.62 Mn
Outgo of Foreign Exchange: Rs. 18,747.89 Mn

Annexure IV

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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

Sr. No.	Name of Director/KMP and Designation	% increase in Remuneration in FY 2021-22	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Atul Chaturvedi Executive Chairman	12.31	114.06
2.	Mr. Vijendra Singh Executive Director & Dy. CEO	8.80	110.50
3.	Mr. Ravi Gupta Executive Director (w.e.f. 28th October 2021)	14.10*	53.09*
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	NA#	3.44
8.	Mr. S. K. Tuteja Independent Director (upto 31st March 2022)	NA#	3.44
9.	Mr. Dorab Mistry Independent Director	NA#	3.44
10.	Mr. Bhupatrai Premji Independent Director	NA#	3.44
11.	Dr. Bharatkumar Mehta Independent Director	NA#	3.44
12.	Ms. Priyanka Mallick Independent Director	NA#	3.44
13.	Mr. Tinniyan Kalyansundaram Kanan Alternate Director	NA	NA
14.	Mr. Sunil Ranka Chief Financial Officer	7.24	61.06
15.	Mr. Deepak Manerikar Company Secretary	28.21	10.94

* Calculated based on remuneration/salary paid for FY 2021-22

\# Independent Directors were paid remuneration of Rs. 11 lac in FY 2021-22 (PY - Nil).

2. The median remuneration of employees of the Company during the financial year was **Rs. 3,15,840/.**

3. In the financial year, there was an increase of **7.07%** in the median remuneration of employees.

4. The numbers of permanent employees on the rolls of Company as on 31st March 2022 were **1962**.

5. Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2021-2022 was **10%** and increase in the managerial remuneration was by **10%**. Increments in remuneration of employees are as per the appraisal / Remuneration Policy of the Company.

6. It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

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

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

Sr. No.	Name and Designation	Remuneration Received (` in Million)	Qualifications	Total Experience (No. of years)	Date of Commencement of Employment	Age in Year	Previous Employment
1.	Atul Chaturvedi (Executive Chairman)	36.50	Post graduate from St. Johns College (Agra University)	41	02-Jul-18	66	Adani Wilmar Ltd
2.	Vijendra Singh (Executive Director & Dy. CEO)	35.36	B. Sc., PGD (SUGAR TECH)	38	15-Sep-10	62	Bajaj Hindustan Ltd.
3.	Sunil Ranka (Chief Financial Officer)	19.54	LLB, B.Com, CA, ICWA, CS	36	18-Apr-18	59	Suzlon Energy Ltd
4.	Ravi Gupta (Executive Director)	16.99	B.Com, PGDM	31	01-May-13	52	Noble Natural Resource India Pvt. Ltd.
5.	Satbir Singh Sindhu (President-Marketing & OD)	13.59	MBA	36	01-Jun-18	60	Adani Wilmar Ltd
6.	Shripad Nerlikar (Executive Director-Cane)	11.71	B.Sc. (AGRI)	45	01-Oct-03	66	Halasidhanath SSK Ltd
7.	Jitendra Sharma (President-HR)	7.82	LLB, LLM, PGDM	25	07-Jan-19	47	NSL Group, Hyderabad
8.	Venkateshwarlu Yelisetty (Vice President-Accounts & MIS)	7.01	B.COM, CA	21	04-Oct-18	50	United Spirits Ltd
9.	Ajay Pal Sheoran (Vice President – Sales)	6.40	B.COM, MBA	31	04-Sep-18	54	Gujarat Tea Processors & Packers Ltd
10.	Vipin Kumar Rathi (Senior Vice President -Operations)	6.35	B. Sc., PGD (SUGAR TECH)	33	16-Aug-18	52	Bajaj Hindustan Ltd.

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

Sr. No.	Name and Designation	Remuneration Received (Rs. in Million)	Qualifications	Total Experience (No. of years)	Date of Commencement of Employment	Age in Year	Previous Employment
1.	Atul Chaturvedi	36.50	Post graduate from St. Johns College (Agra University)	41	02-Jul-18	66	Adani Wilmar Ltd
2.	Vijendra Singh	35.36	B. Sc., PGD (SUGAR TECH)	38	15-Sep-10	62	Bajaj Hindustan Ltd.
3.	Sunil Ranka	19.54	LLB, B.Com, CA, ICWA, CS	36	18-Apr-18	59	Suzlon Energy Ltd
4.	Ravi Gupta	16.99	B.Com, PGDM	31	01-May-13	52	Noble Natural Resource India Pvt. Ltd.
5.	Satbir Singh Sindhu	13.59	MBA	36	01-Jun-18	60	Adani Wilmar Ltd
6.	Shripad Nerlikar	11.71	B.Sc. (AGRI)	45	01-Oct-03	66	Halasidhanath SSK Ltd

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

(Rs. In Million)

Sr. No.	Name and Designation	Remuneration Received (` in Million)	Qualifications	Total Experience (No. of Years)	Date of commencement of Employment	Age in Year	Previous Employment
NA							

Notes:

1. All the above Appointments are Contractual.
2. None of the employees who are posted abroad are drawing remuneration of over Rs. 60 Lakhs per Financial Year or Rs. 5 Lakhs per month.
3. Remuneration shown above comprises of salary, allowances, bonus, commission, perquisites, Leave encashment, contribution to Provident Fund, Superannuation Fund, Gratuity Fund etc., wherever applicable.
4. Information regarding qualifications, experience and last employment held is based on particulars furnished to the Company, by the employees concerned.
5. Mr. Atul Chaturvedi holds 6,45,000 equity shares of the Company as on 31st March, 2022.
6. None of the employees mentioned above is related to any Director of the Company.
7. Mr. Ravi Gupta was appointed as Additional Director (Executive) by the Board of Directors at its meeting held on 28th October 2021 and approved by the shareholders of the Company w.e.f. 25th March 2022, for a term of 5 years w.e.f. 28th October 2021.

Annexure V

Form No. AOC-2

Particulars of contracts/arrangements entered into by the company with related parties

[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 2022, 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 and Nature of relationship	Date of approval by the Board	Nature of Contract	Duration of contract	Salient terms*	Amount paid as advance
Wilmar International Limited	2nd August 2021	Project engineering consultancy and advisory services, design and engineering services and any other services.	1 year and auto renewal for successive one year.	Cost of rendering services plus a mark-up of 10%.	NA
Wilmar Sugar India Private Limited	11th February 2022	Execution of management service agreement.	1st January 2022 – 31st March 2023	Service fees: Rs 100/- per tonne.	NA
Gokak Sugars Limited	25th June 2021	Execution of Loan Agreement for Rs 120 Crores	Repayable in 180 months including moratorium period of 24 months	Repayable in 180 month including moratorium period of 24 months at an interest @ 9% per annum.	NA
Monica Trading Private Limited	18th February 2022	Execution of Loan Agreement for Rs 10 Lakhs	Repayable in 10 years after moratorium of 24 months.	Interest @ 9% per annum, repayable in 10 years after moratorium of 24 months from the date of disbursal.	NA
KBK Chem-Engineering Private Limited	25th June 2021	Execution of Loan Agreement for Rs 25 Crores	Repayable in 120 months after a moratorium of 12 months.	Interest @ 9% p.a., Repayable in 120 months after a moratorium of 12 months.	NA

Name of related party and Nature of relationship	Date of approval by the Board	Nature of Contract	Duration of contract	Salient terms*	Amount paid as advance
Shree Renuka Tunaport Private	25th June 2021	Execution of Loan Agreement for Rs 10 Lakhs	Repayable in 120 months after a moratorium of 12 months.	Interest @ 9% p.a., Repayable in 120 months after a moratorium of 12 months.	NA

*Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board

Atul Chaturvedi
Executive Chairman
DIN: 00175355

Date: 9th August 2022
Place: Mumbai

Annexure VI

Annual report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22

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

1. Brief outline on CSR Policy of the Company

The CSR Policy of the Company covers the proposed CSR activities in line with Section 135 of the Companies Act, 2013 and the Schedule VII thereto.

Since the provisions relating to formation of CSR Committee were not applicable to the Company, the Board of Directors, at its meeting held on 25th June 2021, dissolved the CSR Committee with effect from 26th June 2021. The functions of CSR Committee were discharged by the Board of Directors during the remaining part of the year.

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

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

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

Not applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs.)
Not applicable			

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

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

6. (a) Two per cent of average net profit of the company as per section 135(5): Negative

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not applicable

(c) Amount required to be set off for the financial year, if any: Not applicable

(d) Total CSR obligation for the financial year (7a+7b-7c): Not applicable

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

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

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

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

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

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

(d) Amount spent in Administrative Overheads: **Not applicable**

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Not applicable**

(g) Excess amount for set off, if any

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

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	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 Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
Not applicable							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
Not applicable								

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

a) Date of creation or acquisition of the capital asset(s): **Not applicable**

b) Amount of CSR spent for creation or acquisition of capital asset: **Not applicable**

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not applicable**

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not applicable**

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

Not applicable

Date: 9th August 2022
Place: Mumbai

Atul Chaturvedi
Executive Chairman
DIN: 00175355

ANNEXURE VII

BUSINESS RESPONSIBILITY REPORT FOR FY 2021-22

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L01542KA1995PLC019046
2	Name of the Company	Shree Renuka Sugars Limited
3	Registered address	2nd and 3rd Floor, Kanakashree Arcade, CTS No.10634, JNMC Road, Neharu Nagar, Belagavi – 590010, Karnataka
4	Website	www.renukasugars.com
5	E-mail id	groupcs@renukasugars.com
6	Financial Year reported	2021-2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Shree Renuka Sugars Limited is engaged in manufacture of Sugar, Power and Ethanol. ***Industrial Group** – **Description** 10721 – Sugar 35106 – Power 11019 – Ethanol *As per National Industrial Classification
8	List three key products/services that the Company manufactures/provides (as in Balance sheet)	**Industrial Group** – **Description** 10721 – Sugar 35106 – Power 11019 – Ethanol
9	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5) Nil (b) Number of National Locations - The Company has its Corporate Office in Mumbai and Registered Office in Belagavi. The Company has its plants located at Athani, Munoli, Havalga and Raibag in Karnataka, Kolhapur, Satara and Pathri in Maharashtra Further, the Company has offices in New Delhi and Bengaluru.
10	Markets served by the Company – Local/ State/National/International	In addition to the Indian markets, the Company also exports to Sudan, Ethiopia, Somalia, Bahrain, China, Afghanistan, UAE, Saudi Arabia, Malaysia, Nepal, Myanmar, Sri Lanka, Indonesia, Qatar, Tanzania, etc.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR):** Rs. 2,128.48 Mn
2. **Total Turnover (INR):** Rs. 61,259 Mn
3. **Total profit after taxes (INR):** Rs. 1,131 Mn
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) –**

   Pursuant to Section 198 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was in negative. Accordingly, the Company was not mandatorily required to spend on any CSR activities during the financial year 2021-22.

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

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

SECTION C: OTHER DETAILS

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

   Yes, the Company has 5 (Five) direct Indian subsidiary companies as on 31st March 2022. Further details in this respect are mentioned in the Annual Return which is available on the website of the Company at www.renukasugars.com.

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

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

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

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

SECTION D: BR INFORMATION

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

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

      1. DIN Number - 03537522

      2. Name – Mr. Vijendra Singh

      3. Designation – Executive Director & Dy. CEO

   (b) Details of the BR head

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

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

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

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

3. **Governance related to BR**

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

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

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

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

   Business Responsibility Report of the Company is available at the website of the company viz. https://renukasugars.com/en/agm-2022.html

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

   During the financial year 2021-22, the company has not received any stakeholder complaints

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

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

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

   Madhur Pure & Hygienic Sugar, the company's flagship brand in refined sugar space is the country's largest brand in the packed sugar segment. Widely heralded by customers and trade as the hygienic alternative to loose sugar, it is getting a lot of traction with more and more consumers upgrading to the hygienic choice in their household sugar. Madhur is manufactured using a sulphur free process, thereby making it safe for consumption as SRSL is environmentally conscious and is committed to creating, maintaining and ensuring a safe & compared clean environment to sugar manufactured using sulphur.

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

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

The Company has undertaken various initiatives for efficient and optimal use of resources. The Consumption per unit varies as per the product mix and hence it is not possible to ascertain reduction achieved at each level. The details of conservation of energy are given as an Annexure to the Board's report for the financial year 2021-22.

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

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

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

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

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

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

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

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

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

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

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

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

Principle 3 - Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees – 1962 as on 31st March 2022
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis – 1963 as on 31st March 2022.
3. Please indicate the Number of permanent women employees - 29 as on 31st March 2022
4. Please indicate the Number of permanent employees with disabilities - NIL as on 31st March 2022
5. Do you have an employee association that is recognized by management? – NO
6. What percentage of your permanent employees is members of this recognized employee association? – NIL
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

9. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**
   a. Permanent Employees - 58%
   b. Permanent Women Employees - 59%
   c. Casual/Temporary/Contractual Employees - 60%
   d. Employees with Disabilities – NA

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

1. **Has the company mapped its internal and external stakeholders?**

   Yes, the Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, business partners, government/ regulatory authorities, etc.

   The Company also engages with its identified stakeholders on an on-going basis through a constructive process. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

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

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

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

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

Principle 5 - Businesses should respect and promote human rights

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

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

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

No stakeholder complaint pertaining to human rights was received in FY 2021-22.

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

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

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

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

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

Green belt development by sampling -6528 No.

Power Generation from By product -459.01 MKwh from byproduct Bagasse

Quantity of recycle/reuse -8,54,126 KL

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

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

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

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

The Company believes that it is only largescale planting of trees that can help minimize air pollution and its concentration levels in the atmosphere. We have grown extensive green belts around our units. As an ongoing activity in developing the belts, we planted 10,119 plants in FY 2019-20, 10,267 plants in FY 2020-21 and 6258 plants in FY 2021-22.

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

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

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

   We are committed to adhering strictly to the norms and compliance standards of environment set by the Government of India. We comply with mandatory standards and are particularly mindful of the impact of our operations on the environment.

   All our mills run on bagasse based power which is renewable energy. We produced 459 Million Kwh of power, 53% of which is consumed for captive consumption which powers all our plants and the remaining power is sold to the state electricity grid. Most of our cogeneration process is based on renewable energy, which provides a significant reduction in GHG emissions. Our cogeneration activities testifies our drive towards ensuring a sustainable future for our Company.

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

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

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

   There is no show cause/ legal notices received from CPCB/SPCB which are pending as on end of 31st March 2022.

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

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   a. Indian Sugar Mills Association (ISMA)

   b. All India Sugar Trade Association (AISTA)

   c. Refined Sugar Association (RSA)

   d. South Indian Sugar Mills Association (SISMA)

   e. Western Indian Sugar Mills Association (WISMA)

   f. ASSOCHAM

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

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

Principle 8 - Businesses should support inclusive growth and equitable development

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

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

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

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

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

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

No.

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

During the financial year 2021-22, the Company was not required to mandatorily spend on CSR activities under Section 135 of the Companies Act, 2013. However, the Company has undertaken a few CSR activities voluntarily

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

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

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

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

No customer/consumer complaints are pending as on the end of the financial year. At SRSL integrity is a given and not negotiable. It is essential to be honest with customers, treat them with respect and dignity and promise only what can be delivered. Satisfied customers are the key to SRSL's success. SRSL aims to earn customers' continued loyalty every day by treating them fairly, delivering the products they want and exceeding their expectations.

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

The company displays all information on the packaging as per the law of the land - including but not limited to nutrition table, manufacturing address, recommended storage conditions, MRP, batch code details, email and physical address for consumers to share feedback on, etc. In addition, the brand also tries to educate the consumers on how it is the recommended practice to evolve from loose sugar to the Pure & Hygienic Madhur sugar - which is shuddh, safed, samaan, made from a sulphur-free process and as a result of all these - surakshit. In the post-covid era, with rise in awareness around health and hygiene, consumers appreciate and abide by the information - which has resulted in the brand growing at over 20% CAGR in the past 3 yrs.

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

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

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

The company conducts various consumer surveys online and offline as per specific objectives. In the last year, two specific surveys bear mentioning:

1) An offline survey amongst aimed at understanding the barriers to adoption of hygienic Madhur sugar as against the loose sugar - basis which the communication and media vehicles carrying the communication are customised.

2) An online brand lift study done over tens of thousands of customers to understand the base awareness and purchase intent - a core indicator of customer satisfaction and perception.

Corporate Governance Report

1. Philosophy

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

2. Board of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. As on 31st March 2022, 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 Chairman of the Board is an Executive Director. The Company also has 1 (One) Alternate Director (Non-Executive Non-Independent) on its Board of Directors.

The Board has held four meetings during FY 2021-22 and the gap between any two meetings did not exceed four months. The Board meetings were held on 25th June 2021, 2nd August 2021, 28th October 2021 and 11th February 2022.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during FY 2021-22 and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies and number of shares held by them as on 31st March 2022, are given herein below:

Name of the Director	Nature of Directorship	Board Meetings Attended		Whether attended last AGM	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies		No. of Shares held
		Held	Attended			Member	Chairman	
Mr. Atul Chaturvedi DIN: 00175355	Executive Director (Chairman)	4	4	Yes	2	-	-	6,45,000
Mr. Vijendra Singh DIN: 03537522	Executive Director	4	4	Yes	3	-	-	-
Mr. Ravi Gupta DIN: 00133106 @	Executive Director	2	2	NA	1	-	-	-
Mr. Kuok Khoon Hong DIN: 00021957	Non-Executive Director	4	4	No	1	1	-	-
Mr. Jean-Luc Bohbot DIN: 06857132	Non-Executive Director	4	4	No	-	-	-	-
Mr. Charles Cheau Leong Loo DIN : 08737827	Non-Executive Director	4	4	No	-	-	-	-
Mr. Madhu Rao DIN: 02683483	Independent Director	4	4	Yes	4	4	-	-
Mr. S. K. Tuteja # DIN: 00594076	Independent Director	4	4	Yes	9	8	1	-
Mr. Dorab Mistry DIN: 07245114	Independent Director	4	4	No	1	-	-	-
Mr. Bhupatrai Premji DIN: 07223590	Independent Director	4	4	Yes	-	-	-	-

Name of the Director	Nature of Directorship	Board Meetings Attended		Whether attended last AGM	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies		No. of Shares held
		Held	Attended			Member	Chairman	
Dr. Bharatkumar Mehta DIN: 00895163	Independent Director	4	4	Yes	3	-	-	1,33,000
Ms. Priyanka Mallick DIN: 06682955	Independent Director	4	4	No	-	-	-	-
Mr. TK Kanan $ DIN : 0020968	Alternate Director	4	0	No	-	-	-	-

@ Appointed as Executive Director w.e.f 28th October 2021

#Ceased to be Director w.e.f. 1st April 2022 on completion of second term

$ Resigned as Alternate Director to Mr. Kuok Khoon Hong w.e.f. 1st April 2022 and appointed again as an Alternate Director to Mr. Kuok Khoon Hong w.e.f. 19th May 2022

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

Names of the Listed Entities where the Director of the Company is a Director and the category of Directorship:

Sr. No.	Name & DIN of Director	Name of the Listed Entity	Designation	Category
1	Mr. Atul Chaturvedi DIN: 00175355	-	-	-
2	Mr. Vijendra Singh DIN: 03537522	-	-	-
3	Mr. Ravi Gupta @ DIN: 00133106	-	-	-
4	Mr. Kuok Khoon Hong DIN: 00021957	Adani Wilmar Limited	Director	Non-Executive Director
5	Mr. Jean-Luc Bohbot DIN: 06857132	-	-	-
6	Mr. Charles Cheau Leong Loo DIN : 08737827	-	-	-
7	Mr. Madhu Rao DIN: 02683483	Adani Wilmar Limited	Director	Independent, Non-Executive Director
8	Mr. S. K. Tuteja # DIN: 00594076	• A2Z Infra Engineering Limited • SML Isuzu Limited	• Chairman • Chairman	• Independent, Non-Executive Director • Independent, Non-Executive Director
9	Mr. Dorab Mistry DIN: 07245114	Adani Wilmar Limited	Director	Independent, Non-Executive Director
10	Mr. Bhupatrai Premji DIN: 07223590	-	-	-
11	Dr. Bharatkumar Mehta DIN: 00895163	-	-	-
12	Ms. Priyanka Mallick DIN: 06682955	-	-	-

Sr. No.	Name & DIN of Director	Name of the Listed Entity	Designation	Category
13	Mr. TK Kanan $ DIN: 00020968	-	-	-

@ Appointed as Executive Director w.e.f 28th October 2021
# Ceased to be Director on completion of second term w.e.f. 1st April 2022
$ Resigned as Alternate Director to Mr. Kuok Khoon Hong w.e.f. 1st April 2022 and appointed again as an Alternate Director to Mr. Kuok Khoon Hong w.e.f. 19th May 2022

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

The Company has familiarized its Independent Directors regarding the Company, their roles, rights, responsibilities and liabilities in the Company. During the year, the Directors were also familiarized with key changes in corporate laws and other relevant laws. The details of programs for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at www.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 (here in after referred to as the Act) and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 29th March 2022.

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

The Nomination & Remuneration Committee (NRC) recommends appointment of a person possessing requisite skill sets, to be appointed as a Director of the Company. Additionally, the NRC also recommends such appointment if the person possesses knowledge and in-depth experience of the business in which the Company operates or has experience in the areas of 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 of Directors have identified the following core skills/expertise/competencies of the Directors of the Company, as required in the context of its business and sector for it to function effectively, and the Members of the Board possess the requisite skills as mentioned below:

Skills/expertise/competence	Whether available with the Board or not?	Name of Director having skill / expertise / competence
Industry knowledge/experience		
Experience	Yes	All Directors
Industry knowledge	Yes	All Directors
Understanding of relevant laws rules regulation and policy	Yes	All Directors
International Experience	Yes	Atul Chaturvedi Vijendra Singh Ravi Gupta Charles Loo Cheau Leong Kuok Khoon Hong Jean-Luc Bohbot TK Kanan Madhu Rao Dorab Mistry Bhupatrai Premji Dr. B. V. Mehta
Technical skills/experience		
Accounting Finance and Risk Management	Yes	Atul Chaturvedi Vijendra Singh Ravi Gupta Charles Loo Cheau Leong Madhu Rao S K Tuteja Dorab Mistry Bhupatrai Premji
Business Development and Business Strategy	Yes	Atul Chaturvedi Vijendra Singh Ravi Gupta Kuok Khoon Hong Jean-Luc Bohbot TK Kanan Dorab Mistry Dr. B. V. Mehta Priyanka Mallick
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 the reference and scope. The details of the committees constituted by the Board are given below:

A. Audit Committee

i. The Audit Committee of the Company is constituted in line with the provisions of Listing Regulations read with Section 177 of the Companies Act, 2013.

ii. The terms of reference & powers of the Audit Committee are broadly as under:

a. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b. Recommending to the Board, the appointment/re-appointment, remuneration and terms of appointment of Auditors of the company and approval of payment to statutory auditors for any other services rendered by the statutory auditors;

c. Reviewing with the management the quarterly, half-yearly and annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with accounting standards.
- Compliance with listing and other legal requirements concerning financial statements.
- Disclosure of any related party transactions.

d. Qualifications in the draft audit report;

e. Reviewing, with the management, the statement of uses / application of funds raised through public issue, rights issue, preferential issue, etc., and the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

f. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

g. Approval or any subsequent modification of transactions of the Company with Related Parties;

h. Scrutiny of inter-corporate loans and investments;

i. Valuation of undertakings or assets of the Company, wherever it is necessary;

j. Reviewing with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;

k. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

l. Discussion with internal auditors on any significant findings and follow up thereon;

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

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

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

p. Review the functioning of the Whistle Blower mechanism;

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

r. Evaluation of Risk Management systems;

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

t. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding 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.

iii. The Audit Committee invites such of the executives, as it considers appropriate, representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

iv. The previous Annual General Meeting (AGM) of the Company was held on 2nd September 2021 and was attended by Mr. Madhu Rao, Chairman of the Audit Committee.

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

Name of the Director	Position in the Committee	No. of meetings attended	
		Held	Attended
Mr. Madhu Rao (Independent Director)	Chairman	4	4
Mr. Dorab Mistry (Independent Director	Member	4	3
Mr. Surender Kumar Tuteja@ (Independent Director)	Member	4	4
Mr. Charles Loo Cheau Leong (Non-Independent Director)	Member	4	4

@Ceased to be a Director w.e.f. 1st April 2022 on completion of second term

The Audit Committee has held four meetings during FY 2021-22 and the gap between any two meetings did not exceed four months. The Audit Committee meetings were held on 25th June 2021, 2nd August 2021, 28th October 2021 and 11th February 2022.

B. Nomination & Remuneration / Compensation Committee

i. The Board has constituted a Nomination & Remuneration/Compensation Committee in line with the provisions of Listing Regulations read with Section 178 of the Companies Act, 2013.

ii. The broad terms of reference of the said Committee are as under:

a. To identify persons who are qualified to become directors and who may be appointed in senior management of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal;

b. To carry out the performance evaluation of individual Directors, the Committees and of the Board;

c. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

d. While formulating such policy, Nomination & Remuneration/ Compensation Committee shall ensure that -

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance, objectives appropriate to the working of the company and its goals.

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

f. Devising a policy on Board diversity;

g. To undertake specific duties as may be prescribed by the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 to from time to time to grant options to eligible employees;
- To decide the quantum of options to be granted to any employee and in aggregate under any of the Employee Stock Option Plans that may be formulated by the Committee;
- To decide the conditions under which the options granted to employees may lapse;
- To determine Exercise Price of the options to be granted under Employee Stock Option Plan;
- To determine and specify the vesting period and the Exercise Period in any of the Employee Stock Option Plans;
- To dispose of, at its sole discretion and in the interest of the Company, the options not applied for, by the employees offered under various ESOPs;
- To decide the procedure for making fair and reasonable adjustment to the number of options and to the exercise price in case of right issue / bonus issue, other corporate actions or otherwise;
- To determine the terms and conditions of ESOP and to do any other related or incidental matter thereto

j. To recommend to the board, all remuneration, in whatever form, payable to senior management

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

Name of the Director	Position in the Committee	No. of meetings attended	
		Held	Attended
Mr. Surender Kumar Tuteja (Independent Director) @	Chairman	2	2
Mr. Bhupatrai Premji (Independent Director)	Member	2	2
Mr. Madhu Rao (Independent Director)	Member	2	2

#Ceased to be a Director w.e.f. 1st April 2022 on completion of second term

Mr. Dorab Mistry, Independent Director, appointed as member and Chairman of the Committee w.e.f. 1st April 2022.

The Nomination & Remuneration/Compensation Committee has held two meetings during the year on 25th June 2021 and 28th October 2021.

iv. Details of remuneration paid/payable to Directors of the Company for the year ended 31st March 2022:

(Rs. in Million)

Name	Salary / Perquisites	Retirement Benefits	Bonus / Ex-Gratia	Performance Incentive	Sitting Fee	Others	Total	Service Contract/ Stock options granted / Notice period / Severance Fees
Mr. Atul Chaturvedi (Executive Chairman)	31.95	0.00	1.55	3.00	-	-	36.50	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)	30.82	0.14	1.40	3.00	-	-	35.36	Term of office valid upto 9th May 2023. 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)	6.28	0.40	0.28	0.00	-	-	6.97*	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.
Mr. Kuok Khoon Hong (Non-Executive Director)	-	-	-	-	-	-	-	-
Mr. Jean-Luc Bohbot (Non-Executive Director)	-	-	-	-	-	-	-	-
Mr. Charles Cheau Leong Loo (Non-Executive Director)	-	-	-	-	-	-	-	-
Mr. S. K. Tuteja (Independent Director)	-	-	-	-	0.43	1.10	1.53	-
Mr. Dorab Mistry (Independent Director)	-	-	-	-	-	1.10	-	-
Mr. Bhupatrai Premji (Independent Director)	-	-	-	-	0.28	1.10@	1.38	-

Name	Salary / Perquisites	Retirement Benefits	Bonus / Ex-Gratia	Performance Incentive	Sitting Fee	Others	Total	Service Contract/ Stock options granted / Notice period / Severance Fees
Mr. Madhu Rao (Independent Director)		-	-	-	0.55	1.10	1.65	-
Mr. Bharatkumar Mehta (Independent Director)		-	-	-	0.25	1.10	1.35	-
Ms. Priyanka Mallick (Independent Director)		-	-	-	0.23	1.13	1.35	-
Mr. TK Kanan (Alternate Director) #	-	-	-	-	-	-	-	-

*Remuneration paid to Mr. Ravi Gupta w.e.f. 28th October 2021 i.e. date of appointment as Director
Resigned w.e.f. 1st April 2022 and appointed again as an Alternate Director to Mr. Kuok Khoon Hong w.e.f. 19th May 2022
@Remuneration paid to Mr. Bhupatrai Premji in foreign currency i.e. $15,000

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

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

Performance Evaluation

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

Criteria for payment to Non-Executive / Independent Directors

Independent Directors are paid sitting fees of Rs. 50,000/- for attending each meeting of the Board and Rs. 25,000/- for attending each committee meeting. The remuneration of Independent Directors is decided based on number of factors including attendance in the meetings, contribution in the Board and Committee meetings, involvement in decision-making process etc.

C. Stakeholders' Relationship Committee

i. The Board has constituted a Stakeholders' Relationship Committee in line with the provisions of Listing Regulations read with Section 178 of the Companies Act, 2013, to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/ notices/ annual reports, etc.

ii. Terms of reference of the Committee:

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

b. To look into matters that can facilitate better investor services and relations;

c. Review of measures taken for effective exercise of voting rights by shareholders;

d. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

e. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company;

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

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

The Stakeholders' Relationship Committee has held four meetings during FY 2021-22 on 25th June 2021, 2nd August 2021, 28th October 2021 and 11th February 2022. Mr. Deepak Manerikar is the Company Secretary & Compliance Officer of the Company.

iv. Details of investor complaints received and redressed during the year 2021-22 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	46	46	0

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

D. Corporate Social Responsibility Committee

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

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

Name of the Director	Position in the Committee	No. of meetings attended	
		Held	Attended
Mr. Surender Kumar Tuteja (Independent Director)	Chairman	1	1
Mr. Jean-Luc Bohbot (Non-Executive Director)	Member	1	1
Mr. Atul Chaturvedi (Executive Director)	Member	1	1

During the year under review, the Committee met on 25th June 2021.

In terms of amendments notified vide the Companies (Amendments) Act, 2020, the Board of Directors at its meeting held on 25th June 2021, approved dissolution of Corporate Social Responsibility Committee. Consequent to the dissolution, the Board of Directors overlooks the implementation of the CSR policy and such other functions as mandated by the Companies Act 2013 and Rules made thereunder.

Based on the amount to be spent by the Company in terms of Section 135(9) of the Act, the provisions of constitution of CSR Committee have now become applicable to the Company. Accordingly, the Board of Directors, at its meeting held on 9th August 2022, constituted a CSR Committee comprising of Mr. Atul Chaturvedi (Chairman), Dr. B. V. Mehta and Ms. Priyanka Mallick.

E. Risk Management Committee

i. The Risk Management Committee of the Company is constituted in line with the provisions of Listing Regulations. The composition of the Risk Management Committee and the details of the meetings attended are given below:

Name of the Director	Position in the Committee	No. of meetings attended	
		Held	Attended
Mr. Atul Chaturvedi (Executive Director)	Chairman	2	2
Mr. Ravi Gupta (Executive Director)	Member	2	1
Mr. Madhu Rao (Independent Director)	Member	2	2
Mr. Sunil Ranka (Chief Financial Officer)	Member	2	2

The Risk Management Committee has held two meetings during the year on 10th February 2022 and 29th March 2022.

ii. 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.

F. Other committees

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

- Allotment Committee
- Share Transfer Committee
- Finance Committee

5. Compliance with Corporate Governance Requirements

The Disclosures of the Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of Listing Regulations are as under:

Sr. No.	Particulars	Regulations	Brief Description of Regulations	Compliance Status (Yes/No/ NA)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(1A)	Appointment or continuation of Non-Executive Director who has attained the age of seventy five years	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(2A)	Quorum of Board Meeting	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes
		17(11)	Recommendation of Special Business by the Board	Yes
		17(A)	Maximum number of directorships	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes

Sr. No.	Particulars	Regulations	Brief Description of Regulations	Compliance Status (Yes/No/ NA)
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(2A)	Quorum of Nomination & Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(3A)	Committee meeting once a year	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (20A)	Composition of Stakeholders Relationship Committee	Yes
		20(3)	Presence of the Chairman of the Committee at the AGM	Yes
		20(3A)	Committee meeting once a year	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	Yes
		21(3A)	Committee meeting twice a year	Yes
		21(4)	Role of the Committee	Yes
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1), (5), (6), (7) & (8)	Policy for Related Party Transactions	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all Related Party Transaction and review of transaction by the Committee	Yes
		23(1A) & (4)	Approval for Material Related Party Transactions	Yes
		23(9)	Disclosures of related party transactions on a consolidated basis	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	Yes
		24(2), (3), (4), (5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	Yes
		24A	Secretarial Audit	Yes
9	Obligations with respect to Independent Directors	25(1) & (2)	Alternative Directorship / Tenure of Independent Directors	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by Independent Directors	Yes
		25 (6)	Filling the vacancy of Independent Director created by resignation or removal	NA
		25(7)	Familiarization of Independent Directors	Yes
		25(8) &(9)	Declaration and confirmation by Independent Directors	Yes
		25(10)	D and O Insurance	Yes
10	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance of code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflict of Interest	Yes
		26(6)	Agreement in connection with dealings in the securities	NA

Sr. No.	Particulars	Regulations	Brief Description of Regulations	Compliance Status (Yes/No/ NA)
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiary	Yes
		46(2)(i)	Details of familiarization programs imparted to Independent Directors	Yes

6. General Body Meetings

A. Annual General Meetings (AGMs):

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

AGM	Financial Year	Date	Time	Venue of AGM
25th AGM	2020-21	2nd September 2021	11:00 a.m.	Through Video Conferencing (VC)
24th AGM	2019-20	7th September 2020	11:00 a.m.	Through Video Conferencing (VC)
23rd AGM	2018-19	30th September 2019	12:30 p.m.	KPTCL Samudhay Bhavan, Opp. JNMC, Smart City Road, Shivabasav Nagar, Belagavi – 590010

Special Resolutions:

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

Date	Summary of Special Resolutions Passed
2nd September 2021	1) Re-appointment of Mr. Atul Chaturvedi as Executive Chairman of the Company; 2) Re-appointment of Ms. Priyanka Mallick as an Independent Director; 3) Issue of Redeemable Preference Shares (RPS) by conversion of Non-Convertible Debentures (NCDs); 4) Approval for issue of equity shares through Qualified Institutions Placement (QIP)
7th September 2020	1) Re-appointment of Dr. B V Mehta (DIN: 00895163) as an Independent Director of the Company; 2) Issue of Redeemable Preference Shares (RPS) by conversion of Non-Convertible Debentures (NCDs); 3) Issuance of Equity shares on preferential basis;
30th September 2019	-

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

During the year, the Company sought the approval of the shareholders by way of Special Resolutions through notice of Postal Ballot dated 11th February 2022, for the below mentioned matters therein, the results of which were announced on 26th March 2022.

a. Increase in remuneration of Mr. Vijendra Singh, Executive Director & Dy. CEO

b. Appointment of Mr. Ravi Gupta as Executive Director of the Company

Ms. Tehseen Khatri of M/s. T F Khatri & Associates, Practising Company Secretary having Membership No. F9093 and CP No. 10417 was appointed as a Scrutinizer to conduct the Postal Ballot voting process (including e-voting) 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	Increase in remuneration of Mr. Vijendra Singh, Executive Director & Dy. CEO	1,38,42,06,834	99.20%	1,11,44,280	0.80%
2	Appointment of Mr. Ravi Gupta as Executive Director of the Company	1,38,43,97,914	99.21%	1,09,77,309	0.79%

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 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 and 20/2021 dated 8th December 2021 issued by the Ministry of Corporate Affairs. The Company had completed the dispatch of the Postal Ballot Notice dated 11th February 2022 through email only on 23rd February 2022 to those shareholders whose e-mail IDs were registered with the Company/ Depositories.

The Company also published 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 108 & 110 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 24th February 2022 (09:00 a.m. IST) to 25th March 2022 (05:00 p.m. IST). Upon completion of scrutiny of the votes cast through e-voting in a fair and transparent manner, the Scrutinizer i.e. Ms. Tehseen Khatri submitted its report to the Company and the results of the postal ballot were announced by the Company on 26th March 2022. The voting results were sent to the Stock Exchanges and displayed on the Company's website at www.renukasugars.com and on the website of 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 entered by 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 the stock exchanges / SEBI / any statutory authority on any matter related to capital markets, during the last 3 years.

c. **Whistle blower policy / vigil mechanism:** Whistleblower Mechanism has been established for the employees to report to the management about unethical behaviour, mismanagement, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy, that could adversely impact the Company's operations and business performance. The Whistleblower Policy is overseen by the Audit Committee of the Board. No personnel have been denied access to the Audit Committee pertaining to the matters stated in 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 is unmodified;

   (iv) **Separate posts of Chairperson and CEO:** Since the Company does not have CEO, the requirement regarding separate posts of the Chairperson and CEO is not applicable; and

   (v) **Reporting of Internal Auditor:** The internal auditor of the Company make 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:

1. 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. The policy is designed to achieve the specific objectives of managing commodity risk in such a way as to ensure that the company's business margins are protected.

   The company's commodity risk management philosophy is articulated below:

   a) The Commodity Derivative Hedging is a support function for business to mitigate risk and to protect adversity in prices and not to be used for any directional trade leading to any speculative transactions.

   b) All the transactions undertaken by the Commodity Derivative Hedging should be towards achieving the risk management objectives, in compliance with the guidelines issued by Central Bank, and should not give rise to any additional risk to the company.

2. 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 INR: 62,050 mn

b. Exposure of the Company to various material commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Raw Sugar	Rs. 23,787 mn	725,994 MT	Nil	Nil	Nil	Nil	Nil
White Sugar	Rs. 38,263 mn	1,086,809 MT	Nil	Nil	Nil	Nil	Nil

3. 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 Listing Regulations: During the financial year 2020-21, the Company had issued 2,11,670,481 Equity Shares of Re. 1/- per share for cash at a price of Rs. 8.74 per share aggregating to Rs. 185 Crores (Rupees One Hundred and Eighty Five Crores only) on preferential basis to the Promoter, Wilmar Sugar Holdings Pte Ltd. The main objects of the issue as mentioned in the offer letter are as follows:

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

The details of utilization of funds are as given below:

Rs. in Million

Sr. No.	Objects	Projected utilization	Actual utilization	Balance amount
1.	Redemption of OCPS	896.00	896.00	-
2.	Redemption of RPS	754.00	754.00	-
3.	General Corporate Purpose (GCP)	200.00	200.00	-
Total		**1,850.00**	**1,850.00**	**-**

g. 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 2022.

h. The Company has obtained a Certificate pursuant to Regulation 34(3) read with Schedule V of the 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 with this Report.

i. Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable

j. 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.

k. 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 2021-22: Nil

b. number of complaints disposed of during the financial year 2021-22: N.A.

c. number of complaints pending as on end of the financial year 2021-22: N.A.

7. Code of Conduct

Pursuant to Regulation 17(5) of Listing Regulations 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 2021-22.

The declaration pursuant to Regulation 26 (3) of Listing Regulations 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 2022 is annexed to this Report.

The Code of conduct is also placed on the Company's website at www.renukasugars.com

8. Code of Conduct for Prevention of Insider Trading Practices

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

The Code of conduct is also placed on the Company's website at www.renukasugars.com.

9. Compliance Officer

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

10. Means of Communication

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

11. General Shareholder's Information

a.	**Annual General Meeting (AGM)**	Date: 16th September, 2022 Time: 11:00 A.M. Venue: Video Conferencing
b.	**Financial Year**	The Financial Year of the Company is from 1st April 2021 to 31st March 2022.
c.	**Tentative Financial Calendar 2022-23**	
	1st Quarterly results	declared on 9th August 2022
	2nd Quarterly results	on or before 14th November 2022
	3rd Quarterly results	on or before 14th February 2023
	4th Quarterly results	on or before 30th May 2023
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, 2022
f.	**Corporate Identification Number (CIN) of the Company**	L01542KA1995PLC019046
g.	**ISINs**	Equity shares: INE087H01022 11.70% NCD : INE087H07060 11.30% NCD : INE087H07078

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 2022-23.

j. Stock Code:

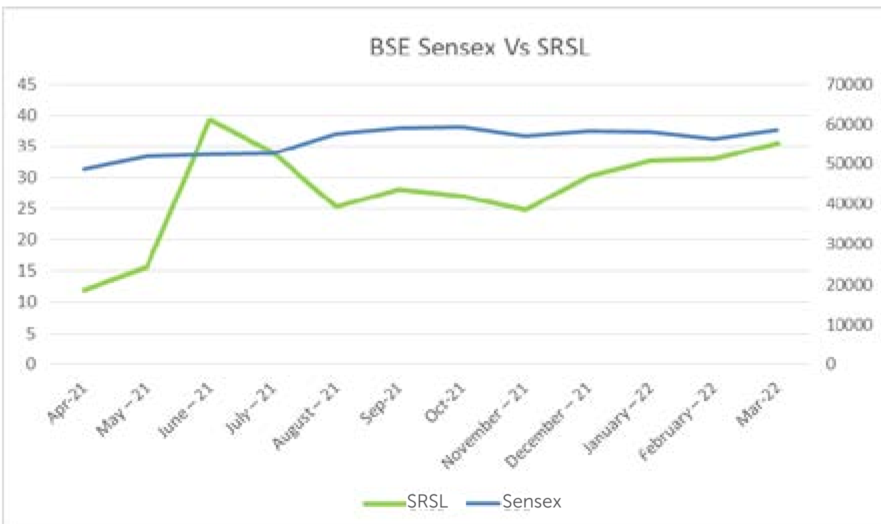
NSE - RENUKA BSE – 532670

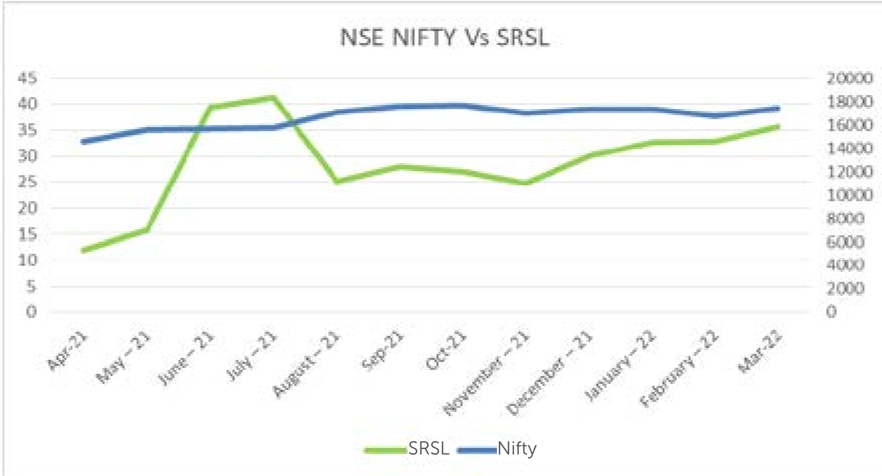
k. Market Price Data

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

Month	BSE			NSE		
	Share Price in Rs.			Share Price in Rs.		
	High	Low	Closing	High	Low	Closing
April - 21	12.18	9.30	12.11	12.20	9.25	12.05
May - 21	17.67	11.43	15.70	17.60	11.40	15.75
June - 21	39.35	14.85	39.35	39.35	14.80	39.35
July - 21	47.75	31.30	34.15	41.30	38.05	41.30
August - 21	35.20	21.50	25.20	34.90	21.50	25.15
September - 21	30.85	23.90	28.10	30.50	23.40	28.05
October -21	32.70	26.95	27.00	32.75	26.95	27.05
November - 21	30.25	24.45	24.80	29.85	24.40	24.80
December - 21	34.85	24.80	30.10	34.90	24.75	30.05
January - 22	36.70	30.00	32.60	36.70	29.95	32.60
February - 22	40.55	30.35	32.95	40.60	30.35	32.90
March - 22	40.10	31.10	35.55	40.05	31.00	35.60

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, 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. Folios wherein any one of the above-mentioned details are not registered by 1st April, 2023 shall be frozen. 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, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032.

o. Distribution of equity shareholding as on 31st March, 2022

Particulars	No. of shareholders	% of total shareholders	No. of equity shares	Amount in Rs.	% of total equity shares
1-5,000	3,65,613	96.49	16,53,93,428	16,53,93,428	7.77
5,001- 10,000	7,013	1.85	5,52,25,421	5,52,25,421	2.59
10,001- 20,000	3,182	0.84	4,70,23,345	4,70,23,345	2.21
20,001- 30,000	1,149	0.30	2,92,19,110	2,92,19,110	1.37
30,001- 40,000	462	0.12	1,64,90,296	1,64,90,296	0.77
40,001- 50,000	419	0.11	1,97,90,950	1,97,90,950	0.93
50,001- 1,00,000	620	0.16	4,56,72,490	4,56,72,490	2.15
1,00,001 & Above	473	0.12	1,74,96,74,733	1,74,96,74,733	82.20
Total	**3,78,931**	**100.00**	**2,12,84,89,773**	**2,12,84,89,773**	**100.00**

p. Shareholding pattern as on 31st March 2022

Category	No. of equity shares	% of total equity shares
Foreign Promoters	1,32,98,75,232	62.48
Banks	24,57,54,986	11.54
Mutual Fund	72,94,285	0.34
Alternate Investment Funds	5,00,000	0.02
Resident Individuals	42,94,32,232	20.18
Bodies Corporates	3,52,15,862	1.65
Qualified Institutional Buyers	1,90,80,122	0.92
HUF	2,41,16,715	1.13
Non Resident Indians	1,31,93,488	0.62
IEPF	37,94,410	0.18
Clearing Members	43,52,345	0.20
Foreign Portfolio - Corp	1,57,57,743	0.74
Trusts	85,360	0.00
NBFC	36,993	0.00
Total:	**2,12,84,89,773**	**100**

q. Dematerialization of shares and liquidity

As on 31st March 2022, 212,49,38,813 equity shares of the Company (99.83% of the total issued equity capital) were held in dematerialized form and 35,50,960 equity shares (0.17% 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

–

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,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500032, India
Tel No.: +91 40 6716 1524
E-mail id: rajeev.kr@kfintech.com
Website: www.kfintech.com

b. All other queries on Annual Report should be directed to: Shree Renuka Sugars Limited
2nd & 3rd Floor, Kanakashree Arcade,
CTS No. 10634, JNMC Road, Neharu 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 revised/upgraded the rating of various credit facilties availed by the Company. The instrument-wise rating actions are as follows:

Instrument Type	Size of Issue (Rs. In Million)	Rating/Outlook	Rating Action
Term Loan	5,480	IND A-/Positive	Upgraded; off RWP
Short Term Loan	4,000	IND A1	Upgraded; off RWP
Fund based limit	1,810	Withdrawn	Withdrawn (paid in full)
Non fund based limit	11,242	Withdrawn	Withdrawn (paid in full)
Working capital limit	7,400	IND A-/Positive/IND A1	Assigned
Non-convertible debentures (NCDs)	2,188	IND A-/Positive	Upgraded; off RWP
Proposed working capital limit	400	IND A-/Positive/IND A1	Assigned

Further, ICRA Limited has upgraded the rating of credit facilities availed by the Company. The instrument-wise rating actions are as follows:

Instrument Type	Size of Issue (Rs. Crore)	Rating	Rating Action
Line of credit (Long term)	8.00	[ICRA]A- (Stable)	Upgraded
Line of credit (Short term)	400.0	[ICRA] A2 +	Upgraded

v. Listed Debt Securities

11.70% Non-Convertible Debentures (NCDs) and 11.30% Non-Convertible Debentures (NCDs) of the Company are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited. The Company has filed an application with BSE Limited for in-principle approval for conversion of 50% of listed NCDs into Redeemable Preference Shares.

Debenture Trustee for NCDs :
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

Declaration in respect of code of conduct

In accordance with the Listing Regulations, I hereby confirm and declare that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors & Senior Managerial Personnel of the Company laid down for them for the financial year ended 31st March 2022.

Place: Mumbai
Date: 9th August 2022

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, Neharu 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, 2022, 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

Place: Pune
Date: 19.07.2022
UDIN: F006099D000649104

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 ("SEBI Listing Regulations")]

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 2022, 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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 2022 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.

Sr. 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 & 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	Loo Cheau Leong	Director	01/06/2020
7	02683483	Madhu Rao	Director	27/06/2018
8	07223590	Bhupatrai Premji	Director	22/08/2016
9	07245114	Dorab Mistry	Director	22/08/2016
10	00895163	Bharat Vallabhdas Mehta	Director	13/11/2017
11	00594076	Surender Kumar Tuteja*	Director	25/01/2007
12	06682955	Priyanka Mallick	Director	08/02/2018
13	00020968	Tinniyan Kalyansundaram Kanan #	Alternate Director	18/12/2020

*Ceased to be a Director with effect from 1st April 2022.
Resigned with effect from 01st April, 2022 and again appointed as Alternate Director to Mr. Kuok Khoon Hong with effect from 19th May 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

DEVENDRA V. DESHPANDE
Proprietor
FCS 6099 CP 6515
PR No. 1164/2021
UDIN: F006099D000646156

Place: Pune
Date: 19.07.2022

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 2022, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. 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 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 matter 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 matter	How our audit addressed the key audit matter
Revaluation of property, plant and equipment (as described in note 3 of the standalone financial statements)	
The Company has opted for revaluation model for measuring freehold and leasehold land, buildings and plant and machineries ('PPE') and these assets are carried in the books at the fair value less accumulated depreciation. Independent valuations are undertaken at least once in every three years, or more frequently if there is an indicator that the fair value has changed significantly. The Company has recognised revaluation surplus of Rs. 2,512.77 Million (net of tax of Rs. 1,160.99 Million) based on the valuation done as at March 31, 2022. Revaluation of PPE is a key audit matter due to its financial magnitude and judgements involved in the assessment of the fair value of these assets. The judgment relates to the valuation methodologies used and the assumptions included in each of those methodologies.	Our audit procedures included the following: • Read and assessed the Company's accounting policies with respect to PPE for compliance with relevant accounting standards. • We evaluated the design and tested the operative effectiveness of internal controls related to revaluation process of PPE • We obtained from the Company management, the report on valuation of PPE performed by an external expert appointed by the Company and have involved our valuation specialists to evaluate the valuation methodology as well as key assumptions used in valuation such as external quotations, salvage value, type of building construction, capacity etc. • We assessed the competence, objectivity and independence of the external valuer appointed by the Company. • We assessed whether the change in valuation was accounted by the Company within the revaluation reserve and statement of comprehensive income as applicable. • We assessed the disclosures in the financial statement for compliance with the requirements of Ind AS.

We have determined that there are no other key audit matters to communicate in our report.

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.

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 and, in doing so, consider whether such other information is materially inconsistent with the 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 Auditors Responsibility in relation to Other Information in documents containing the audited financial statements.

Responsibilities of Management for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 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 that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 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;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38(c) to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

      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.

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

per Shyamsundar Pachisia
Partner
Membership Number: 049237
UDIN: 22049237AJMWVY8215

Place of Signature: Mumbai
Date: May 24, 2022

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.

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

(b) Property, Plant and Equipment were physically verified by the management in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) 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:

(INR in 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
Building	1.76	1.33	Note (i)	Not applicable	June 30, 2012	Note (i)
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.

Note (i): Original title deeds were not available with the Company, however, as represented, title deeds are in the name of the Company and have been submitted to the debenture trustee. The same has not been independently confirmed by the debenture trustee.

(d) As disclosed in note 3(C) to the financial statements, the Company has revalued its land, building and plant and machinery during the year ended March 31, 2022. The revaluation is based on the valuation by a Registered Valuer and the amount of change is more than 10% of the aggregate of the net carrying value of building as a class of Property, Plant and Equipment.

(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 management has conducted physical verification of inventory 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. No material discrepancies were noticed on such physical verification.

(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, stood guarantee and provided security to companies, firms, Limited Liability Partnerships or any other parties as follows:

(INR in million)

	Guarantees	Security	Loans
Aggregate amount granted / provided during the year			
- Subsidiaries	-	-	164.00
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	1,500.00	-	-
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	-	-	1,782.21
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	1,354.16	-	-

(b) The terms and conditions of loans granted by the Company to one of its subsidiaries, (loan granted during the year aggregated to Rs. 1 million and cumulative loan balance outstanding as at balance sheet date is Rs. 137 million) is prejudicial to the Company's interest on account of the fact that interest and principal repayment on the loan given during the year is not due up to the year 2022-23. Further, the interest on entire loan has been provided for, in the books of account of the Company as at March 31, 2022.

(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:

(INR in million)

Name of the Entity	Amount	Due date	Extent of delay	Remarks, if any
Monica Trading Private Limited	29.17	Various	From February 2020 to March 2022	Subsidiary of the Company. The amount pertains to interest accrued and due on loans given to the subsidiary and this interest 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, 2021.

(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) There were no loans or advance in the nature of loan granted to company which has fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(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, firms, Limited Liability Partnerships 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 and Industrial Alcohol and Electricity product, 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 a slight delay in a few cases. According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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 not 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
		773.23	2006-2007 to 2016-2017	CESTAT
		1.03	2017-2018 and 2020-21	Commissioner Appeals
Central Excise Act, 1944	Excise duty	3.65	2003-04	Supreme Court
		693.55	2004-2005 to 2013-2014	CESTAT
		109.92	2011-2012 to 2015-2016	Commissioner (Appeals)
Finance Act, 1994	Service Tax	11.04	2004-05 to 2010-11	Commissioner Appeals
		32.78	2009-10	CESTAT
Goods and Service Tax, 2007	GST	44.51	2017-2018 to 2018-2019	Joint Commissioner
Maharashtra Value Added Tax, 2002	Value Added Tax	11.28	2009-2010 and 2010-2011	Sales Tax Tribunal, Mumbai
West Bengal Value Added Tax Act, 2003	Value Added Tax	3.82	2016-2017	Additional Commissioner
Gujarat Value Added Tax Act, 2003	Value Added Tax	0.19	2016-17	Joint Commissioner

** Amount paid under protest of INR 351.71 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. In case of listed non-convertible debentures ('NCD') of the Company, the Company is in the process of obtaining necessary approvals from the stock exchange for modification in the terms of NCD's issued, however, the Company has made payments to the debenture holder on the basis of restructured balances as per the letter of intent received from the debenture holder.

(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 working capital funds aggregating to Rs. 2,189.91 million for long-term purposes representing acquisition of property plant and equipment.

(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 associates. 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 companies. 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) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(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 in 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) No Core Investment Company is part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and 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 9,655.85 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) Provisions of Section 135 of the Act are not applicable to the Company accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) Provisions of Section 135 of the Act are not applicable to the Company accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

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

per Shyamsundar Pachisia
Partner
Membership Number: 049237
UDIN: 22049237AJMWVY8215

Place of Signature: Mumbai
Date: May 24, 2022

Annexure 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, 2022 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these 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 audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these 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 controls 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.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Shyamsundar Pachisia
Partner
Membership Number: 049237
UDIN: 22049237AJMWVY8215

Place of Signature: Mumbai
Date: May 24, 2022

Balance Sheet

as at 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated.

	Notes	As at 31st March 2022	As at 31st March 2021
Assets			
Non-current assets			
Property, plant and equipment (including right to use assets)	3	38,216.62	36,037.47
Capital work-in-progress	3	2,392.97	91.58
Intangible assets	4	8.05	13.32
Financial assets			
Investments	5	1,202.17	1,375.89
Loans	6	1,645.05	1,781.21
Other non-current financial assets	7	103.05	61.30
Non-current tax assets		80.49	47.64
Other non-current assets	8	994.81	649.84
Total non-current assets		**44,643.21**	**40,058.25**
Current assets			
Inventories	10	19,987.03	23,543.80
Financial assets			
Trade receivables	11	3,023.69	2,883.85
Cash and cash equivalents	12	113.86	221.61
Other bank balances	13	175.14	400.40
Loans	14	137.16	137.16
Other current financial assets	15	417.48	1,093.63
Other current assets	16	2,271.58	2,063.44
Total current assets		**26,125.94**	**30,343.89**
Total assets		**70,769.15**	**70,402.14**
Equity and liabilities			
Equity			
Equity share capital	17a	2,128.49	2,128.49
Other equity	17b	3,341.35	27.61
Total Equity		**5,469.84**	**2,156.10**
Non-current liabilities			
Financial liabilities			
Borrowings	18	27,556.14	25,658.57
Lease liabilities	19	178.30	143.32
Net employee benefit liabilities	20	241.16	217.15
Government grants	21	309.78	203.45
Deferred tax liabilities (net)	9	1,232.14	-
Total non-current liabilities		**29,517.52**	**26,222.49**
Current liabilities			
Financial liabilities			
Borrowings	22	13,755.36	12,200.11
Lease liabilities	19	11.74	10.52
Trade payables	23		
Total outstanding dues of micro and small enterprises		23.50	52.13
Total outstanding dues of creditors other than micro and small enterprises		19,684.41	26,256.73
Other current financial liabilities	24	1,484.88	2,873.30
Net employee benefit liabilities	26	89.00	82.26
Government grants	21	106.75	53.90
Other current liabilities	25	626.15	494.60
Total current liabilities		**35,781.79**	**42,023.55**
Total liabilities		**65,299.31**	**68,246.04**
Total equity and liabilities		**70,769.15**	**70,402.14**

Significant 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 : 24th May 2022
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 24th May 2022
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 24th May 2022
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 24th May 2022
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 24th May 2022
Place : Mumbai

Statement of Profit and Loss

For the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated.

	Notes	Year ended 31st March 2022	Year ended 31st March 2021
Income			
Revenue from operations	27	60,811.57	54,613.85
Income from incentive to sugar mills		447.78	818.35
Other income	28	832.04	683.95
Total income		**62,091.39**	**56,116.15**
Expenses			
Cost of raw materials consumed	29	47,295.27	45,890.64
Purchase of traded goods	30	815.31	1,832.94
Increase/(decrease) in inventories of finished goods, work-in-progress and intermediate products and traded goods	31	2,008.01	(4,155.33)
Employee benefit expenses	32	1,268.44	1,128.91
Depreciation and amortisation expense	33	2,009.81	2,012.64
Foreign exchange loss/(gain) (net)		314.44	(747.49)
Finance costs	34	3,755.62	3,686.43
Other expenses	35	5,923.90	5,813.61
Total expenses		**63,390.80**	**55,462.35**
Profit/(loss) before exceptional items and tax		**(1,299.41)**	**653.80**
Exceptional items - income	36	(2,513.93)	(1,499.01)
Profit before tax		**1,214.52**	**2,152.81**
Tax expense			
Current tax	9	-	-
Deferred tax	9	83.87	1,596.38
Income tax expense		**83.87**	**1,596.38**
Profit for the year		**1,130.65**	**556.43**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Reversal of revaluation reserve on disposal / impairment of property, plant and equipment		(35.82)	(48.77)
Income tax effect	9	11.18	15.21
Revaluation of land, building and plant and machinery	3	3,673.76	-
Income tax effect	9	(1,160.99)	-
Loss on remeasurements of defined benefit plans	39	(4.95)	(0.77)
Income tax effect	9	1.54	0.24
Unrealised gain/(loss) on FVTOCI equity securities	43	(170.82)	420.39
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on effective portion of cash flow hedges	42	735.39	(352.24)
Net movement in cost of hedging reserve	42	(1,055.01)	(473.59)
Total comprehensive income for the year (net of tax)		**3,124.93**	**116.90**
Earnings per share			
Basic	37	0.53	0.27
[Face value of equity share INR 1/- each]			
Diluted	37	0.53	0.27
[Face value of equity share INR 1/- each]			

Significant 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 : 24th May 2022
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 24th May 2022
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 24th May 2022
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 24th May 2022
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 24th May 2022
Place : Mumbai

Statement of Changes In Equity
for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated.

a. Equity share capital

	No of Shares (in millions)	Amount
As at 01st April 2020	**1,916.82**	**1,916.82**
Equity shares issued during the year	211.67	211.67
As at 31st March 2021	**2,128.49**	**2,128.49**
Equity shares issued during the year	-	-
As at 31st March 2022	**2,128.49**	**2,128.49**

b. Other equity

	Reserves and surplus				Items of OCI				Total other equity
	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	
As at 01st April 2020	**30,396.51**	**625.00**	**-**	**(43,389.32)**	**-**	**-**	**9,370.52**	**(120.31)**	**(3,117.60)**
Profit for the year	-	-	-	556.43	-	-	-	-	556.43
Other comprehensive income	-	-	-	(0.53)	(352.24)	(473.59)	(33.56)	420.39	(439.53)
Total Comprehensive Income	**-**	**-**	**-**	**555.90**	**(352.24)**	**(473.59)**	**(33.56)**	**420.39**	**116.90**
Transferred to P&L	-	-	-	-	352.24	574.42	-	-	926.66
Equity shares issued during the year	1,638.33	-	-	-	-	-	-	-	1,638.33
Interest waiver from parent	-	-	463.32	-	-	-	-	-	463.32
Depreciation of revalued assets	-	-	-	690.91	-	-	(690.91)	-	-
As at 31st March 2021	**32,034.84**	**625.00**	**463.32**	**(42,142.51)**	**-**	**100.83**	**8,646.05**	**300.08**	**27.61**
Profit for the year	-	-	-	1,130.65	-	-	-	-	1,130.65
Other comprehensive income	-	-	-	(3.41)	735.39	(1,055.01)	2,488.13	(170.82)	1,994.28
Total Comprehensive Income	**-**	**-**	**-**	**1,127.24**	**735.39**	**(1,055.01)**	**2,488.13**	**(170.82)**	**3,124.93**
Transferred to P&L	-	-	-	-	(735.39)	924.20	-	-	188.81
Depreciation of revalued assets	-	-	-	471.43	-	-	(471.43)	-	-
As at 31st March 2022	**32,034.84**	**625.00**	**463.32**	**(40,543.84)**	**-**	**(29.98)**	**10,662.75**	**129.26**	**3,341.35**

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

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FCS No. : F-6801
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Place : Mumbai

Statement of Cash Flow

for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated.

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Operating activities:		
Profit before tax and after exceptional items	**1,214.52**	**2,152.81**
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation of property, plant and equipment	2,003.73	2,008.76
Amortisation of intangible assets	6.08	3.88
Unrealised gain/(loss) on derivatives	(30.41)	28.30
Government assistance	(81.47)	(44.80)
Finance costs	3,755.62	3,686.43
Finance income	(173.24)	(246.90)
Loss on disposal of property, plant and equipment	3.25	-
Exceptional items	(2,513.93)	(1,499.01)
Dividend income	(1.27)	(1.17)
Write back of provision	(156.25)	(109.77)
Net foreign exchange differences	160.09	(330.12)
Impairment of other assets	186.52	115.71
Property, plant and equipment written off	35.41	174.28
Impairment of investment in subsidiaries	2.90	83.79
Impairment of trade receivables	43.63	216.27
Working capital adjustments:		
Increase in employee benefit expenses	24.74	25.58
Decrease/(increase) in trade receivables	2,320.38	(140.76)
Decrease/(increase) in other receivables and prepayments	467.19	(718.38)
Decrease/(increase) in inventories	3,500.14	(7,021.57)
Decrease in trade and other payables	(8,671.65)	(13,888.88)
	2,095.98	**(15,505.55)**
Income tax refunded/(paid)	(32.85)	190.41
Net cash flows from /(used in) operating activities	**2,063.13**	**(15,315.14)**
Investing activities:		
Purchase of property, plant and equipment	(3,089.51)	(1,064.68)
Loans given during the year to subsidiaries	(163.94)	(640.00)
Repayment of loans given to subsidiaries	300.10	415.00
Proceeds from sale of property, plant and equipment	4.24	1.99
Proceeds from /(Investment in) fixed deposit	178.57	(366.38)
Interest received (finance income)	282.29	72.66
Dividend received	1.27	1.17
Net cash flows used in investing activities	**(2,486.98)**	**(1,580.24)**
Financing activities:		
Proceeds from issue of equity shares (net of transaction cost)	-	1,850.00
Proceeds from short term borrowings (net)	995.96	7,494.13
Repayment of long-term borrowings	(644.40)	(14,143.35)
Proceeds from long term borrowings	2,400.00	3,000.00
Proceeds from External Commercial Borrowings	-	22,413.57
Finance cost and processing charges paid	(2,418.91)	(3,834.93)
Payment of lease liability	(16.55)	(12.36)
Net cash flows from financing activities	**316.10**	**16,767.06**
Net decrease in cash and cash equivalents	**(107.75)**	**(128.32)**
Opening cash and cash equivalents (refer note 12)	221.61	349.93
Closing cash and cash equivalents (refer note 12)	**113.86**	**221.61**

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

Changes in liabilities arising from financing activities for year ended 31st March 2021

Particulars	Long term borrowings*	Short term borrowings	Non-current lease liabilities	Current lease liabilities
As at 01st April 2020	**18,174.42**	**3,737.39**	**123.86**	**6.31**
Proceeds from External Commercial Borrowings	22,413.57	-	-	-
Proceeds from borrowings	3,000.00	7,494.13	-	-
Repayment of borrowings	(14,143.35)	-	-	-
Cash flows	-	-	-	(12.36)
Other	(2,817.88)	0.40	19.46	16.57
As at 31st March 2021	**26,626.76**	**11,231.92**	**143.32**	**10.52**

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

Changes in liabilities arising from financing activities for year ended 31st March 2022

Particulars	Long term borrowings*	Short term borrowings	Non-current lease liabilities	Current lease liabilities
As at 01st April 2021	**26,626.76**	**11,231.92**	**143.32**	**10.52**
Proceeds from borrowings	2,400.00	995.96	-	-
Repayment of borrowings	(644.40)	-	-	-
Cash flows	-	-	-	(16.55)
Other	701.26	1,527.48	34.98	17.77
As at 31st March 2022	**29,083.62**	**13,755.36**	**178.30**	**11.74**

*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

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Non-Cash investing activity		
Acquisition of Right-of use assets	**36.67**	**21.96**

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 : 24th May 2022
Place : Mumbai

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Shree Renuka Sugars Limited

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Chief Financial Officer
Date : 24th May 2022
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Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 24th May 2022
Place : Mumbai

Notes to financial statements for the year ended 31st March 2022

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 financial statements for the year ended 31st March 2022 were authorised for issue by the Board of Directors of the Company on 24th May 2022.

2.1 Significant accounting policies

I. Basis of Preparation:

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

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

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

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

Going concern

As at 31st March 2022 the current liabilities of the Company exceed its current assets by INR 9,655.85 million. The Board of Directors of 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 2023. Also, term loans and working capital loans availed by the Company from Banks are secured by corporate guarantee provided by the ultimate Promoter Company (Wilmar International Limited).

Further, for the year ended 31st March 2022 the Company has profit before tax of INR 1,214.52 million and has positive net worth of INR 5,469.84 million as at 31st March 2022.

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

II. Summary of significant accounting policies:

a. Current versus non-current classification

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

- 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.

Notes to financial statements for the year ended 31st March 2022

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

b. Foreign currencies

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

Transactions and balances

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

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

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

c. Fair value measurement

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

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the 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.

Notes to financial statements for the year ended 31st March 2022

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)
- Quantitative disclosures of fair value measurement hierarchy (note 43)
- Investment in unquoted equity shares (note 5)
- Property, plant and equipment under revaluation model (note 3)
- Financial instruments (including those carried at amortised cost) (note 43)

d. Revenue recognition

Revenue from contract with customers

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

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, on delivery of the goods. 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 under the contract.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual

Notes to financial statements for the year ended 31st March 2022

terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

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

e. Government grants

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

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

The Government announced Maximum Allowable Export Quota (MAEQ) for season year 2019-20 and 2020-21 to boost exports of sugar. Under these schemes, the Company can export sugar under its own quota and the quota of the third parties. The Company has availed benefits under both the schemes for exports made by the Company under its own quota.

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

f. Taxes

Current income tax

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

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

Deferred tax

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

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

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

g. Property, plant and equipment

Freehold land, buildings and plant, machinery and equipment, are carried in the balance sheet on the basis of revaluation model. The revaluation of these

Notes to financial statements for the year ended 31st March 2022

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.

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

A revaluation surplus is recorded in OCI and credited to the asset revaluation 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 asset revaluation reserve.

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

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

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

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

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

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

h. Intangible assets

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible

Notes to financial statements for the year ended 31st March 2022

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

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

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Leasehold land is carried in the 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 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 Equipment	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

Notes to financial statements for the year ended 31st March 2022

if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

k. Inventories

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

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

- **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, 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. Cost is determined on weighted average basis.

- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

- By-products and scraps are valued at net realisable value.

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

l. Impairment of non-financial assets

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

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

Notes to financial statements for the year ended 31st March 2022

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

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

m. Provisions 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.

n. Retirement and other employee benefits

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

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

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

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

Notes to financial statements for the year ended 31st March 2022

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

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

o. Financial instruments

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

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

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

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

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. This category generally applies to trade and other receivables and loans given to subsidiaries.

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.

Notes to financial statements for the year ended 31st March 2022

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to 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 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.

Notes to financial statements for the year ended 31st March 2022

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b. Financial assets that are debt instruments and are measured as at FVTOCI

c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'Trade receivables')

d. Loan commitments which are not measured as at FVTPL

e. Financial guarantee contracts which are not measured as at FVTPL

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

- 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 balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the 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 balance sheet, i.e. as a liability.

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

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Notes to financial statements for the year ended 31st March 2022

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts, 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to 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.

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.

Financial guarantee contracts

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

Notes to financial statements for the year ended 31st March 2022

109 and the amount recognised less cumulative amortisation.

De-recognition

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

(c) Offsetting of financial instruments

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

p. Cash and cash equivalents

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

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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

r. 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).

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.

Notes to financial statements for the year ended 31st March 2022

- 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.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

2.2 Significant accounting judgments estimates and assumptions

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Revaluation of property, plant and equipment

The Company measures land, buildings, plant and machinery classified as property, plant and equipment at revalued amounts with changes in fair value being recognised in OCI. The Company had engaged an independent valuation specialist to assess fair value as at 31st March 2022 for revaluation of land, buildings, plant and equipment. Fair value of land was determined by using the market approach, fair value of building was determined by using depreciated replacement cost (DRC) and rent capitalisation method and sales comparison method of market approach and fair value of plant & equipment was determined by using depreciated replacement cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 3.

2. Taxes

The Company has unabsorbed depreciation of INR 15,592.72 million (31st March 2021: INR 14,818.48 million), unabsorbed tax losses of INR 5,555.59 million (31st March 2021: INR 6,896.68 million) on which deferred tax asset has been created; in addition, the Company has MAT credit

Notes to financial statements for the year ended 31st March 2022

entitlement of INR Nil million (31st March 2021: INR 196.78 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively.

3. Valuation of investments

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

4. Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 39.

2.3 New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01st April 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

a. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no material impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Notes to financial statements for the year ended 31st March 2022

b. Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after 01st April 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 01st April 2021.

These amendments had no material impact on the financial statements of the Company.

c. Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

d. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no material impact on the financial statements of the Company.

2.4 Recent accounting pronouncements issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23rd March 2022 to amend the following Ind AS which are effective from 01st April 2022.

a. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 01st April 2022. The amendments are not expected to have a material impact on the Company.

b. Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards"

Notes to financial statements for the year ended 31st March 2022

with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 01st April 2022. The amendments are not expected to have a material impact on the Company.

c. **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16**

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 01st April 2022. The amendments are not expected to have a material impact on the Company.

d. **Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 01st April 2022. The amendments are not expected to have a material impact on the Company.

Notes to financial statements for the year ended 31st March 2022

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 2020	**2,055.96**	**8,087.36**	**36,183.69**	**138.29**	**21.55**	**2,409.03**	**48,895.88**	**1,518.88**	**50,414.76**
Additions	0.70	252.16	2,132.53	31.88	10.13	32.94	2,460.34	(1,427.30)	1,033.04
Disposals	(5.01)	(141.95)	(201.45)	(4.21)	(0.84)	(0.42)	(353.88)	-	(353.88)
As at 31st March 2021	**2,051.65**	**8,197.57**	**38,114.77**	**165.96**	**30.84**	**2,441.55**	**51,002.34**	**91.58**	**51,093.92**
Additions	8.36	54.45	453.44	19.27	5.52	45.42	586.46	2,301.39	2,887.85
Disposals	-	(4.32)	(81.26)	(20.93)	(3.38)	(0.43)	(110.32)	-	(110.32)
Adjustments	-	(99.00)	99.00	-	-	-	-	-	-
Revaluation	(47.35)	2,036.10	1,743.72	-	-	(58.71)	3,673.76	-	3,673.76
Transfer#	-	(2,815.82)	(13,326.43)	-	-	(42.28)	(16,184.53)	-	(16,184.53)
As at 31st March 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**
Depreciation and impairment									
As at 01st April 2020	**-**	**1,866.60**	**9,567.94**	**67.75**	**6.96**	**443.59**	**11,952.84**	**-**	**11,952.84**
Depreciation charge for the year (refer note 33)	-	313.63	1,549.68	19.12	4.13	122.20	2,008.76	-	2,008.76
Disposals	-	(43.39)	(125.59)	(4.21)	(0.84)	-	(174.03)	-	(174.03)
Impairment	-	369.32	807.98	-	-	-	1,177.30	-	1,177.30
As at 31st March 2021	**-**	**2,506.16**	**11,800.01**	**82.66**	**10.25**	**565.79**	**14,964.87**	**-**	**14,964.87**
Depreciation charge for the year (refer note 33)	-	298.18	1,547.31	26.36	4.48	127.40	2,003.73	-	2,003.73
Disposals	-	(1.55)	(35.41)	(20.20)	(3.38)	-	(60.54)	-	(60.54)
Impairment	-	13.03	14.52	0.01	-	-	27.56	-	27.56
Transfer#	-	(2,815.82)	(13,326.43)	-	-	(42.28)	(16,184.53)	-	(16,184.53)
As at 31st March 2022	**-**	**-**	**-**	**88.83**	**11.35**	**650.91**	**751.09**	**-**	**751.09**
Net book value									
As at 31st March 2022	**2,012.66**	**7,368.98**	**27,003.24**	**75.47**	**21.63**	**1,734.64**	**38,216.62**	**2,392.97**	**40,609.59**
As at 31st March 2021	**2,051.65**	**5,691.41**	**26,314.76**	**83.30**	**20.59**	**1,875.76**	**36,037.47**	**91.58**	**36,129.05**

* For further information refer note 47

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

This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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

	31st March 2022	31st March 2021
Gross Block	841.36	832.87
Depreciation Charge for the year	25.79	45.21
Accumulated Depreciation	384.19	358.40
Revaluation	351.71	-
Net Block	**808.88**	**474.47**

A. Assets under construction

Capital work in progress as at 31st March 2022 comprises of expenditure incurred for construction of building and plant and machinery pertaining to ethanol expansion poject at two plants of the Company of INR 2,012.54 million and this project is expected to be completed by 31st December 2022.

The other costs comprises 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 current 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. During the previous year, the Company had capitalized borrowing costs related to ethanol expansion projects at Athani and Havalga which were commenced in May 2019 and all the assets were put to use in November 2020. The above-mentioned capital expansion is financed by Bank. The amount of borrowing cost capitalised during the year is INR 41.17 million (31st March 2021: INR 41.38 million). The rate used to determine amount of borrowing costs eligible for capitalisation is 4.33% (31st March 2021: 8.75%), 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 for 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, the Company has recognised decrease in the gross block of freehold land of INR 47.35 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 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. The fair value measurement will be classified under level 3 of the fair value hierarchy.

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.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Asset	Valuation technique	Significant unobservable inputs
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 incuding alternate use and design of building structures condition, actual physical condition and state of repairs and maintenance, type of general and special specifications of construction, remaining useful economic life of the structures, demand for the structures, cost of building materials and related construction supplies in the surrounding area, latest trends in the building construction technology, present day replacement cost of comparable building structures, depreciation for physical wears and tear. 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 estimatlng the Gross Current Replacement cost (GCRC) of the Plant & Machineiy. 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.

Information of revaluation model (gross of deferred tax):

	Amount
As at 01st April 2020	**14,424.80**
Depreciation	(690.99)
Disposed off/impaired	(48.77)
As at 31st March 2021	**13,685.04**
Measurement recognised in reserves	3,673.76
Depreciation	(685.21)
Disposed off/impaired	(35.82)
As at 31st March 2022	**16,637.77**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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

Net book value	31st March 2022	31st March 2021
Cost (net of impairment)		
Freehold land	503.45	495.09
Right of use assets	1,671.34	1,626.35
Buildings	5,878.85	5,828.72
Plant, machinery and equipment	31,366.48	30,994.30
	39,420.12	**38,944.46**
Accumulated depreciation (net of impairment)		
Freehold land	-	-
Right of use assets	361.70	242.74
Buildings	2,675.45	2,401.72
Plant, machinery and equipment	14,901.22	14,051.46
	17,938.37	**16,695.92**
Net carrying amount		
Freehold land	503.45	495.09
Right of use assets	1,309.64	1,383.61
Buildings	3,203.40	3,427.00
Plant, machinery and equipment	16,465.26	16,942.84
	21,481.75	**22,248.54**

D. Loss due to cyclone

During the previous year, one of the refineries of the Company was affected by super cyclone Amphan and few assets were damaged. The Company had lodged a claim with Insurance company to recover the losses incurred. However, on prudent basis and in compliance with Ind AS 16, company had accounted for loss of INR 148.70 million in the previous year for damaged assets and the same was charged to the statement of profit and loss and grouped under other expenses.

E. 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.

During the previous year, as indicators existed, the Company performed impairment assessment with respect to certain specific Cash Generating Unit (CGU). The recoverable amount was determined using value in use approach based on cashflow projections which were discounted to their present value using a pre-tax discount rate of 11.17%. As a result of this analysis, management had identified and recognized an impairment allowance of INR 1,152.00 million during the year ended 31st March 2021. An impairment loss of INR 24.05 million adjusted against previously recognized revaluation reserve for this CGU has been disclosed in the Other Comprehensive Income (OCI) and balance amount of impairment loss of INR 1,127.95 million grouped under exceptional items in the statement of profit and loss (refer note 36).

The Company has determined the fair value of these assets under revaluation model during the year ended 31st March 2022.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

F. Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2022

	Amount in CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,357.67	31.63	1.76	1.91	2,392.97
Projects temporarily suspended	-	-	-	-	-
Total	**2,357.67**	**31.63**	**1.76**	**1.91**	**2,392.97**

As at 31 March 2021

	Amount in CWIP for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	85.93	3.74	1.91	-	91.58
Projects temporarily suspended	-	-	-	-	-
Total	**85.93**	**3.74**	**1.91**	**-**	**91.58**

G. Completion is overdue to its original plan :

As at 31 March 2022

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	160.87	-	-	-	160.87
Project 2	97.70	-	-	-	97.70
Others	105.76	-	-	-	105.76
Total	**364.33**	**-**	**-**	**-**	**364.33**

As at 31 March 2021

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	12.60	-	-	-	12.60
Project 2	10.01	-	-	-	10.01
Others	16.82	2.63	-	-	19.45
Total	**39.43**	**2.63**	**-**	**-**	**42.06**

H. 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.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 4: Intangible assets

	Computer software
Gross block	
As at 01st April 2020	**30.99**
Additions	6.99
Disposals	(0.11)
As at 31st March 2021	**37.87**
Additions	0.81
Disposals	(0.18)
As at 31st March 2022	**38.50**
Amortisation and impairment	
As at 01st April 2020	**20.78**
Amortisation for the year (refer note 33)	3.88
Disposals	(0.11)
As at 31st March 2021	**24.55**
Amortisation for the year (refer note 33)	6.08
Disposals	(0.18)
As at 31st March 2022	**30.45**
Net book value	
As at 31st March 2022	**8.05**
As at 31st March 2021	**13.32**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 5: Investments

	Currency	Face value	As at 31st March 2022		As at 31st March 2021	
			Number of units	INR Million	Number of units	INR Million
Non Current:						
Unquoted equity shares: At amortised cost						
In Subsidiary Companies						
KBK Chem-Engineering Private Limited (refer note 5 (b) below)	INR	100	1,69,143	547.92	1,69,143	547.92
Gokak Sugars Limited (GSL) (refer note 5 (a) below)	INR	10	3,29,37,140	187.26	3,29,37,140	187.26
Less: Impairment allowance (refer note 5 (b) below)				(70.99)		(70.99)
				116.27		**116.27**
Monica Trading Private Limited	INR	10	10,000	171.52	10,000	171.52
Less: Impairment allowance (refer note 5 (c) below)				(62.70)		(59.80)
				108.82		**111.72**
Renuka Commodities DMCC	AED	10000	40	4.97	40	4.97
Less: Impairment allowance				(4.97)		(4.97)
				-		-
Shree Renuka Agri Ventures Limited	INR	10	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)
				-		-
Shree Renuka Tunaport Private Limited	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	429.16	25,33,700	599.98
Aggregate value of total Investment				**1,202.17**		**1,375.89**
Aggregate value of unquoted investment				**1,348.62**		**1,519.44**
Aggregate amount of impairment allowance in value of investments				**(146.45)**		**(143.55)**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 5 (a):The Board of Directors of the Company approved the Scheme of Merger of Gokak Sugars Limited with the Company, at its meeting held on 09th November 2020. SRSL, being a Listed Company, needed the approval of Stock Exchanges and Securities and Exchange Board of India (SEBI) for submission of the scheme to National Company Law Tribunal (NCLT). Accordingly, the Company had made an application to BSE Ltd. (BSE) and National Stock Exchanges of India (NSE) on 21st January 2021 seeking their approval for the scheme of merger. BSE and NSE forwarded the scheme to SEBI with their recommendations. SEBI had sought certain amendments to the scheme from the Company. The Board of Directors, in its meeting held on 28th October 2021, approved the amended scheme of merger which included the amendments suggested by SEBI. The Company then filed the amended scheme along with necessary information with the exchanges on 15th November 2021 and received the approval from the exchanges on 11th March 2022 to file the scheme with NCLT. The Company is now in the process of filing the scheme with NCLT.

Note 5 (b): 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. There were no indicators of impairment identifed during the year ended 31st March 2022. During the previous year ended 31st March 2021, the recoverable amount calculation was based on DCF (Discounted Cash Flow) model. Value in use was calculated using cash flow projections covering a five-year forecast considering growth rate of 2%, applying a discount rate of 9.30% - 11.08% to the cash flow projections. The Company had recognised an impairment allowance of INR 70.99 million in respect of its investment in GSL during the previous year.

Note 5 (c): In respect of Monica Trading Private Limited (MTPL), the company has determined the recoverable amount of the investment based on the market value of the underlying asset of MTPL. Accordingly, an impairment allowance of INR 2.90 million (31st March 2021: INR 12.80 million) has been recognised in the statement of profit and loss.

Note 6: Loans

		As at 31st March 2022	As at 31st March 2021
Unsecured & considered good (at amortised cost) :			
Loans to related parties (refer note 41 (C))		3,707.40	3,843.56
Less: Impairment allowance (refer note 41 (C))		(2,062.35)	(2,062.35)
		1,645.05	**1,781.21**
Break-up for security details			
Unsecured, considered good		1,645.05	1,781.21
Unsecured, credit impaired		2,062.35	2,062.35
	(A)	**3,707.40**	**3,843.56**
Impairment allowance*			
Unsecured, considered good		-	-
Unsecured, credit impaired (refer note 41 (C))		(2,062.35)	(2,062.35)
	(B)	**(2,062.35)**	**(2,062.35)**
	(A-B)	**1,645.05**	**1,781.21**

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

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 7: Other non-current financial assets

		As at 31st March 2022	As at 31st March 2021
Unsecured & considered good (at amortised cost) :			
Fixed deposit pledged with bank/deposited with government authorities		46.69	-
Deposits		127.92	132.86
Less: Impairment allowance		(71.56)	(71.56)
		56.36	61.30
		103.05	**61.30**
Break-up for security details			
Unsecured, considered good		103.05	61.30
Unsecured, credit impaired		71.56	71.56
	(A)	**174.61**	**132.86**
Impairment allowance			
Unsecured, considered good		-	-
Unsecured, credit impaired		(71.56)	(71.56)
	(B)	**(71.56)**	**(71.56)**
	(A-B)	**103.05**	**61.30**

Note 8: Other non-current assets

		As at 31st March 2022	As at 31st March 2021
Capital advances*		514.07	76.34
Balances with government authorities		90.44	187.20
Amount paid under protest to government authorities		494.56	403.50
Less: Impairment allowance		(104.26)	(17.20)
		390.30	386.30
		994.81	**649.84**
Break-up for security details			
Unsecured, considered good		994.81	649.84
Unsecured, credit impaired		104.26	17.20
	(A)	**1,099.07**	**667.04**
Impairment allowance			
Unsecured, considered good		-	-
Unsecured, credit impaired		(104.26)	(17.20)
	(B)	**(104.26)**	**(17.20)**
	(A-B)	**994.81**	**649.84**

* Includes capital advance given to subsidiaries INR 325.71 million (31st March 2021: INR 59.78 million) (refer note 41 (C))

Notes to financial statements for the year ended 31st March 2022

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 2022 and 31st March 2021 are:

	As at 31st March 2022	As at 31st March 2021
Deferred tax :		
Relating to origination and reversal of temporary differences and write-down of deferred tax asset	83.87	1,596.38
Income tax expense reported in the statement of profit and loss	**83.87**	**1,596.38**

OCI Section

Deferred tax related to items recognised in OCI during the year

	As at 31st March 2022	As at 31st March 2021
Net loss on remeasurements of defined benefit plans	(1.54)	(0.24)
Revaluation reserve on property, plant and equipment's	1,160.99	-
Reversal of revaluation reserve on property, plant and equipment's	(11.18)	(15.21)
Income tax expenses/(income) charged to OCI	**1,148.27**	**(15.45)**

Reconciliation of tax expenses and the accounting profit multiplied by the India's domestic tax rate for year ended 31st March 2022 and 31st March 2021

	As at 31st March 2022	As at 31st March 2021
Accounting profit before tax	**1,214.52**	**2,152.81**
At India's statutory income tax rate of 31.2% (31st March 2021: 31.2%)	378.93	671.68
Unwinding Interest not deductible	34.80	64.22
Losses utilise during the current year	287.02	-
Provisions written back, not claimed as expenses in earlier years	(858.15)	-
Losses on which DTA created during the year to off set existing DTL	-	(1,015.68)
Taxable Gain on Redemption of Financial Instruments	-	3,578.98
Carry forward losses utilised during the year on which no DTA recognised earlier	-	(1,890.77)
MAT credit written off	196.78	260.65
Others	44.49	(72.70)
Income tax expense in the statement of profit and loss	**83.87**	**1,596.38**

Deferred tax

	As at 31st March 2022	As at 31st March 2021
Difference between carrying value of PPE and WDV as per the income tax act	(8,507.17)	(7,454.67)
Expenses claimed on payment basis	676.75	482.76
Losses available for offsetting against future taxable income	6,598.28	6,775.13
MAT credit entitlement	-	196.78
Net deferred tax liability	**(1,232.14)**	**-**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Presented in the balance sheet as follows:

	As at 31st March 2022	As at 31st March 2021
Deferred Tax Assets (DTA)	-	-
Deferred Tax Liabilities (DTL)	(1,232.14)	-
Deferred Tax Liabilities (DTL)	**(1,232.14)**	**-**

Reconciliation of deferred assets/(liabilities):

	As at 31st March 2022	As at 31st March 2021
Opening balance as at 01st April	-	1,580.93
Tax expense during the period recognised in profit and loss	(83.87)	(1,596.38)
Tax income/(expense) during the period recognised in OCI	(1,148.27)	15.45
Closing balance	**(1,232.14)**	**-**

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

The Company has unabsorbed depreciation of INR 15,592.72 million (31st March 2021: INR 14,818.48 million), unabsorbed business losses of INR 5,555.59 million (31st March 2021: INR 6,896.68 million) on which deferred tax asset has been created. In addition, the Company has MAT credit entitlement of Nil (31st March 2021: INR 196.78 million), included in the balance of deferred tax assets. The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed business losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively.

The Company has unabsorbed depreciation of Nil (31st March 2021: Nil), unabsorbed tax losses of INR 2,635.11 million (31st March 2021: INR 2,190.43 million) on which deferred tax asset has not been created. The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses can be carried forward for 8 years and will expire between financial year 2025-26 to 2029-30.

Note 10: Inventories

	As at 31st March 2022	As at 31st March 2021
Raw materials, components and material in transit (at cost)	4,288.07	5,840.57
(includes transit stock INR 2.76 million (31st March 2021: INR 399.24 million))		
Stores and spares (at cost)*	524.17	520.43
(includes transit stock INR 25.55 million (31st March 2021: INR 19.77 million))		
Intermediate products (at net realisable value)	4,369.45	1,556.66
(includes transit stock INR 50.51 million (31st March 2021: INR 177.74 million))		
Finished goods: (at lower of cost or net realisable value)		
(includes transit stock INR 69.96 million (31st March 2021: Nil))		
Manufactured	10,805.34	15,519.44
Traded	-	106.70
	19,987.03	**23,543.80**

* Includes packing material and consumables

Cost of inventories includes expenses of INR 23.39 million (31st March 2021: INR 570.10 million) in respect of write down of inventories to Net realisable value.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 11: Trade receivables

	As at 31st March 2022	As at 31st March 2021
Unsecured, considered good		
Receivables from third parties	1,852.35	1,497.05
Less: Impairment allowance	(186.15)	(179.92)
	1,666.20	1,317.13
Receivables from related parties (refer note 41 (C))	1,357.49	4,080.66
Less: Impairment allowance	-	(2,513.94)
	1,357.49	1,566.72
	3,023.69	**2,883.85**
Break-up for security details:		
Unsecured, considered good		
Receivables from third parties	1,666.20	1,317.13
Receivables from related parties (refer note 41 (C))	1,357.49	1,566.72
Unsecured, credit impaired		
Receivables from third parties	186.15	179.92
Receivables from related parties (refer note 41 (C))	-	2,513.94
(A)	**3,209.84**	**5,577.71**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Unsecured, credit impaired	(186.15)	(2,693.86)
(B)	**(186.15)**	**(2,693.86)**
(A-B)	**3,023.69**	**2,883.85**

During the year, the Company has recognised impairment allowance on lifetime expected credit loss model amounting to INR 43.63 million (31st March 2021: INR 216.27 million).

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade or other receivables due from firms or private companies 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 2022	As at 31st March 2021
i. Undisputed Trade Receivables - considered good :		
Current but not due	2,123.40	1,035.39
Less than 6 Months	792.55	1,798.39
6 months – 1 year	89.00	9.76
1-2 years	14.87	34.59
2-3 years	1.18	0.69
More than 3 years	2.69	5.03
	3,023.69	**2,883.85**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Outstanding for following periods from due date of payment	As at 31st March 2022	As at 31st March 2021
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	-	660.47
6 months – 1 year	-	1,652.28
1-2 years	-	201.19
2-3 years	-	-
More than 3 years	-	-
	-	**2,513.94**
iv. Disputed Trade Receivables - credit impaired :		
Current but not due	-	-
Less than 6 Months	-	-
6 months – 1 year	5.25	-
1-2 years	12.25	33.37
2-3 years	23.88	7.25
More than 3 years	144.77	139.30
	186.15	**179.92**

Note 12: Cash and cash equivalents

	As at 31st March 2022	As at 31st March 2021
Unsecured and considered good (at amortised cost) :		
Cash and cash equivalents:		
Cash on hand	0.26	0.44
Balances with banks:		
On current accounts	113.60	221.17
	113.86	**221.61**

Note 13: Other bank balances

	As at 31st March 2022	As at 31st March 2021
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*	175.12	400.38
	175.14	**400.40**

*Fixed deposit with banks include amounts that have been provided as margin money and those that have been pledged with government authorities towards guarantee.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 14: Loans

		As at 31st March 2022	As at 31st March 2021
Unsecured and considered good (at amortised cost) :			
Loans given to related parties			
To subsidiary companies (refer note 41 (C))		12,255.68	14,890.79
Less: Impairment allowance (refer note 41 (C))		(12,118.52)	(14,753.63)
		137.16	**137.16**
Break-up for security details			
Unsecured, considered good		137.16	137.16
Unsecured, credit impaired		12,118.52	14,753.63
	(A)	**12,255.68**	**14,890.79**
Impairment allowance			
Unsecured, considered good		-	-
Unsecured, credit impaired		(12,118.52)	(14,753.63)
	(B)	**(12,118.52)**	**(14,753.63)**
	(A-B)	**137.16**	**137.16**

Note 15: Other current financial assets

		As at 31st March 2022	As at 31st March 2021
Unsecured and considered good (at amortised cost) :			
Derivative asset		204.91	-
Duty drawback receivable		34.74	3.02
Interest receivable*		79.99	176.96
Less: Impairment allowance (refer note 41 (C))		(29.23)	(17.15)
		50.76	159.81
Other receivables**		127.07	930.80
		417.48	**1,093.63**
Break-up for security details			
Unsecured, considered good		417.48	1,093.63
Unsecured, credit impaired		29.23	17.15
	(A)	**446.71**	**1,110.78**
Impairment allowance			
Unsecured, considered good		-	-
Unsecured, credit impaired		(29.23)	(17.15)
	(B)	**(29.23)**	**(17.15)**
	(A-B)	**417.48**	**1,093.63**

* Includes due from subsidiaries INR 29.23 million (31st March 2021: INR 125.30 million) (refer note 41 (C))

** Includes due from related parties INR 117.17 million (31st March 2021: INR 235.40 million) (refer note 41 (C))

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 16: Other current assets

	As at 31st March 2022	As at 31st March 2021
Prepayments	146.30	190.09
Balances with government authorities	1,723.72	1,110.27
Related parties (refer note 41 (C))	163.15	418.34
Less: Impairment allowance	(91.24)	(91.24)
	71.91	327.10
Advance to suppliers	432.90	748.23
Less: Impairment allowance	(142.47)	(378.95)
	290.43	369.28
Others	433.77	461.25
Less: Impairment allowance	(394.55)	(394.55)
	39.22	66.70
	2,271.58	**2,063.44**
Break-up for security details		
Unsecured, considered good	2,271.58	2,063.44
Unsecured, credit impaired	628.26	864.74
(A)	**2,899.84**	**2,928.18**
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, credit impaired	(628.26)	(864.74)
(B)	**(628.26)**	**(864.74)**
(A-B)	**2,271.58**	**2,063.44**

Note 17a: Equity share capital

	As at 31st March 2022	As at 31st March 2021
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.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Issued equity capital

	Number of equity shares	Amount
As at 01st April 2020	**1,91,68,19,292**	**1,916.82**
Shares issued during the year	21,16,70,481	211.67
As at 31st March 2021	**2,12,84,89,773**	**2,128.49**
Shares issued during the year	-	-
As at 31st March 2022	**2,12,84,89,773**	**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 2022		As at 31st March 2021	
	No. of Shares	% holding	No. of Shares	% holding
Wilmar Sugar Holdings Pte. Ltd.	1,32,98,75,232	62.48%	1,32,98,75,232	62.48%
ICICI Bank Limited	17,16,75,640	8.07%	19,08,46,571	8.97%
IDBI Bank Limited	-	-	13,04,45,129	6.13%

Note 17b: Other equity

	As at 31st March 2022	As at 31st March 2021
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)	463.32	463.32
Changes in equity instruments (refer note c below)	129.26	300.08
Revaluation reserve (refer note c below)	10,662.75	8,646.05
Retained earnings (refer note c below)	(40,543.84)	(42,142.51)
Cost of hedging reserve (refer note c below)	(29.98)	100.83
	3,341.35	**27.61**

a. Securities premium account :

	INR million
As at 01st April 2020	**30,396.51**
Shares issued during the year	1,638.33
As at 31st March 2021	**32,034.84**
Shares issued during the year	-
As at 31st March 2022	**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) :

	INR million
As at 01st April 2020	**625.00**
Transfer to/(from) retained earnings	-
As at 31st March 2021	**625.00**
Transfer to/(from) retained earnings	-
As at 31st March 2022	**625.00**

Notes to financial statements for the year ended 31st March 2022

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 2022	As at 31st March 2021
Equity contribution from parent	463.32	463.32
Changes in equity instruments	129.26	300.08
Revaluation reserve	10,662.75	8,646.05
Retained earnings	(40,543.84)	(42,142.51)
Cost of hedging reserve	(29.98)	100.83
Total other reserves	**(29,318.49)**	**(32,632.23)**

Equity Contribution from Parents :

During the previous year, Company had received waiver in respect of interest accrued on trade payables for purchase of raw sugar and advances for sale of white sugar received from its parent Company Wilmar Sugar Holding Pte. Ltd. and its fellow subsidiary Wilmar Sugar Pte. Ltd. amounting to INR 463.32 million. The Company accounted for these waivers as equity contribution from the parent and had presented the same as a separate component of equity under other equity as per Ind AS 109 - Financial instruments.

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. The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the Company recognised impairment of property, plant and equipment through revaluation reserve amounting to INR 7.57 million (31st March 2021: INR 16.55 million) (net of deferred tax) and recognised amount of INR 17.07 million (31st March 2021: INR 17.01 million) (net of deferred tax) as reversal of revaluation reserve on disposal of assets. During the year the Company recognised revaluation reserve (net of deferred tax) of INR 2,512.77 million (31st March 2021: Nil) on revaluation of property, plant and equipment as per Company's accounting policies.

Retained earnings :

Retained eranings 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 life of the contract.

Note 18: Borrowings (non-current)

	As at 31st March 2022	As at 31st March 2021
Secured		
a) Non-convertible debentures (refer note B below)		
1,500 Redeemable non-convertible debentures (11.70%) of INR 1,000,000 each*	1,268.98	1,327.48
1,000 Redeemable non-convertible debentures (11.30%) of INR 1,000,000 each*	845.98	884.98

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March 2022	As at 31st March 2021
b) Term Loans (refer note B below)		
From Banks and financial institutions	-	65.61
From others (refer note B below)		
IFCI Limited (Sugar Development Fund)	-	30.70
From Holding Company - Wilmar Sugar Holdings Pte. Ltd. (refer note B)		
External Commercial Borrowings (ECB) (refer note 41 (D))	22,390.10	21,559.74
Unsecured		
Term Loans (refer note C below)		
From Banks and financial institutions	4,578.56	2,758.25
	29,083.62	**26,626.76**
Less: Current maturity of long-term borrowings transferred to short term borrowings (refer note 22)	(1,527.48)	(968.19)
	27,556.14	**25,658.57**

Terms of loan outstanding as on 31st March 2022

Particulars	Maturity	Effective rate of interest	As at 31st March 2022	As at 31st March 2021
Non-convertible debentures				
Non-convertible debentures - LIC*	31st March 2029	11.70%	518.98	577.48
Non-convertible debentures - LIC*	31st March 2032	11.70%	750.00	750.00
Non-convertible debentures - LIC*	31st March 2029	11.30%	345.98	384.98
Non-convertible debentures - LIC*	31st March 2032	11.30%	500.00	500.00
Term Loans				
From Banks and financial institutions :				
Indian Renewable Energy Development Authority (IREDA)	31st March 2022	11.75%	-	65.61
First Abu Dhabi Bank	12th May 2026	9.70%	2,389.05	2,758.25
Standard Chartered Bank	06th June 2026	8.66%	2,189.51	-
From Others :				
IFCI Limited (Sugar Development Fund)	30th September 2021	12.00%	-	30.70
From Holding Company - Wilmar Sugar Holdings Pte. Ltd. :				
External Commercial Borrowings (ECB)	27th August 2025	3.48% #	22,390.10	21,559.74

ECB carry the interest @ 6 months LIBOR + 3%. The EIR is calculated including applicable taxes, but excluding hedging cost.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

*The Company is in the process of restructuring its 11.70% non-convertible debentures (NCD) amounting to INR 1,268.98 million (original amount INR 1,500 million) and 11.30% non-convertible debentures (NCD) amounting to INR 845.98 million (original amount INR 1,000 million), for which the Company has received a letter of intent from Life Insurance Corporation of India (debenture holders) on 11th October 2018. This letter was accepted by the Company on 16th October 2018. The Company has obtained approval from the shareholders for the aforesaid transaction in the Annual General Meeting held on 02nd September 2021. The Company has applied to BSE Ltd., for its approval for the aforesaid transaction and is awaiting approval.

Note A: Repayment schedule of external commercial borrowings, term loans and non-convertible debentures is as follows:

a) The Company received INR 22,413.57 million (USD 300 million) during the previous year ended 31st March 2021 through External Commercial Borrowings (ECB) from Wilmar Sugar Holdings Pte Ltd. (Promoter Company). The proceeds have been utilized for repayment of Non- Convertible debentures (NCDs) issued to the banks amounting to INR 2,064 million, repayment of term loans amounting to INR 9,298 million and balance to meet the working capital requirements and for general corporate purposes. The loan is repayable on maturity after 60 months from the date of last utilisation. The maturity date of ECB is 27th August 2025.

b) 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.

c) The repayment of NCDs issued to LIC is being made as per the letter of intent dated 11th October 2018, received from LIC. As per the letter of intent, 11.70% Non-Convertable Debentures and 11.30% Non-Convertable Debentures having a face value of INR 750 million and INR 500 million respectively, having maturity date of 31st March 2029, are repayable in 39 structured quarterly instalments starting from 30th September 2018. The balance amount of 11.70% Non-Convertable Debentures and 11.30% Non-Convertable Debentures having face value of INR 750 million and INR 500 million respectively, having maturity date of 31st March 2032, are repayable in 12 quarterly instalments starting from 30th June 2029.

d) 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.

Note B: Nature of Security/guarantees

Secured term loans and non-convertible debentures

1. First pari-passu charge by way of mortgage / hypothecation on all immovable / movable properties of the Company both present & future except assets at Panchaganga and Ajinkyatara which are exclusively charged to IREDA.
2. Second pari-passu charge for SDF on all the current assets of the company both present and future.

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 Ajinkyatara which are exclusively charged to IREDA.
2. First pari-passu charge for ECB Lender on all the current assets of the company both present and future.

IREDA Loan

Exclusive charge on property, plant and equipment at Panchaganga and Ajinkyatara (co-generation plants).

Note C: Corporate guarantee

Corporate Guarantee of Wilmar International Ltd. towards term loan extended by First Abu Dhabi Bank, Standard Chartered 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 17,200 million (31st March 2021:INR 14,400 million) .

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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 2022	As at 31st March 2021
Current*	11.74	10.52
Non- current*	178.30	143.32
	190.04	**153.84**

* For further information refer note 47

Note 20: Net employee benefit liabilities (non-current)

	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits		
Provision for gratuity (refer note 39)	168.45	148.12
Provision for leave encashment	72.71	69.03
	241.16	**217.15**

Note 21: Government grants

	As at 31st March 2022	As at 31st March 2021
Current	106.75	53.90
Non- current	309.78	203.45
	416.53	**257.35**

Note 22: Borrowings (current)

	As at 31st March 2022	As at 31st March 2021
Secured :*		
Current maturity of long-term borrowings (refer note 18)	625.00	596.31
Unsecured :		
Working capital from banks:		
Rupee borrowings (refer note a below)	12,227.88	11,231.92
Current maturity of long-term borrowings (refer note 18)	902.48	371.88
	13,755.36	**12,200.11**

*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.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 23: Trade payables

	As at 31st March 2022	As at 31st March 2021
Trade payables#*	8,615.18	6,160.32
Trade payables to related parties (refer note 41 (D))	11,092.73	20,148.54
	19,707.91	**26,308.86**

#Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled within the credit period agreed with the supplier.

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.

*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 2022	As at 31st March 2021
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	23.48	52.13
- Interest due on above**	0.02	0.00
Total	**23.50**	**52.13**
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**	0.02	0.00
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.**	0.02	0.00

** As at 31st March 2021, the amount is below INR 0.01 million

Trade payables Ageing Schedule

	As at 31st March 2022	As at 31st March 2021
Outstanding for following periods from due date of payment		
i. MSME :		
Less than 1 year	23.50	52.13
1-2 years	-	-
2-3 years	-	-

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March 2022	As at 31st March 2021
More than 3 years	-	-
	23.50	**52.13**
ii. Others :		
Less than 1 year	19,279.68	25,841.40
1-2 years	271.23	213.88
2-3 years	85.27	189.38
More than 3 years	48.23	12.07
	19,684.41	**26,256.73**
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	19,303.18	25,893.53
1-2 years	271.23	213.88
2-3 years	85.27	189.38
More than 3 years	48.23	12.07
	19,707.91	**26,308.86**

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 3,729.42 million (31st March 2021: 8,450.77 million).

Note 24: Other current financial liabilities

	As at 31st March 2022	As at 31st March 2021
Interest accrued but not due on borrowings#	711.67	547.00
Interest accrued on others*	529.74	505.45
Unclaimed dividend	0.02	0.02
Derivative liabilities	-	797.34
Salaries payable	57.94	59.00
Other payables**##	185.51	964.49
	1,484.88	**2,873.30**

Includes dues to affiliates INR 142.73 million (31st March 2021: INR 121.43 million) (refer note 41 (D)).
*Includes dues to affiliates INR 483.57 million (31st March 2021: INR 436.90 million) (refer note 41 (D)).
**Includes dues to affiliates INR 57.00 million (31st March 2021: Nil) (refer note 41 (D)).
Includes advance from affiliates INR 4.93 million (31st March 2021: INR 610.75 million) (refer note 41 (D)).

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 25: Other current liabilities

	As at 31st March 2022	As at 31st March 2021
Advance from customers*	223.82	211.34
Statutory dues payable	103.17	119.82
Other payables**	299.16	163.44
	626.15	**494.60**

*Includes advance for sale of goods received from subsidiary INR 55.06 million (31st March 2021: INR Nil) (refer note 41 (D)).

**Includes amount payable to subsidiary INR 172.63 million (31st March 2021: INR 69.18 million) (refer note 41 (D)).

Note 26: Net employee benefit liabilities (current)

	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits		
Provision for gratuity (refer note 39)	64.31	69.58
Provision for leave encashment	24.69	12.68
	89.00	**82.26**

Note 27: Revenue from operations

	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from contract with customers		
Sale of manufactured sugar	48,385.85	43,851.84
Sale of ethanol and allied products	9,493.36	7,014.13
Sale of power	1,262.40	1,347.57
Sale of traded sugar, coal and others	1,060.53	1,806.26
Sale of by-products and others	490.39	547.00
Other operating income		
Sales of scrap generated from operating activities	119.04	47.05
	60,811.57	**54,613.85**

Contract balances

Contract liability as at 31st March 2022 is INR 223.82 million (31st March 2021: INR 211.34 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 2022	Year ended 31st March 2021
Revenue as per contracted price	**60,832.21**	**54,675.32**
Less: Discount	(60.10)	(58.44)
Less: Trade promotion expenses	(79.57)	(50.08)
Revenue from contract with customers	**60,692.53**	**54,566.80**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 28: Other income

		Year ended 31st March 2022	Year ended 31st March 2021
Other non-operating income :			
Sugar export benefits from third party licences		13.84	113.12
Excess provision of earlier years written back		156.25	109.77
Government assistance		81.47	44.80
Dividend on investments		1.27	1.17
RODTEP script income		57.27	-
Insurance claim received		220.38	76.07
Income from services provided to related parties	51.33		
Less: Expenses pertaining to services provided	46.92	4.41	-
Miscellaneous income		123.91	92.12
Finance income :			
Interest on financial assets carried at amortized cost and others		173.24	246.90
		832.04	**683.95**

Note 29: Cost of raw materials consumed

	Year ended 31st March 2022	Year ended 31st March 2021
a. Raw material consumed		
i. Raw-sugar and white sugar		
Opening stock	5,227.20	2,581.44
Add: Purchases	23,674.75	32,018.42
Less: Closing stock	(3,490.17)	(5,227.20)
	25,411.78	**29,372.66**
ii. Sugar cane		
Opening stock	-	14.02
Add: Purchases	19,515.46	14,535.90
Less: Closing stock	(0.03)	-
	19,515.43	**14,549.92**
iii. Molasses, DNA, MGA and Rectified Spirit		
Opening stock	325.71	455.47
Add: Purchases	1,039.66	775.45
Less: Closing stock	(440.53)	(325.71)
	924.84	**905.21**
b. Other materials consumed		
i. Coal and Bagasse		
Opening stock	283.16	104.11
Add: Purchases	1,509.93	1,236.78
Less: Closing stock	(355.00)	(283.16)
	1,438.09	**1,057.73**
ii. Others		
Opening stock	4.50	3.72
Add: Purchases	2.97	5.90
Less: Closing stock	(2.34)	(4.50)
	5.13	**5.12**
	47,295.27	**45,890.64**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 30: Purchase of traded goods

	Year ended 31st March 2022	Year ended 31st March 2021
Raw-sugar	781.31	1,591.92
White-sugar	-	225.98
Coal and others	34.00	15.04
	815.31	**1,832.94**

Note 31: Increase/(decrease) in inventories of finished goods, work-in-progress and intermediate products and traded goods

	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock		
Work-in-progress and Intermediate products	1,556.66	1,620.58
Finished goods	15,519.44	11,406.89
Traded goods	106.70	-
(A)	**17,182.80**	**13,027.47**
Closing stock		
Work-in-progress and Intermediate products	4,369.45	1,556.66
Finished goods	10,805.34	15,519.44
Traded goods	-	106.70
(B)	**15,174.79**	**17,182.80**
(A-B)	**2,008.01**	**(4,155.33)**

Note 32: Employee benefit expenses

	Year ended 31st March 2022	Year ended 31st March 2021
Salaries, wages and bonus	1,095.69	990.95
Gratuity expenses (refer note 39)	31.99	33.37
Contribution to provident and other funds	71.98	65.08
Staff welfare expenses	68.78	39.51
	1,268.44	**1,128.91**

Note 33: Depreciation and amortisation expenses

	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation of tangible assets (refer note 3)	1,876.33	1,886.56
Amortisation of right of use assets (refer note 3)	127.40	122.20
Amortisation of intangible assets (refer note 4)	6.08	3.88
	2,009.81	**2,012.64**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 34: Finance costs

	Year ended 31st March 2022	Year ended 31st March 2021
Interest on:		
Term loans	180.92	470.79
External commercial borrowings	1,703.20	1,086.30
Working capital	839.55	512.06
Debentures	251.59	262.51
Others:		
Interest expenses on discounted securities	-	205.83
Interest on others	533.65	1,015.51
Interest expenses on lease liabilities	16.51	14.49
Loan processing charges and other charges	118.66	78.65
	3,644.08	**3,646.14**
Unwinding of interest on borrowing at concessional rate	111.54	40.29
	3,755.62	**3,686.43**

Note 35: Other expenses

	Year ended 31st March 2022	Year ended 31st March 2021
Consumption of stores and spares	738.14	514.38
Consumption of chemicals, consumables, oil and lubricants	518.96	490.91
Outsourced service cost	437.41	295.78
Sugar house loading, un-loading and handling charges	216.48	238.59
Packing materials	969.61	824.67
Power and fuel	295.11	309.49
Rent	5.30	3.18
Repairs and maintenance:		
Plant and machinery	365.84	238.00
Buildings	4.88	3.23
Others	64.02	115.18
Rates and taxes	31.75	34.24
Insurance	109.16	93.17
Printing and stationery	10.22	9.04
Communication expenses	6.57	6.93
Legal and professional fees	88.06	114.89
Directors' sitting fees	1.80	8.50
Payment to auditors (refer note a below)	20.17	18.44
Property, plant and equipment written off	35.41	174.28
Safety and security expenses	71.23	54.16
Impairment for advances to vendors and others	186.52	115.71
Impairment of investment in subsidiary	2.90	83.79
Expected credit loss on trade receivables	43.63	216.27
Donations and contributions	0.71	0.76
CSR Expenditure (refer note b below)	4.94	15.10
Loss on sale of property, plant and equipment (net)	3.25	-
Loss on derivatives contracts	77.43	360.75
Freight and forwarding charges	1,207.29	1,133.75
Advertisement and sales promotion	190.14	169.96
Brokerage and discounts	13.39	39.18
Miscellaneous expenses	203.58	131.28
	5,923.90	**5,813.61**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

a. Payment to Auditors

	Year ended 31st March 2022	Year ended 31st March 2021
As auditor		
Audit fee	9.25	8.80
Limited review	3.75	3.45
Certification Services	0.53	1.43
In other capacity:		
Other services	6.00	4.29
Reimbursement of expenses	0.64	0.47
	20.17	**18.44**

b. **CSR expenditure:** Since the Company has average net losses for the immediately preceding three financial years, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

Note 36: Exceptional items - income

	Year ended 31st March 2022	Year ended 31st March 2021
Gain on redemption of securities*	-	(1,925.41)
Impairment of property, plant and equipments (refer note 3 (E))	-	1,127.95
Lumpsum one time payment to the bank for settlement of outstanding facilities of the Company	-	437.43
Lumpsum one time payment to bank for settlement of dues relating to erstwhile subsidiary of the Company	-	325.78
Reversal of impairment allowance of trade receivables**	(2,513.93)	(1,464.75)
	(2,513.93)	**(1,499.01)**

* Gain on redemption of Non-convertible debentures (NCD), Redeemable preference shares (RPS) and Optionally convertible preference shares (OCPS).

** Reversal of impairment allowance is on account of recovery of trade receivable balance from related party (refer note 41 (C)).

Note 37: Earnings Per Share [EPS]

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31st March 2022	Year ended 31st March 2021
Profit attributable to equity holders for calculation of basic and diluted earnings per share	1,130.65	556.43
Weighted average number of equity shares for basic and diluted EPS**	2,12,84,89,773	2,02,81,63,764
Earnings Per Share		
Basic, computed on the basis of profit from operations attributable to equity holders of the Company	0.53	0.27
Diluted, computed on the basis of profit from operations attributable to equity holders of the Company	0.53	0.27

** Weighted average number of equity shares takes into account the weighted average effect of changes in share transactions during the year.

Note 38: Commitment and contingencies

a) Capital commitments

Outstanding commitments of the Company are as follows:

Outstanding Commitments	As at 31st March 2022	As at 31st March 2021
Estimated value of contract pending for execution	3,197.91	1,932.94

Capital advances of INR 514.07 million (31st March 2021: INR 76.34 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 2022	As at 31st March 2021
Bank Guarantee	160.62	393.35
Corporate Guarantee	130.00	130.00
Letter of Credit	77.99	-

c) Contingent liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31st March 2022	As at 31st March 2021
Income Tax Demands	-	90.12
Excise and Service Tax Demands (refer note (i) below)	938.96	938.96
Sales Tax/VAT Demands (refer note (ii) below)	20.06	19.86
GST (refer note (iii) below)	48.92	124.47
Customs Demands (refer note (iv) below)	1,461.33	1,883.26
Litigations related to erstwhile Brazilian subsidiaries (refer note (v) below)	53.21	-
Civil Cases (refer note (vi) below)	212.10	15.20
Total	**2,734.58**	**3,071.87**

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 structures

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

for support of capital goods, 6% 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 disallowance of common credit as per rule 42 of CGST Rules, 2017.

During the year, the Company 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 Company 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 Company 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 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.

iv. Disputes related to demand raised on non-payment of timely Special Additional Duty (SAD) at the time of import of import of raw sugar, and duty demand on the context of wrong classification/ availing wrong exemption during import

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 104.26 million as at 31st March 2022 (31st March 2021: INR 17.20 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 2022.

vi. Other matters mainly consist of litigations related to claims filed against customers / vendors for recovery of trade receivable / advance balances and other legal suites.

Note 39: Defined Benefit plans

The Company has a defined benefit gratuity plan. The companies defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

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 than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company, there can be strain on the cash flows.

D. Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Actuarial Assumptions

Key actuarial assumptions are given below:

Discount Rate:

The rate used to discount other long term employee benefit obligation (both funded and unfunded) will be determined by reference to market yield at the balance sheet date on high quality 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 2022	31st March 2021
1	**Change in defined benefit obligation**		
	Opening defined benefit obligation	309.35	304.64
	Current service cost	20.73	22.10
	Interest cost	17.51	17.90
	Actuarial gain due to change in financial assumptions	(7.71)	(0.40)
	Actuarial loss/(gain) due to experience adjustments	10.58	(4.00)
	Benefits paid	(31.96)	(30.89)
	Closing defined benefit obligation	**318.50**	**309.35**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Sr. No.	Particulars	Gratuity plan	
		31st March 2022	31st March 2021
2	**Change in plan assets**		
	Opening value of plan assets	91.65	94.93
	Interest income	6.25	6.63
	Return on plan assets excluding amounts included interest income	(2.08)	(5.17)
	Contributions by employer	0.39	-
	Benefits paid	(10.47)	(4.74)
	Closing value of plan assets	**85.74**	**91.65**
3	**Fund status of plan assets**		
	Present value unfunded obligations	171.30	174.63
	Present value funded obligations	147.20	134.72
	Fair value of plan assets	(85.74)	(91.65)
	Net liability (assets) (refer note 20 and 26)	**232.76**	**217.70**
4	**Other comprehensive income for the current period**		
	Due to change in financial assumptions	(7.71)	(0.40)
	Due to experience adjustments	10.58	(4.00)
	Return on plan assets excluding amounts included in interest income	2.08	5.17
	Expense recognized in other comprehensive income	**4.95**	**0.77**
5	**Expenses for the current period**		
	Current service cost	20.73	22.10
	Interest cost	11.26	11.27
	Amount recognized in expenses (refer note 32)	**31.99**	**33.37**
6	**Defined benefit liability**		
	Net opening provision in books of accounts	217.70	209.71
	Employee benefit expense	31.99	33.37
	Amounts recognized in other comprehensive income	4.95	0.77
	Contributions to plan assets	(0.39)	-
	Benefits paid by the Company	(21.49)	(26.15)
	Closing provision in books of accounts	**232.76**	**217.70**
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)	7.26%	6.82%
	Discount rate for employees of leased unit	6.41% - 6.57%	6.16% - 6.21%
	Salary growth rate	5%	5%
	Withdrawal rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
9	**Maturity Profile of Defined Benefit Obligation**		
	Expected Future Cash flows		
	Year 1	79.20	79.85
	Year 2	29.57	24.70
	Year 3	30.01	26.67
	Year 4	25.24	26.61
	Year 5	32.04	24.39
	Year 6 to 10	116.17	119.90
	Above 10 Years	227.96	200.87
	Average Expected Future Working Life (Years)	7.46	7.50

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Sr. No.	Particulars	Gratuity plan	
		31st March 2022	31st March 2021
10	**Sensitivity to key assumptions***		
	Discount rate sensitivity		
	Increase by 0.5%	309.68	299.77
	(% change)	(2.85%)	(3.20%)
	Decrease by 0.5%	327.90	319.54
	(% change)	2.95%	3.29%
	Salary growth rate sensitivity		
	Increase by 0.5%	327.07	318.94
	(% change)	2.62%	3.01%
	Decrease by 0.5%	310.37	300.21
	(% change)	(2.55%)	(2.96%)
11	**Expected contributions to the defined benefit plan in next year**	**14.88**	**10.26**

***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, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Renuka Commodities DMCC	11,895.60	14,530.71	14,530.71	14,530.71
Shree Renuka Agri Ventures Limited*	222.92	222.92	222.92	222.92
KBK Chem-Engineering Private Limited*	1,348.06	1,348.06	1,348.06	1,348.06
Shree Renuka East Africa Agriventures PLC*	0.04	0.04	0.04	0.04
Monica Trading Private Limited*	137.27	136.27	137.27	136.27
Shree Renuka Tunaport Private Limited*	8.41	8.41	8.41	8.41
Gokak Sugars Limited*	1,645.94	1,783.10	1,896.10	2,293.10

*Loans were given to subsidiaries to meet its working capital requirements.

Notes to financial statements for the year ended 31st March 2022

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 Holdings Pte. Ltd.

(c) Subsidiary Companies :

1 Gokak Sugars Limited
2 KBK Chem-Engineering Private Limited
3 Monica Trading Private Limited
4 Shree Renuka Tunaport Private Limited
5 Shree Renuka Agri Ventures Limited
6 Renuka Commodities DMCC
7 Shree Renuka East Africa Agriventures PLC

(d) Affiliate Companies :

1 Adani Wilmar Limited
2 Wilmar Sugar Pte. Ltd.
3 Wilmar Sugar India Private Limited

(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) The Trustees Shree Renuka Sugars Limited

(g) Key managerial personnel

1 Mr. Atul Chaturvedi - Executive Chairman
2 Mr. Vijendra Singh - Executive Director and Dy. CEO
3 Mr. Sunil Ranka - Chief Financial Officer
4 Mr. Deepak Manerikar - Company Secretary
5 Mr. Ravi Gupta (Executive Director) (w.e.f. 28th October 2021)

(h) Additional related parties as per the Companies Act, 2013 :

1 Mr. Jean-Luc Bohbot (Non-Executive Director)
2 Mr. Madhu Rao (Independent Director)
3 Mr. Bhupatrai Premji (Independent Director)
4 Mr. Dorab Mistry (Independent Director)
5 Mr. Stephen Ho Kiam Kong (Non-Executive Director) (till 31st May 2021)
6 Mr. Cheau Leong Loo (Non-Executive Director) (w.e.f 01st June 2020)
7 Mr. Bharat Kumar Mehta (Independent Director)
8 Mr. Surender Kumar Tuteja (Independent Director)
9 Ms. Priyanka Mallick (Independent Director)
10 Mr. Rajeev Kumar Sinha (Non-Executive Director) (Nominee Director of IDBI Bank) (till 21st January 2021)
11 Mr. Kuok Khoon Hong (Non-Executive Director)
12 Mr. T.K.Kanan (Alternate Director) (to Mr. Kuok Khoon Hong) (till 31st March 2022)

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

B) Transactions with subsidiaries and affiliate companies

Sr. No.	Particulars	Year ended	Sales*	MAEQ*	Purchases of goods and services*#	Rental income/ Other Income	Interest income on advances	Interest expense on advances and others	Interest Waiver	Loans and advance given	Loans and advance repaid	Advance against Purchases	Advance received	ECB Loan	Share Capital	Interest on ECB Loan and commitment fees
(a)	**Ultimate Holding Company**															
i	Wilmar International Limited	**31st March 2022**	**-**	**-**	**14.27**	**51.37**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		31st March 2021	-	-	10.95	5.85	-	-	-	-	-	-	-	-	-	-
(b)	**Holding Company**															
i	Wilmar Sugar Holdings Pte. Ltd.	**31st March 2022**	**-**	**-**	**-**	**-**	**-**	**10.40**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**779.00**
		31st March 2021	-	-	-	-	-	5.10	283.86	-	809.24	-	8,744.20	22,413.57	1,850.00	575.18
(c)	**Subsidiary Companies**															
i	Renuka Commodities DMCC	**31st March 2022**	**3,144.75**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,155.58**	**-**	**-**	**-**
		31st March 2021	3,889.29	-	-	-	-	-	-	-	-	-	-	-	-	-
ii	Shree Renuka Agri Ventures Limited	**31st March 2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		31st March 2021	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-
iii	KBK Chem-Engineering Private Limited	**31st March 2022**	**-**	**-**	**1,534.31**	**-**	**-**	**-**	**-**	**-**	**-**	**1,033.24**	**-**	**-**	**-**	**-**
		31st March 2021	0.17	-	337.08	-	-	-	-	-	-	147.14	-	-	-	-
iv	Gokak Sugars Limited	**31st March 2022**	**56.61**	**13.84**	**469.08**	**-**	**162.19**	**-**	**-**	**163.00**	**300.16**	**210.00**	**-**	**-**	**-**	**-**
		31st March 2021	0.96	110.49	514.19	-	204.26	-	-	640.00	640.00	275.26	-	-	-	-
v	Monica Trading Private Limited	**31st March 2022**	**-**	**-**	**-**	**-**	**12.28**	**-**	**-**	**1.00**	**-**	**-**	**-**	**-**	**-**	**-**
		31st March 2021	-	-	-	-	14.79	-	-	1.00	-	-	-	-	-	-
vi	Shree Renuka Tunaport Private Limited	**31st March 2022**	**-**	**-**	**-**	**-**	**0.07**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		31st March 2021	-	-	-	-	-	-	-	0.51	-	-	-	-	-	-
(d)	**Affiliate Companies**															
i	Adani Wilmar Limited	**31st March 2022**	**648.46**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		31st March 2021	339.19	-	-	-	-	-	-	-	-	-	-	-	-	-
ii	Wilmar Sugar Pte. Ltd.	**31st March 2022**	**18,581.51**	**-**	**4,906.04**	**-**	**-**	**429.15**	**-**	**-**	**-**	**-**	**4,248.46**	**-**	**-**	**-**
		31st March 2021	22,256.67	-	28,318.86	-	-	876.98	179.46	-	-	-	-	-	-	-
iii	Wilmar Sugar India Private Limited	**31st March 2022**	**-**	**-**	**17,335.87**	**64.20**	**-**	**61.49**	**-**	**-**	**-**	**2,313.40**	**-**	**-**	**-**	**-**
		31st March 2021	-	-	-	0.37	-	-	-	-	-	-	-	-	-	-

* 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.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Corporate guarantees

a. The Company has obtained corporate guarantees from Wilmar International Limited INR 17,200 million (31st March 2021: INR 14,400 million) towards term loan and working capital limits extended by banks.

b. The Company has also provided guarantees on behalf of subsidiaries amounting to INR 130 million (31st March 2021: INR 130 million) for loan availed by the subsidiaries. Details of which are as follows:

Name of Subsidiary company	As at 31st March 2022	As at 31st March 2021
KBK Chem-Engineering Private Limited	130.00	130.00

C) Details of amount receivable from related parties as at 31st March 2022 and 31st March 2021 are as follows:

Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Non-current loans (refer note 6)						
Subsidiary Companies :						
KBK Chem-Engineering Private Limited	1,348.06	1,348.06	1,348.06	1,348.06	-	-
Gokak Sugars Limited	1,508.78	1,645.94	-	-	1,508.78	1,645.94
Monica Trading Private Limited	137.27	136.27	1.00	1.00	136.27	135.27
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	-	-
	3,002.56	**3,138.72**	**1,357.51**	**1,357.51**	**1,645.05**	**1,781.21**
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**	**-**	**-**
Other non-current assets (refer note 8)						
Subsidiary Company :						
KBK Chem-Engineering Private Limited	325.71	59.78	-	-	325.71	59.78
	325.71	**59.78**	**-**	**-**	**325.71**	**59.78**
Trade receivables (refer note 11)						
Ultimate Holding Company :						
Wilmar International Limited	-	5.85	-	-	-	5.85
	-	**5.85**	**-**	**-**	**-**	**5.85**

Notes to financial statements for the year ended 31st March 2022

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 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Subsidiary Company :						
Renuka Commodities DMCC*	325.16	4,064.16	-	2,513.94	325.16	1,550.22
	325.16	**4,064.16**	**-**	**2,513.94**	**325.16**	**1,550.22**
Affiliate Companies :						
Wilmar Sugar Pte. Ltd.	1,000.44	-	-	-	1,000.44	-
Wilmar Sugar India Private Limited	-	0.21	-	-	-	0.21
Adani Wilmar Limited	31.89	10.44	-	-	31.89	10.44
	1,032.33	**10.65**	**-**	**-**	**1,032.33**	**10.65**
Current loans (refer note 14)						
Subsidiary Companies :						
Renuka Commodities DMCC**	11,895.60	14,530.71	11,895.60	14,530.71	-	-
Gokak Sugars Limited	137.16	137.16	-	-	137.16	137.16
Shree Renuka Agri Ventures Limited	222.92	222.92	222.92	222.92	-	-
	12,255.68	**14,890.79**	**12,118.52**	**14,753.63**	**137.16**	**137.16**
Other current financial assets (refer note 15)						
Interest receivable						
Subsidiary Companies :						
Monica Trading Private Limited#	29.17	17.15	29.17	17.15	-	-
Gokak Sugars Limited	-	108.15	-	-	-	108.15
Shree Renuka Tunaport Private Limited#	0.06	-	0.06	-	-	-
	29.23	**125.30**	**29.23**	**17.15**	**-**	**108.15**
Other receivables						
Ultimate Holding Company :						
Wilmar International Limited	10.60	-	-	-	10.60	-
Subsidiary Company :						
Gokak Sugars Limited	62.59	204.19	-	-	62.59	204.19
Holding Company :						
Wilmar Sugar Holdings Pte. Ltd.	-	10.39	-	-	-	10.39
Affiliate Companies :						
Wilmar Sugar Pte. Ltd.	-	20.82	-	-	-	20.82
Wilmar Sugar India Private Limited	43.98	-	-	-	43.98	-
	117.17	**235.40**	**-**	**-**	**117.17**	**235.40**

Notes to financial statements for the year ended 31st March 2022

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 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Other current assets (refer note 16)						
Subsidiary Company :						
Gokak Sugars Limited	-	76.52	-	-	-	76.52
	-	**76.52**	**-**	**-**	**-**	**76.52**
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 Companies :						
Wilmar Sugar India Private Limited	71.91	250.48	-	-	71.91	250.48
Adani Wilmar Limited	-	0.10	-	-	-	0.10
	71.91	**250.58**	**-**	**-**	**71.91**	**250.58**

* Reversal of impairment allowance is on account of recovery of INR 2,513.93 million which is recorded as exceptional income (refer note 36).

** Reduction in impairment allowance is due to write off of loan given to subsidiary of INR 2,635.11 million.

Impairment allowance of INR 12.08 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 of amounts owed by related parties

As at 31st March 2022, the Company has accumulated impairment of INR 14,301.34 million (31st March 2021: INR 19,438.31 million) against total gross amount owed by related parties of INR 17,955.84 million (31st March 2021: INR 23,653.83 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.

D) Details of amounts payable to related parties as at 31st March 2021 and 31st March 2022 are as follows:

	As at 31st March 2022	As at 31st March 2021
Borrowings (non-current) (refer note 18)		
Holding Company :		
Wilmar Sugar Holdings Pte. Ltd.	22,390.10	21,559.74
	22,390.10	**21,559.74**
Trade payables (refer note 23)		
Ultimate Holding Company :		
Wilmar International Limited	12.74	10.99

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March 2022	As at 31st March 2021
Subsidiary Companies :		
KBK Chem-Engineering Private Limited	0.33	1.04
Gokak Sugars Limited	1.49	-
Affiliate Companies :		
Wilmar Sugar Pte. Ltd.	8,212.68	20,136.51
Wilmar Sugar India Private Limited	2,865.49	-
	11,092.73	**20,148.54**
Other current financial liabilities (refer note 24)		
Other payables		
Affiliate Company :		
Wilmar Sugar Pte. Ltd.	61.93	610.75
	61.93	**610.75**
Interest accrued on others		
Holding Company :		
Wilmar Sugar Holdings Pte. Ltd.	42.51	4.36
Affiliate Company :		
Wilmar Sugar Pte. Ltd.	441.06	432.54
	483.57	**436.90**
Interest accrued but not due on borrowings		
Holding Company :		
Wilmar Sugar Holdings Pte. Ltd.	142.73	121.43
	142.73	**121.43**
Other current liabilities (refer note 25)		
Advance from customers		
Subsidiary Company :		
Renuka Commodities DMCC	55.06	-
	55.06	**-**
Other payables		
Subsidiary Company :		
KBK Chem-Engineering Private Limited	172.63	69.18
	172.63	**69.18**

E) Transactions with key managerial personnel

Compensation of key managerial personnel*

	As at 31st March 2022	As at 31st March 2021
Short-term employee benefits	99.59	83.07
Contribution to provident fund	1.70	3.77
Sitting fees	1.80	8.50
Total	**103.09**	**95.34**

*Gratuity for Key managerial personnel is included in overall provision.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 42: Hedging activities and derivatives

During the previous year, Company has obtained External Commercial Borrowings (ECB) from its Holding Company, Wilmar Sugar Holdings Pte. Ltd. amounting to USD 300 million. The Company is also exposed to certain foreign currency risks relating to its on-going business operations. The primary risks managed using derivative instruments are foreign currency risk.

The risk management strategy and how it is applied to manage risk are explained in note 44.

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 4 months .

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges 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

The Company is holding the following foreign exchange forward contracts :

	Maturities		
	1 to 3 months	3 to 6 months	Total
As at 31 March 2021			
Foreign exchange forward contracts			
Notional amount (million INR)	3,306.00	19,827.18	23,133.18
Average forward rate (INR/USD)	73.47	77.75	
As at 31 March 2022			
Foreign exchange forward contracts			
Notional amount (million INR)	-	22,945.13	22,945.13
Average forward rate (INR/USD)	-	76.48	

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 31 March 2021				
Foreign exchange forward contracts	23,133.18	825.83	Other current financial liabilities	(352.24)
As at 31 March 2022				
Foreign exchange forward contracts	22,945.13	(319.62)	Other current financial assets	735.39

Notes to financial statements for the year ended 31st March 2022

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 31 March 2021			
Foreign exchange forward contracts	(352.24)	(352.24)	(473.59)
As at 31 March 2022			
Foreign exchange forward contracts	735.39	735.39	(1,055.01)

The effect of the cash flow hedge in the statement of profit and loss is as follows :

	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit and loss
Year ended 31 March 2021					
Net gain/(loss) on cash flow hedges	(352.24)	-	-	352.24	Foreign exchange loss/(gain) (net)
Net change in costs of hedging	-	-	(473.59)	574.42	Finance cost
Year ended 31 March 2022					
Net gain/(loss) on cash flow hedges	735.39	-	-	(735.39)	Foreign exchange loss/(gain) (net)
Net change in costs of hedging	-	-	(1,055.01)	924.20	Finance cost

Note 43: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in financial statements.

	Carrying Value		Fair Value	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Financial assets				
Fair value through profit or loss				
Derivative instruments at fair value through profit or loss	204.91	-	204.91	-
Fair value through other comprehensive income				
Investment in equity shares of National Commodity Derivative Exchange Limited(NCDEX)	429.16	599.98	429.16	599.98

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

	Carrying Value		Fair Value	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Other financial assets at amortised cost				
Loans	1,782.21	1,918.37	1,782.21	1,918.37
Trade receivables	3,023.69	2,883.85	3,023.69	2,883.85
Cash and cash equivalents	113.86	221.61	113.86	221.61
Other Bank balances	175.14	400.40	175.14	400.40
Other financial assets	315.62	1,154.93	315.62	1,154.93
Total financial assets	**6,044.59**	**7,179.14**	**6,044.59**	**7,179.14**
Financial liabilities				
Fair value through profit or loss				
Derivative liabilities	-	797.34	-	797.34
At amortised cost				
Borrowings				
Redeemable non-convertible debentures	2,114.96	2,212.46	2,114.96	2,212.46
IFCI (Sugar Development Fund)	-	30.70	-	30.70
Other borrowings at fixed rate of interest	-	65.61	-	65.61
Other borrowings at floating rate of interest	39,196.54	35,549.91	39,196.54	35,549.91
Trade payables	19,707.91	26,308.86	19,707.91	26,308.86
Other financial liabilities	1,674.92	2,229.81	1,674.92	2,229.81
Total financial liabilities	**62,694.33**	**67,194.69**	**62,694.33**	**67,194.69**

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 price to book value multiple of comparable quoted investments, adjusted for significant certain unobservable inputs like business risk discount and liquidity discount.

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 2022 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 2022, 31st March 2021 are as shown below:

Notes to financial statements for the year ended 31st March 2022

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 estimated based price to book value multiple of comparable quoted investments, adjusted for certain significant unobservable inputs like business risk discount and liquidity discount.	31st March 2022: 5% (31st March 2021: 5%) increase/(decrease) in the market price per share would result in increase/(decrease) in fair value by INR 21.46 million (31st March 2021: INR 30.00 million)

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI

	Amount
As at 01st April 2020	**179.59**
Measurement recognised in OCI	420.39
Purchases	-
Sales	-
As at 31st March 2021	**599.98**
Measurement recognised in OCI	(170.82)
Purchases	-
Sales	-
As at 31st March 2022	**429.16**

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2022:

	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	204.91	-	204.91	-
Investment in equity shares of National Commodity Derivative Exchange Limited(NCDEX)	429.16	-	-	429.16
Revalued property, plant and equipment (including right to use assets) (refer note 3)	38,119.52	-	-	38,119.52
Liabilities which are measured at amortised cost for which fair values are disclosed:				
Derivative liabilities	-	-	-	-
Borrowings				
Redeemable non-convertible debentures	2,114.96	-	-	2,114.96

There have been transfers of Investment in equity shares in NCDEX from Level 2 to level 3 as offer received by the Company to sell its shareholding has been withdrawn and calculation of fair value is based on use of

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

significant unobservable inputs like business risk discount and liquidity risk discount used in calculation of fair value.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2021:

	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	-	-	-	-
Investment in equity shares of National Commodity Derivative Exchange Limited(NCDEX)	599.98	-	599.98	-
Liabilities which are measured at amortised cost for which fair values are disclosed:				
Derivative liabilities	797.34	-	797.34	-
Borrowings				
Redeemable non-convertible debentures	2,212.46	-	-	2,212.46

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 Holdings Pte. Ltd. and receivables and payables.

The Company manages its foreign currency risk by hedging for period of 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.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

At 31st March 2022, the Company has fully hedged the foreign currency exposure related to principal portion of External Commercial Borrowing (ECB) loan for 5 months using foreign currency forward contracts and expects to roll-forward these hedges in the future periods to hedge the foreign currency risks. The Company has also obtained foreign currency forward contracts to cover the foreign currency risks related to receivable and other payable balances in foreign currency and these contracts have a tenure between 1 to 3 months.

Foreign currency sensitivity:

As at 31st March 2022, net unhedged exposure of the Company to foreign currency asset and liabilities is as follows:

	Assets as at		Liabilities as at	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
United States Dollar (USD)	1,453.90	272.61	(8,919.26)	(20,985.40)
European Union (EURO)	-	0.43	-	(1.07)
United Arab Emirates Dirham (AED)	0.03	0.03	-	(0.01)
British pound sterling (GBP)	-	-	(0.14)	-
Japanese yen (JPY)	-	0.17	-	-

5% increase and decrease in the foreign exchange rates will have the following impact on profit before tax:

Currency	Sensitivity Analysis Assets		Sensitivity Analysis Liabilities	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Increase by 5%				
United States Dollar (USD)	72.70	13.63	(445.96)	(1,049.27)
European Union (EURO)	-	0.02	-	(0.05)
United Arab Emirates Dirham (AED)	0.00	0.00	-	(0.00)
British pound sterling (GBP)	-	-	(0.01)	-
Japanese yen (JPY)	-	0.01	-	-
Decrease by 5%				
United States Dollar (USD)	(72.70)	(13.63)	445.96	1,049.27
European Union (EURO)	-	(0.02)	-	0.05
United Arab Emirates Dirham (AED)	(0.00)	(0.00)	-	0.00
British pound sterling (GBP)	-	-	0.01	-
Japanese yen (JPY)	-	(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 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 2022	Composition	As at 31st March 2021	Composition
Borrowing - Fixed interest rate	2,114.96	5.12%	2,308.77	6.10%
Borrowing - Floating interest rate	39,196.54	94.88%	35,549.91	93.90%
	41,311.50		**37,858.68**	

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings with variable interest rates. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
31st March 2022		
INR	50	195.98
31st March 2021		
INR	50	177.75

Commodity price risk

Commodity price in sugar industry is impacted by multiple factors such as international sugar price, government regulations, quantity of sugar production in the relevant period, etc. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The following table shows effect of changes in various commodities on the profit of the Company.

Commodity price sensitivity

	Sugar sale	Cane purchase	Raw-sugar purchase
Increase in price by 5%			
31st March 2022	2,419.29	(975.77)	(1,270.59)
31st March 2021	2,192.59	(727.50)	(1,468.63)
Decrease in price by 5%			
31st March 2022	(2,419.29)	975.77	1,270.59
31st March 2021	(2,192.59)	727.50	1,468.63

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 historical data of expected credit loss, actual credit loss and party-wise review of credit risk. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of the receivables (net of expected credit loss) has been considered from the date the invoice falls due.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

The ageing is as follows:

	As at 31st March 2022	As at 31st March 2021
Up to 6 months	2,915.95	2,833.78
More than 6 months	107.74	50.07
	3,023.69	**2,883.85**

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 parents 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.

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 2022				
Borrowings	13,902.77	28,096.60	-	41,999.37
Trade payables	19,707.91	-	-	19,707.91
Lease liabilities	16.63	35.46	932.50	984.59
Other financial liabilities	1,484.88	-	-	1,484.88
Total	**35,112.19**	**28,132.06**	**932.50**	**64,176.75**
As at 31st March 2021				
Borrowings	12,278.24	26,083.71	150.00	38,511.95
Trade payables	26,308.86	-	-	26,308.86
Lease liabilities	13.70	16.99	918.56	949.25
Other financial liabilities	2,873.30	-	-	2,873.30
Total	**41,474.10**	**26,100.70**	**1,068.56**	**68,643.36**

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 2022	As at 31st March 2021
Equity share capital	2,128.49	2,128.49
Other equity (including securities premium)	3,341.35	27.61
	5,469.84	**2,156.10**

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Debt equity ratio

The debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a Company's financial leverage.

	As at 31st March 2022	As at 31st March 2021
Equity	2,128.49	2,128.49
Other equity	3,341.35	27.61
	5,469.84	**2,156.10**
Total borrowings	41,311.50	37,858.68
Debt equity ratio	7.55	17.56

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021.

Note 46:Details of loan given, investments made and guarantee given covered U/S 186 (4) of the Companies Act, 2013

a) Loans given to subsidiaries for business purpose are disclosed in note 41 (B)

b) Investments made are disclosed in note 5

c) Corporate guarantees given by the Company are disclosed in refer note 38 (b)

Note 47: Leases

Company as a lessee

The Company has lease contracts for various land, building and plant. Leases of land have a lease term of 30 years and 90 years, building generally 3 years and 5 years and plant 17 years and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of building and leases of office with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Land	Buildings	Plant	Total
As at 01st April 2020	**678.87**	**11.49**	**1,275.08**	**1,965.44**
ROU assets recognized to the extent of ROU liabilities	-	21.96	-	21.96
Prepayments capitalised as ROU	-	-	10.98	10.98
ROU assets derecognized	-	(0.42)	-	(0.42)
Total	**678.87**	**33.03**	**1,286.06**	**1,997.96**
Depreciation expense	(8.79)	(10.79)	(102.62)	(122.20)
As at 31st March 2021	**670.08**	**22.24**	**1,183.44**	**1,875.76**
ROU assets recognized to the extent of ROU liabilities	-	36.67	-	36.67
Prepayments capitalised as ROU	-	-	8.75	8.75
ROU assets derecognized	-	(0.43)	-	(0.43)
Revaluation	(58.71)	-	-	(58.71)
Total	**611.37**	**58.48**	**1,192.19**	**1,862.04**
Depreciation expenses	(8.79)	(15.99)	(102.62)	(127.40)
As at 31st March 2022	**602.58**	**42.49**	**1,089.57**	**1,734.64**

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 for more than 10

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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 leasehold land.

Set out below are the carrying amounts of lease liabilities (included under the head non-current and current financial liabilities) and the movements during the period:

	Amount
As at 01st April 2020	**130.17**
Additions	21.96
Deletion	(0.42)
Accretion of interest	14.49
Payments	(12.36)
As at 31st March 2021	**153.84**
Additions	36.67
Deletion	(0.43)
Accretion of interest	16.51
Payments	(16.55)
As at 31st March 2022	**190.04**

The following are the amounts recognised in profit or loss:

	Year ended 31st March 2022	Year ended 31st March 2022
Depreciation expense of right-of-use assets	127.40	122.20
Interest expense on lease liabilities	16.51	14.49
Expense relating to short-term leases and low value leases	5.30	3.18
Total amount recognised in profit or loss	**149.21**	**139.87**

The Company had total cash outflows for leases of INR 21.85 million (31st March 2021: INR 15.55 million) during the financial year ended 31st March 2022. The Company do not have any future cash outflows relating to leases that have not yet commenced.

The Company has certain lease contracts that are non-cancellable for fixed period and considered will be terminated after completion of non-cancellable period.

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 48: Ratio Analysis and its elements

Ratio	Numerator	Denominator	31st March 2022	31st March 2021	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.73	0.72	1.12%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	7.55	17.56	56.99%	Change in debt-equity ratio is attributable to increase in shareholder's equity, which is driven by net profit earned during the current year and upward revaluation of property, plant and equipment recognized during the 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	1.59	0.39	312.50%	Change in debt service coverage ratio is on account of higher repayment of debts made in the previous year on account of early repayment of term loans, working capital facilities and early redemption of Redeemable Preference Shares, Optionally Convertible Preference Shares and Non-Convertible Debentures issued to lenders.
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.30	1.16	-74.55%	Change in return on equity ratio is attributable to increase in shareholder's equity, which is driven by net profit earned during the current year and upward revaluation of property, plant and equipment recognized during the year.
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.30	2.17	5.94%	
Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	20.59	24.76	-16.86%	
Trade Payables Turnover Ratio	Net credit purchases of goods & services = Gross credit purchases - purchase return	Average Trade Payables	2.27	2.09	8.25%	

Notes to financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Ratio	Numerator	Denominator	31st March 2022	31st March 2021	% change	Reason for variance
Net Capital Turnover Ratio	Net sales = Total sales - sales return + income from incentive	Working capital = Current assets – Current liabilities	(6.34)	(4.75)	33.67%	Change in net capital turnover ratio is driven by increase in turnover during the year coupled with reduction in working capital gap between current assets and current liabilities. The reduction in working capital gap was on account of improved realization of receivables during the current year.
Net Profit Ratio	Net Profit	Net sales = Total sales - sales return + income from incentive	0.02	0.01	82.49%	Net profit ratio has increased on account of increased profit after tax during the current year.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.10	0.15	-29.08%	Decrease in return on capital employed is on account of increase in tangible net worth on account of net profit earned during the current year and upward revaluation of property, plant and equipment recognized during the year and increase in total debt due to increased borrowings taken for expansion of distillery capacities.
Return on Investment on unquoted equity instruments	Dividend Income + Fairvalue gain/loss on unquoted equity instruments	Opening value of unquoted equity instruments	-28.26%	234.73%	-112.04%	Return on investment decrease due to reduction in the fair value of investment as at period end.

Notes to financial statements for the year ended 31st March 2022

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 companies struck off.

(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) There were no Scheme of Arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.

(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 consolidated and standalone 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.

Note 51: Previous year's figures have been regrouped /reclassified wherever necessary to confirm to the current year presentation.

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

per Shyamsundar Pachisia
Partner
Membership No. : 049237

Date : 24th May 2022
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 24th May 2022
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 24th May 2022
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 24th May 2022
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 24th May 2022
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, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, 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, 2022, 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, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revaluation of property, plant and equipment (as described in note 3 of the consolidated Ind AS financial statements)	
The Group has opted for revaluation model for measuring freehold and leasehold land, buildings and plant and machineries ('PPE') and these assets are carried in the books at the fair value less accumulated depreciation. Independent valuations are undertaken at least once in every three years, or more frequently if there is an indicator that the fair value has changed significantly. The Group has recognised revaluation surplus of Rs. 2,617.69 million (net of tax of Rs. 1,196.09 million) based on the valuation done as at March 31, 2022. Revaluation of PPE is a key audit matter due to its financial magnitude and judgements involved in the assessment of the fair value of these assets. The judgment relates to the valuation methodologies used and the assumptions included in each of those methodologies.	Our audit procedures included the following: • Read and assessed the Group's accounting policies with respect to PPE for compliance with relevant accounting standards. • We evaluated the design and tested the operative effectiveness of internal controls related to revaluation process of PPE • We obtained from the Holding Company's management, the report on valuation of PPE performed by an external expert appointed by the Holding Company and have involved our valuation specialists to evaluate the valuation methodology as well as key assumptions used in valuation such as external quotations, salvage value, type of building construction, capacity etc. • We assessed the competence, objectivity and independence of the external valuer appointed by the Holding Company. • We involved the component auditors to assess the appropriateness of revaluation done for PPE for the respective components, as applicable. • We assessed whether the change in valuation was accounted by the Group within the revaluation reserve and statement of comprehensive income as applicable. • We assessed the disclosures in the financial statement for compliance with the requirements of Ind AS.

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.

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 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 Auditors Responsibility in relation to Other Information in documents containing the audited financial statements.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards

(Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate 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 the Group and of its associate 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 the Group and the associate.

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, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of seven subsidiaries, whose financial statements include total assets of Rs. 4,695.79 million as at March 31, 2022, and total revenues of Rs. 8,216.10 million and net cash outflows of Rs. 56.16 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose 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 these 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 countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such 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 consolidated financial statements also include the Group's share of net profit of Rs. Nil for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited and whose other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates to amounts and disclosures included in respect of 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;

   (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, 2022 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, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2022 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;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements – Refer Note 37 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, 2022;

      iii. There were no 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, 2022.

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.

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

per **Shyamsundar Pachisia**
Partner
Membership Number: 049237
UDIN: 22049237AJMWJI5752

Place of Signature: Mumbai
Date: May 24, 2022

'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:

Sr. 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	Clause 3(iii)(b) Clause 3(iii)(c) Clause 3(xix)
2	Monica Trading Private Limited	U51502MH2006PTC163752	Subsidiary Company	Clause 3(xix)
3	Shree Renuka Agri Ventures Limited	U15330KA2008PLC047205	Subsidiary Company	Clause 3(xix)
4	Shree Renuka Tunaport Private Limited	U45205KA2013PTC067486	Subsidiary Company	Clause 3(xix)

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

per **Shyamsundar Pachisia**
Partner
Membership Number: 049237
UDIN: 22049237AJMWJI5752

Place of Signature: Mumbai
Date: May 24, 2022

'ANNEXURE 2' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHREE RENUKA SUGARS LIMTED

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, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these five subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

per **Shyamsundar Pachisia**
Partner
Membership Number: 049237
UDIN: 22049237AJMWJI5752

Place of Signature: Mumbai
Date: May 24, 2022

Consolidated Balance Sheet

as at 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated.

	Notes	As at 31st March 2022	As at 31st March 2021
Assets			
Non-current assets			
Property, plant and equipment (including right to use assets)	3(a)	40,030.61	37,751.42
Capital work-in-progress	3(a)	2,170.73	73.43
Intangible assets	3(b)	8.09	13.32
Financial assets			
Investment in associates	4	-	-
Investments (others)	4(a)	432.50	601.08
Loans	4(b)	-	-
Other non-current financial assets	5	267.58	63.48
Non-current tax assets		93.05	55.88
Other non-current assets	6	691.07	604.65
Total non-current assets		**43,693.63**	**39,163.26**
Current assets			
Inventories	8	20,727.53	24,421.29
Financial assets			
Trade receivables	9	2,896.87	1,540.85
Cash and cash equivalents	10	222.34	386.26
Other bank balances	11	537.19	479.20
Other current financial assets	12	355.79	941.30
Other current assets	13	2,600.39	2,133.65
Total current assets		**27,340.11**	**29,902.55**
Total assets		**71,033.74**	**69,065.81**
Equity and liabilities			
Equity			
Equity share capital	14(a)	2,128.49	2,128.49
Other equity	14(b)	(8,205.81)	(8,754.40)
Equity attributable to equity holders of the parent		**(6,077.32)**	**(6,625.91)**
Non-controlling interest	40	2.70	(15.52)
Total Equity		**(6,074.62)**	**(6,641.43)**
Non-current liabilities			
Financial liabilities			
Borrowings	15	27,561.43	25,666.63
Lease Liability	16	178.30	143.32
Net employee benefit liabilities	17	252.52	226.39
Government grants	18	309.78	203.45
Non-current tax liabilities		5.85	5.85
Deferred tax liabilities (net)	7	1,287.94	127.26
Total non-current liabilities		**29,595.82**	**26,372.90**
Current liabilities			
Financial liabilities			
Borrowings	19	24,584.97	18,648.70
Lease liability	16	11.74	10.52
Trade payables	20		
Total outstanding dues of micro and small enterprises		23.60	53.92
Total outstanding dues of creditors other than micro and small enterprises		20,372.19	26,891.20
Other current financial liabilities	21	1,541.94	2,909.92
Net employee benefit liabilities	23	93.79	84.89
Government grants	18	106.75	53.90
Other current liabilities	22	777.56	681.29
Total current liabilities		**47,512.54**	**49,334.34**
Total liabilities		**77,108.36**	**75,707.24**
Total equity and liabilities		**71,033.74**	**69,065.81**

Significant accounting policies 2.1

Accompanying notes 1 to 52 form integral part of these consolidated financial statements

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

per Shyamsundar Pachisia
Partner
Membership No. : 049237

Date : 24th May 2022
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 24th May 2022
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 24th May 2022
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 24th May 2022
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 24th May 2022
Place : Mumbai

Consolidated Statement of Profit and Loss

for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated.

	Notes	Year ended 31st March 2022	Year ended 31st March 2021
Income			
Revenue from operations	24	63,864.68	55,553.68
Income from incentive to sugar mills		461.62	931.47
Other income	25	690.10	370.86
Total income		**65,016.40**	**56,856.01**
Expenses			
Cost of raw material consumed	26	49,285.32	47,100.48
Purchase of traded goods	27	815.31	1,832.94
Increase/(decrease) in inventories of finished goods, work-in-progress and intermediate products and traded goods	28	2,234.36	(4,804.77)
Employee benefit expenses	29	1,417.17	1,251.74
Depreciation and amortisation expenses	30	2,079.14	2,085.11
Foreign exchange loss/(gain) (net)	31	352.14	(693.62)
Finance costs	32	3,926.21	3,841.76
Other expenses	33	6,292.45	5,759.02
Total expenses		**66,402.10**	**56,372.66**
Profit/(loss) before exceptional items and tax		(1,385.70)	483.35
Exceptional items - income	34	-	(34.26)
Profit/(loss) before tax		**(1,385.70)**	**517.61**
Tax expense			
Current tax	7	-	-
Deferred tax	7	(18.51)	1,682.83
Income tax expense		**(18.51)**	**1,682.83**
Loss for the year		**(1,367.19)**	**(1,165.22)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Reversal of revaluation reserve on disposal / impairment of property, plant and equipment		(36.02)	(50.85)
Income tax effect	7	11.23	15.22
Revaluation of land, building and plant and machinery	3	3,813.78	-
Income tax effect	7	(1,196.09)	-
Loss on remeasurements of defined benefit plans	38	(5.37)	(0.94)
Income tax effect	7	1.65	0.24
Unrealised gain/(loss) on FVTOCI equity securities	42	(170.82)	420.39
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on effective portion of cash flow hedges	41	735.39	(352.24)
Net movement in cost of hedging reserve	41	(1,055.01)	(473.59)
Exchange difference on translation of foreign operations		(350.94)	354.18
Other comprehensive income for the year		**1,747.80**	**(87.59)**
Total comprehensive income for the year (net of tax)		**380.61**	**(1,252.81)**
Profit/(loss) for the year attributable to:			
Owners of the company		(1,385.41)	(1,147.67)
Non-controlling interests		18.22	(17.55)
Total comprehensive income for the year attributable to:			
Owners of the company		362.39	(1,235.26)
Non-controlling interests		18.22	(17.55)
Earnings per share			
Earning per share towards parent - Basic [Face value of equity share INR 1/- each]	35	(0.65)	(0.57)
Earning per share towards parent - Diluted [Face value of equity share INR 1/- each]	35	(0.65)	(0.57)

Significant accounting policies 2.1

Accompanying notes 1 to 52 form integral part of these consolidated financial statements

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

per Shyamsundar Pachisia
Partner
Membership No. : 049237

Date : 24th May 2022
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 24th May 2022
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 24th May 2022
Place : Mumbai

Sunil Ranka
Chief Financial Officer
Date : 24th May 2022
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 24th May 2022
Place : Mumbai

Consolidated Statement of Changes in Equity

For the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated.

a. Equity share capital

	No of Shares (in millions)	Amount
As at 01st April 2020	**1,916.82**	**1,916.82**
Equity shares issued during the year	211.67	211.67
As at 31st March 2021	**2,128.49**	**2,128.49**
Equity shares issued during the year	-	-
As at 31st March 2022	**2,128.49**	**2,128.49**

b. Other equity

	Reserves and surplus				Items of OCI					Total	Non controlling interests (refer note 40)	Total other equity
	Securities premium	Debenture redemption reserve	Equity Contribution from Parent	Retained earnings	Cash flow hedge reserve	Cost of hedging reserve	Foreign currency translation reserve	Revaluation reserve on PPE	Changes in equity instrument and others			
As at 01st April 2020	**30,396.52**	**625.00**	**-**	**(51,859.45)**	**-**	**-**	**(654.62)**	**10,903.06**	**(153.36)**	**(10,742.85)**	**2.03**	**(10,740.82)**
Loss for the period	-	-	-	(1,147.67)	-	-	-	-	-	(1,147.67)	(17.55)	(1,165.22)
Other Comprehensive Income	-	-	-	(0.70)	(352.24)	(473.59)	354.18	(35.63)	420.39	(87.59)	-	(87.59)
Total comprehensive income	**-**	**-**	**-**	**(1,148.37)**	**(352.24)**	**(473.59)**	**354.18**	**(35.63)**	**420.39**	**(1,235.26)**	**(17.55)**	**(1,252.81)**
Transferred to P&L	-	-	-	-	352.24	574.42	-	-	-	926.66	-	926.66
Equity shares issued during the year	1,638.33	-	-	-	-	-	-	-	-	1,638.33	-	1,638.33
Interest waiver from parent	-	-	658.72	-	-	-	-	-	-	658.72	-	658.72
Depreciation of revalued assets	-	-	-	1,284.88	-	-	-	(1,284.88)	-	-	-	-
As at 31st March 2021	**32,034.85**	**625.00**	**658.72**	**(51,722.94)**	**-**	**100.83**	**(300.44)**	**9,582.55**	**267.03**	**(8,754.40)**	**(15.52)**	**(8,769.92)**
Loss for the period	-	-	-	(1,385.41)	-	-	-	-	-	(1,385.41)	18.22	(1,367.19)
Other Comprehensive Income	-	-	-	(3.72)	735.39	(1,055.01)	(350.94)	2,592.90	(170.82)	1,747.80	-	1,747.80
Total comprehensive income	**-**	**-**	**-**	**(1,389.13)**	**735.39**	**(1,055.01)**	**(350.94)**	**2,592.90**	**(170.82)**	**362.39**	**18.22**	**380.61**
Transferred to P&L	-	-	-	-	(735.39)	921.59	-	-	-	186.20	-	186.20
Depreciation of revalued assets	-	-	-	499.02	-	-	-	(499.02)	-	-	-	-
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)**

Accompanying notes 1 to 52 form integral part of these consolidated financial statements

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

per Shyamsundar Pachisia
Partner
Membership No. : 049237

Date : 24th May 2022
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 24th May 2022
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 24th May 2022
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 24th May 2022
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 24th May 2022
Place : Mumbai

Consolidated Statement of Cash Flow

For the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated.

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Operating activities:		
Profit/(loss) before tax	**(1,385.70)**	**517.61**
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation of property, plant and equipment	1,945.66	1,959.03
Amortisation of right of use assets	127.40	122.20
Amortization of intangible assets	6.08	3.88
Unrealised gain/(loss) on derivatives	(30.41)	28.44
Government assistance	(81.47)	(44.80)
Excess provision written back	(171.32)	(109.77)
Finance costs	3,926.21	3,841.76
Finance Income	(18.13)	(42.34)
Impairment of financial assets	188.91	152.33
Expected credit loss on trade receivable	62.56	7.39
Exceptional items	-	(34.26)
Property, plant and equipment written off	35.41	174.28
Loss on disposal of property, plant and equipment	3.27	-
Dividend income	(1.92)	(1.17)
Unrealised (gain)/loss on foreign exchange (net)	160.09	(330.12)
Working capital adjustments:		
Increase in employee benefit expenses	28.22	30.43
Increase in trade receivables	(1,422.59)	(248.92)
(Increase)/decrease in other receivables and prepayments	224.40	(571.34)
(Increase)/decrease in inventories	3,637.13	(7,612.20)
Decrease in trade and other payables	(8,545.58)	(13,676.40)
	(1,311.78)	**(15,833.97)**
Income tax refunded/(paid)	(37.17)	192.68
Net cash flows used in operating activities	**(1,348.95)**	**(15,641.29)**
Investing activities:		
Purchase of property, plant and equipment	(2,766.35)	(1,058.15)
Proceeds from sale of property, plant and equipment	4.24	31.46
Sale of investments (net)	-	4.54
Investment in fixed deposits	(267.00)	(434.60)
Dividend received	1.92	1.17
Interest received (finance income)	18.34	18.34
Net cash flows used in investing activities	**(3,008.85)**	**(1,437.24)**
Financing activities:		
Proceeds from issue of equity shares	-	1,850.00
Proceeds from short term borrowings (net)	5,375.58	7,170.56
Repayment of long-term borrowings	(645.79)	(14,195.20)
Proceeds from long term borrowings	2,400.00	3,010.00
Proceeds from External Commercial Borrowings	-	22,413.57
Finance cost paid	(2,568.42)	(3,831.04)
Lease liability payments	(16.55)	(12.36)
Net cash flows from financing activities	**4,544.82**	**16,405.53**
Foreign currency translation reserve	(350.94)	354.18
Net decrease in cash and cash equivalents	**(163.92)**	**(318.82)**
Opening cash and cash equivalents (refer note 10)	386.26	705.08
Closing cash and cash equivalents (refer note 10)	**222.34**	**386.26**

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

Changes in liabilities arising from financing activities for year ended 31st March 2021

Particulars	Long term borrowings*	Short term borrowings	Non-current lease liabilities	Current lease liabilities
As at 01st April 2020	**20,417.98**	**10,508.52**	**123.86**	**10.52**
Proceeds from External Commercial Borrowings	22,413.57	-	-	-
Proceeds from borrowings	3,010.00	7,170.56	-	-
Repayment of borrowings	(14,195.20)	-	-	-
Cash flows	-	-	-	(12.36)
Other	(5,009.59)	(0.51)	19.46	12.36
As at 31st March 2021	**26,636.76**	**17,678.57**	**143.32**	**10.52**

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

Changes in liabilities arising from financing activities for year ended 31st March 2022

Particulars	Long term borrowings*	Short term borrowings	Non-current lease liabilities	Current lease liabilities
As at 01st April 2021	**26,636.76**	**17,678.57**	**143.32**	**10.52**
Proceeds from borrowings	2,400.00	5,375.58	-	-
Repayment of borrowings	(645.79)	-	-	-
Cash flows	-	-	-	(16.55)
Other	701.28	-	34.98	17.77
As at 31st March 2022	**29,092.25**	**23,054.15**	**178.30**	**11.74**

*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

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Non-Cash investing activity		
Acquisition of Right-of use assets	**36.67**	**21.96**

Accompanying notes 1 to 52 form integral part of these consolidated financial statements

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

per Shyamsundar Pachisia
Partner
Membership No. : 049237

Date : 24th May 2022
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 24th May 2022
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 24th May 2022
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 24th May 2022
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 24th May 2022
Place : Mumbai

Notes to consolidated financial statements for the year ended 31st March 2022

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 2022. 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 financial statements for the year ended 31st March 2022 were authorised for issue by the Board of Directors of the Company on 24th May 2022.

1.1 Significant accounting policies

I. Basis of preparation:

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

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

- Land, buildings and plant and machinery classified as property, plant and equipment,
- 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 2022, the current liabilities of the Group exceed its current assets by INR 20,172.43 million, loss before tax of INR 1,385.70 million and negative net worth of INR 6,074.62 million. The Board of Directors of 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 2023. Also, term loans and working capital loans availed by the Company from Banks are secured by corporate guarantee provided by the ultimate Promoter Company (Wilmar International Limited).

Accordingly, the Company management believes it will be able to meet all its financial obligations, on a timely basis and hence, the Group has prepared the financial 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. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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.

Notes to consolidated financial statements for the year ended 31st March 2022

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 2022	31st March 2021
Renuka Commodities DMCC, Dubai	Dubai	100.00%	100.00%
Shree Renuka East Africa Agriventures PLC, Ethiopia*	Ethiopia	99.99%	99.99%
Gokak Sugars Limited	India	93.64%	93.64%
Shree Renuka Agri Ventures Limited	India	100.00%	100.00%
Monica Trading Private Limited	India	100.00%	100.00%
Shree Renuka Tunaport Private Limited	India	100.00%	100.00%
KBK Chem Engineering Private Limited	India	100.00%	100.00%

* Liquidation application filed with concerned authorities

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 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with 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 2022.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities

III. Summary of significant accounting policies:

a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration 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.

Notes to consolidated financial statements for the year ended 31st March 2022

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is treated current when:

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

The Group classifies all other liabilities as non-current.

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

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

c. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the

Notes to consolidated financial statements for the year ended 31st March 2022

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.

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

Notes to consolidated financial statements for the year ended 31st March 2022

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.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

Notes to consolidated financial statements for the year ended 31st March 2022

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

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2 and 42)
- Quantitative disclosures of fair value measurement hierarchy (note 42)
- Investment in unquoted equity shares (note 4)
- Property, plant and equipment under revaluation model (note 3)
- Financial instruments (including those carried at amortised cost) (note 42)

f. Revenue recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the goods is 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 2022

Dividends

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

g. Government grants

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

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

The Government announced Maximum Allowable Export Quota (MAEQ) for season year 2019-20 and 2020-21 to boost exports of sugar. Under these schemes, the Group can export sugar under its own quota and the quota of the third parties. The Group has availed benefits under both the schemes for exports made by the Group under its own quota.

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

h. Taxes

Current income tax

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

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

Deferred tax

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

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

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

Notes to consolidated financial statements for the year ended 31st March 2022

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.

i. **Property, plant and equipment**

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

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 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 at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation 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 asset revaluation reserve.

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

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

Category	Useful life
Buildings	5 - 60 Years
Plant, machinery and equipment	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.

Notes to consolidated financial statements for the year ended 31st March 2022

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.

j. Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Leasehold land is carried in the 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 2022

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.

m. Inventories

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

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

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished goods, 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. Cost is determined on weighted average basis.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- By-products and scraps are valued at net realisable value.

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

n. Impairment of non-financial assets

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

Notes to consolidated financial statements for the year ended 31st March 2022

CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or change in circumstances indicate that they might be impaired.

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

o. Provisions 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.

Notes to consolidated financial statements for the year ended 31st March 2022

Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund.

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

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

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

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

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

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

Long term employee benefits

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

Termination benefits

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

q. Financial instruments

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

(a) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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. This category generally applies to trade and other receivables and loans given to associates.

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 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

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

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

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

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to 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 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

Notes to consolidated financial statements for the year ended 31st March 2022

a 'pass-through' arrangement' and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b. Financial assets that are debt instruments and are measured as at FVTOCI

c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'trade receivables')

d. Loan commitments which are not measured as at FVTPL

e. Financial guarantee contracts which are not measured as at FVTPL.

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

- Trade receivables or contract revenue receivables; 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.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as 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 balance sheet presentation for various financial instruments is described below:

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

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

(b) Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, 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 group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer note 15.

Other financial liabilities

The Group enters into deferred payment arrangements (letter of credit acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of materials. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements are recognized as 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.

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Financial guarantee contracts

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

De-recognition

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

(c) Offsetting of financial instruments

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

r. Cash and cash equivalents

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

s. Earnings per share

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

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

t. 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.

- 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.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

2.2 Significant accounting judgments estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets 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**

   The Group has unabsorbed depreciation of INR 16,370.49 million (31st March 2021: INR 15,614.01 million), unabsorbed tax losses of INR 6,079.09 million (31st March 2021: INR 7,070.40 million) on which deferred tax asset has been created; in addition, the Group has MAT credit entitlement of INR Nil million (31st March 2021: INR 196.78

Notes to consolidated financial statements for the year ended 31st March 2022

million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively.

2. **Revaluation of property, plant and equipment**

   The Group measures land, buildings, plant, machinery and machinery classified as property, plant, machinery and equipment at revalued amounts with changes in fair value being recognised in OCI. The Group had engaged an independent valuation specialist to assess fair value as at 31st March 2022 for revaluation of land, buildings, plant, machinery and equipment. Fair value of land was determined by using the market approach, fair value of building was determined by using depreciated replacement cost (DRC) and rent capitalisation method and sales comparison method of market approach and fair value of plant & equipment was determined by using depreciated replacement cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 3.

3. **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.

4. **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.

2.3 New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01st April 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

a. **Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116**

   The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

   The amendments include the following practical expedients:

   - A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

   - Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

   - Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

Notes to consolidated financial statements for the year ended 31st March 2022

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

b. Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after 01st April 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 01st April 2021.

These amendments had no impact on the financial statements of the Group.

c. Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

d. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

2.4 Recent accounting pronouncements issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23rd March 2022 to amend the following Ind AS which are effective from 01st April 2022.

a. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 01st April 2022. The amendments are not expected to have a material impact on the Group.

Notes to consolidated financial statements for the year ended 31st March 2022

b. Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 01st April 2022. The amendments are not expected to have a material impact on the Group.

c. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 01st April 2022. The amendments are not expected to have a material impact on the Group.

d. Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 01st April 2022. The amendments are not expected to have a material impact on the Group.

Notes to consolidated financial statements for the year ended 31st March 2022

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 2020	**2,344.03**	**8,686.09**	**37,951.12**	**147.50**	**20.34**	**2,409.03**	**51,558.11**	**1,422.89**	**52,981.00**
Additions	0.70	252.16	2,009.51	32.80	10.13	32.94	2,338.24	(1,349.46)	988.78
Disposals	(5.01)	(141.95)	(201.45)	(4.72)	(0.84)	(0.42)	(354.39)	-	(354.39)
Exchange differences	-	(1.15)	0.01	0.01	(0.02)	-	(1.15)	-	(1.15)
As at 31st March 2021	**2,339.72**	**8,795.15**	**39,759.19**	**175.59**	**29.61**	**2,441.55**	**53,540.81**	**73.43**	**53,614.24**
Additions	8.36	62.59	468.57	25.10	7.42	45.42	617.46	2,097.30	2,714.76
Disposals	-	(4.32)	(87.08)	(33.98)	(4.30)	(0.43)	(130.11)	-	(130.11)
Exchange differences	-	1.36	-	0.42	0.01	-	1.79	-	1.79
Adjustments	-	(99.00)	99.00	-	-	-	-	-	-
Revaluation	(76.50)	1,981.66	1,967.33	-	-	(58.71)	3,813.78	-	3,813.78
Transfer#	-	(2,925.77)	(14,099.93)	-	-	(42.28)	(17,067.98)	-	(17,067.98)
As at 31st March 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**
Depreciation and impairment									
As at 01st April 2020	**-**	**1,942.45**	**10,239.64**	**75.31**	**4.73**	**443.59**	**12,705.72**	**-**	**12,705.72**
Depreciation charge for the year (refer note 30)	-	330.47	1,603.80	20.32	4.44	122.20	2,081.23	-	2,081.23
Disposals	-	(43.39)	(125.59)	(4.71)	(0.84)	-	(174.53)	-	(174.53)
Exchange differences	-	(0.24)	0.01	(0.37)	(0.02)	-	(0.62)	-	(0.62)
Impairment	-	369.61	807.98	-	-	-	1,177.59	-	1,177.59
As at 31st March 2021	**-**	**2,598.90**	**12,525.84**	**90.55**	**8.31**	**565.79**	**15,789.39**	**-**	**15,789.39**
Depreciation charge for the year (refer note 30)	-	314.99	1,598.23	27.62	4.82	127.40	2,073.06	-	2,073.06
Disposals	-	(1.55)	(38.66)	(33.21)	(4.30)	-	(77.72)	-	(77.72)
Exchange differences	-	0.40	-	0.42	0.01	-	0.83	-	0.83
Impairment	-	13.03	14.52	0.01	-	-	27.56	-	27.56
Transfer#	-	(2,925.77)	(14,099.93)	-	-	(42.28)	(17,067.98)		(17,067.98)
As at 31st March 2022	**-**	**-**	**-**	**85.39**	**8.84**	**650.91**	**745.14**	**-**	**745.14**
Net book value									
As at 31st March 2022	**2,271.58**	**7,811.67**	**28,107.08**	**81.74**	**23.90**	**1,734.64**	**40,030.61**	**2,170.73**	**42,201.34**
As at 31st March 2021	**2,339.72**	**6,196.25**	**27,233.35**	**85.04**	**21.30**	**1,875.76**	**37,751.42**	**73.43**	**37,824.85**

* For further information refer note 47

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

This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

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

	As at 31st March 2022	As at 31st March 2021
Gross Block	841.36	832.87
Depreciation Charge for the year	25.79	45.21
Accumulated Depreciation	384.19	358.40
Revaluation	351.71	-
Net Block	**808.88**	**474.47**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

A. Assets under construction

Capital work in progress as at 31st March 2022 comprises of expenditure incurred for construction of building and plant and machinery pertaining to ethanol expansion project at two plants of the Group of INR 2,012.54 million and this project is expected to be completed by 31st December 2022.

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

B. Capitalisation of borrowing cost

During the current 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. During the previous year, the Company had capitalized borrowing costs related to ethanol expansion projects at Athani and Havalga which were commenced in May 2019 and all the assets were put to use in November, 2020.

The above-mentioned capital expansion is financed by Bank. The amount of borrowing cost capitalised during the year is INR 41.17 million (31st March 2021: INR 41.38 million). The rate used to determine amount of borrowing costs eligible for capitalisation is 4.33% (31st March 2021 : 8.75%), which is the EIR of those specific borrowings.

C. Revaluation of land, building and plant, machinery and equipment

In the current year ended 31st March 2022, the Group had appointed a registered independent valuer who has relevant valuation experience for valuation of property, plant and equipment in India for 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, the Group has recognised increase in the gross block of building of Rs. 1,981.66 million, plant and machinery of Rs. 1,967.33 million and decrease in freehold land of Rs. 76.50 million and leasehold land Rs. 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 is 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. The fair value measurement will be classified under level 3 of the fair value hierarchy.

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 incuding alternate use and design of building structures condition, actual physical condition and state of repairs and maintenance, type of general and special specifications of construction, remaining useful economic life of the structures, demand for the structures, cost of building materials and related construction supplies in the surrounding area, latest trends in the building construction technology, present day replacement cost of comparable building structures, depreciation for physical wears and tear.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

		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 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 estimatlng the Gross Current Replacement cost (GCRC) of the Plant & Machineiy. 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.

Information of revaluation model (gross of deferred tax):

	Amount
As at 01st April 2020	**15,560.44**
Depreciation	(1,284.88)
Disposed off/impaired	(50.85)
As at 31st March 2021	**14,224.71**
Measurement recognised in reserves	3,813.77
Depreciation	(713.21)
Disposed off/impaired	(36.02)
Other adjustments	377.24
As at 31st March 2022	**17,666.49**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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

Net book value	As at 31st March 2022	As at 31st March 2021
Cost (net of impairment)		
Freehold land	525.88	517.52
Right of use assets	1,671.37	1,626.38
Buildings	6,263.61	6,205.34
Plant, machinery and equipment	32,407.22	32,025.73
	40,868.08	**40,374.97**
Accumulated depreciation (net of impairment)		
Freehold land	-	-
Right of use assets	361.83	242.77
Buildings	2,823.79	2,540.91
Plant, machinery and equipment	15,423.98	14,548.17
	18,609.60	**17,331.85**
Net carrying amount		
Freehold land	525.88	517.52
Right of use assets	1,309.54	1,383.61
Buildings	3,439.82	3,664.43
Plant, machinery and equipment	16,983.24	17,477.56
	22,258.48	**23,043.12**

D. Loss due to cyclone

During the previous year, one of the refineries of the Group was affected by super cyclone Amphan and few assets were damaged. The Group had lodged a claim with Insurance company to recover the losses incurred. However, on prudent basis and in compliance with Ind AS 16, Group had accounted for loss of INR 148.70 million for damaged assets and the same had been charged to the statement of profit and loss and grouped under other expenses.

E. 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.

During the previous year, as indicators existed, the Company performed impairment assessment with respect to certain specific Cash Generating Unit (CGU) of refinery segment. The recoverable amount has been determined using value in use approach based on cashflow projections which are discounted to their present value using a pre-tax discount rate of 11.17%. As a result of this analysis, management has identified and has recognized an impairment allowance of INR 1,152.00 million during the year ended 31st March 2021. An impairment loss of INR 24.05 million adjusted against previously recognized revaluation reserve for this CGU has been disclosed in the Other Comprehensive Income (OCI) and balance amount of impairment loss of INR 1,127.95 million grouped under exceptional items in the statement of profit and loss (refer note 34).

The Company has determined the fair value of these assets under revaluation model during the year ended 31st March 2022.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 3(b): Intangible assets

	Goodwill	Computer software	Total
Gross Block			
As at 01st April 2020	**6,918.28**	**130.96**	**7,049.24**
Additions	-	6.99	6.99
Disposals	-	(0.11)	(0.11)
As at 31st March 2021	**6,918.28**	**137.84**	**7,056.12**
Additions	-	0.85	0.85
Disposals/Adjustments	(6,746.86)	(0.18)	(6,747.04)
As at 31st March 2022	**171.42**	**138.51**	**309.93**
Amortisation and impairment			
As at 01st April 2020	**6,918.28**	**120.75**	**7,039.03**
Amortisation for the year (refer note 30)	-	3.88	3.88
Disposals	-	(0.11)	(0.11)
As at 31st March 2021	**6,918.28**	**124.52**	**7,042.80**
Amortisation for the year (refer note 30)	-	6.08	6.08
Disposals/Adjustments	(6,746.86)	(0.18)	(6,747.04)
As at 31st March 2022	**171.42**	**130.42**	**301.84**
Net book value			
As at 31st March 2022	**-**	**8.09**	**8.09**
As at 31st March 2021	-	13.32	13.32

Note 4: Investment in associates

	Currency	Face value	As at 31st March 2022 Number of units	As at 31st March 2022 INR Million	As at 31st March 2021 Number of units	As at 31st March 2021 INR Million
Unquoted equity shares: At amortised cost						
Shree Renuka Global Ventures Limited (refer note 49)	USD	1	81,615,000	0.31	81,615,000	0.31
Less:- Share of losses of associates restricted to Group's interest in the associate				(0.31)		(0.31)
				-		-

Note 4 (a) : Investments (others)

	Currency	Face value	As at 31st March 2022 Number of units	As at 31st March 2022 INR Million	As at 31st March 2021 Number of units	As at 31st March 2021 INR Million
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	429.16	2,533,700	599.98
Quoted equity shares: At fair value through profit and loss account (fully paid)						
Simbhaoli Sugars Limited (refer note 42)	INR	10	352,934	3.34	352,934	1.10
Aggregate value of total investments				**432.50**		**601.08**
Aggregate value of quoted investments				**3.34**		**1.10**
Aggregate value of unquoted investments				**429.16**		**599.98**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 4 (b) : Loans

		As at 31st March 2022	As at 31st March 2021
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)	**-**	**-**

Note 5: Other non-current financial assets

		As at 31st March 2022	As at 31st March 2021
Unsecured and considered good (at amortised cost) :			
Fixed deposit pledged with bank/deposited with government authorities		209.01	-
Deposits		130.13	135.04
Less: Impairment allowance		(71.56)	(71.56)
		58.57	63.48
		267.58	**63.48**
Breakup for security details			
Unsecured, considered good		267.58	63.48
Unsecured, credit impaired		71.56	71.56
	(A)	**339.14**	**135.04**
Impairment allowance			
Unsecured, considered good		-	-
Unsecured, credit impaired		(71.56)	(71.56)
	(B)	**(71.56)**	**(71.56)**
	(A-B)	**267.58**	**63.48**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 6: Other non-current assets

		As at 31st March 2022	As at 31st March 2021
Capital advances		195.76	16.56
Balances with government authorities		90.50	187.24
Amount paid under protest to government authorities		509.07	418.05
Less: Impairment allowance		(104.26)	(17.20)
		404.81	400.85
		691.07	**604.65**
Breakup for security details			
Unsecured, considered good		691.07	604.65
Unsecured, credit impaired		104.26	17.20
	(A)	**795.33**	**621.85**
Impairment allowance			
Unsecured, considered good		-	-
Unsecured, credit impaired		(104.26)	(17.20)
	(B)	**(104.26)**	**(17.20)**
	(A-B)	**691.07**	**604.65**

Note 7: Income Tax

The major components of income tax expenses for the year ended 31st March 2022 and 31st March 2021 are:

	As at 31st March 2022	As at 31st March 2021
Profit and loss section		
Deferred tax:		
Relating to origination and reversal of temporary differences and write-down of deferred tax asset	(18.51)	1,682.83
Income tax expense/(income) reported in the consolidated statement of profit and loss	**(18.51)**	**1,682.83**

OCI Section

Deferred tax related to items recognised in OCI during the year

	As at 31st March 2022	As at 31st March 2021
Net loss on remeasurements of defined benefit plans	(1.65)	(0.24)
Revaluation reserve on property, plant and equipment	1,196.09	-
Reversal of revaluation reserve on property, plant and equipment	(11.23)	(15.22)
Income tax expense/(income) charged to OCI	**1,183.21**	**(15.46)**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for 31st March 2022 and 31st March 2021

	As at 31st March 2022	As at 31st March 2021
Accounting profit/(loss) before tax	(1,385.70)	517.61
Local tax rate	31.20%	31.20%
Tax at local rate	(432.34)	161.49
Effect of differential overseas tax rate	69.12	66.61
Effect of differential domestic tax rate	(15.86)	7.34
Losses utilized against taxable profits in the current year	168.48	335.25
Losses on which DTA was considered to be not recoverable during the year	-	39.99
Losses on which DTA created during the year to the extent of DTL	-	(1,015.68)
Unwinding of interest not deductible	34.80	64.22
Previous year losses on which DTA was considered to be not recoverable during the year	-	134.41
Carry forward losses utilised during the year on which no DTA recognised earlier	-	(1,890.77)
MAT credit written off	196.78	272.19
Taxable Gain on Redemption of Financial Instruments	-	3,578.98
Other non-deductible expense	(39.49)	(71.20)
Income tax expense/(income) reported in the consolidated statement of profit and loss	**(18.51)**	**1,682.83**

Deferred tax

	As at 31st March 2022	As at 31st March 2021
Accelerated depreciation for tax purposes	(8,902.97)	(7,814.09)
Expenses claimed on payment basis	678.36	552.28
Losses available for offsetting against future taxable income	6,936.67	7,134.55
Net deferred tax liability	**(1,287.94)**	**(127.26)**

Presented in the balance sheet as follows:

	As at 31st March 2022	As at 31st March 2021
Deferred Tax Assets (DTA)	-	-
Deferred Tax Liabilities (DTL)	(1,287.94)	(127.26)
Deferred Tax Liabilities (DTL)	**(1,287.94)**	**(127.26)**

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

The Group has unabsorbed depreciation of INR 16,370.49 million (31st March 2021: INR 15,614.01 million), unabsorbed tax losses of INR 6,079.09 million (31st March 2021: INR 7,070.40 million) on which deferred tax asset has been created. In addition, the group has MAT credit entitlement of INR Nil million (31st March 2021: INR 196.78 million) 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 Group has unabsorbed depreciation of INR Nil million (31st March 2021: INR 57.11 million), unabsorbed tax losses of INR 2,878.79 million (31st March 2021: INR 4,305.12 million) on which deferred tax asset has not been created. The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses can be carried forward for 8 years and will expire between financial year 2025-26 to 2029-30.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 8: Inventories

	As at 31st March 2022	As at 31st March 2021
Raw materials, components and material in transit (at cost)	4,414.37	5,876.23
(includes transit stock of 31st March 2022: INR 2.76 million (31st March 2021: INR 399.24 million))		
Work-in-progress (at cost)	263.57	62.63
Stores and spares (at cost)*	557.05	554.60
(includes transit stock of 31st March 2022: INR 25.55 million (31st March 2021: INR 19.77 million))		
Intermediate products (at lower of cost or net realisable value)	4,369.45	1,597.13
(includes transit stock INR 50.51 million (31st March 2021: INR 177.74 million))		
Finished goods: (at lower of cost or net realisable value)		
(includes transit stock INR 69.96 million (31st March 2021: Nil))		
- Manufactured	11,123.09	16,224.00
- Traded	-	106.70
	20,727.53	**24,421.29**

* Includes packing material and consumables

Cost of inventories includes expenses of INR 23.39 million (31st March 2021 INR 570.10 million) in respect of write down of inventories to Net realisable value.

Note 9: Trade receivables

		As at 31st March 2022	As at 31st March 2021
Unsecured, considered good			
Receivables from third parties		1,996.01	1,646.64
Less: Impairment allowance		(186.96)	(179.92)
		1,809.05	1,466.72
Receivables from affiliates (refer note 39)		1,092.96	74.13
Less: Impairment allowance		(5.14)	-
		1,087.82	74.13
		2,896.87	**1,540.85**
Break-up for security details:			
Unsecured, considered good			
Receivables from third parties		1,809.05	1,466.72
Receivables from affiliates (refer note 39)		1,087.82	74.13
Unsecured, credit impaired			
Receivables from third parties		186.96	179.92
Receivables from affiliates (refer note 39)		5.14	-
	(A)	**3,088.97**	**1,720.77**
Impairment allowance (allowance for bad and doubtful debts)			
Unsecured, considered good		-	-
Unsecured, credit impaired		(192.10)	(179.92)
	(B)	**(192.10)**	**(179.92)**
	(A-B)	**2,896.87**	**1,540.85**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

During the year, the Group has recognised impairment allowance on life time expected credit loss basis amounting to INR 62.56 million (31st March 2021, INR 7.39 million).

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade or other receivables due from firms or private companies respectively in which any director is a partner 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

	As at 31st March 2022	As at 31st March 2021
i. Undisputed Trade Receivables - considered good:		
Curent but not due	2,134.32	1,002.90
Less than 6 Months	683.52	400.47
6 months – 1 year	8.24	47.80
1-2 years	28.68	41.83
2-3 years	8.08	7.86
More than 3 years	34.03	39.99
	2,896.87	**1,540.85**
ii. Disputed Trade Receivables - considered good :		
Curent 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 :		
Curent but not due	-	-
Less than 6 Months	-	-
6 months – 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	5.95	-
	5.95	**-**
iv. Disputed Trade Receivables - credit impaired :		
Curent but not due	-	-
Less than 6 Months	-	-
6 months – 1 year	5.25	-
1-2 years	12.25	33.37
2-3 years	23.88	7.25
More than 3 years	144.77	139.30
	186.15	**179.92**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 10: Cash and cash equivalents

	As at 31st March 2022	As at 31st March 2021
Unsecured and considered good (at amortised cost) :		
Cash and cash equivalents:		
Cash on hand	0.28	0.54
Balances with banks:		
On current accounts	222.06	385.72
	222.34	**386.26**

Note 11: Other bank balances

	As at 31st March 2022	As at 31st March 2021
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*	537.17	479.18
	537.19	**479.20**

*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 2022	As at 31st March 2021
Unsecured and considered good (at amortised cost) :		
Derivative asset	204.91	-
Duty drawback receivable	34.74	3.02
Interest receivable	51.66	51.87
Other receivables**	64.48	886.41
	355.79	941.30
Break-up for security details		
Unsecured, considered good	355.79	941.30
Unsecured, credit impaired	-	-
	355.79	**941.30**

** Includes balance receivable from related parties amounting to INR 54.58 million (31st March 2021: INR 31.21 million) (refer note 39).

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 13: Other current assets

		As at 31st March 2022	As at 31st March 2021
Prepayments		171.43	214.74
Deposits		0.05	0.05
Balances with government authorities		1,757.17	1,134.66
Advances to staff		0.26	0.35
Advances to suppliers*		3,215.95	3,475.16
Less: Impairment allowance**		(2,585.73)	(2,825.75)
		630.22	649.41
Others		435.81	528.99
Less: Impairment allowance		(394.55)	(394.55)
		41.26	134.44
		2,600.39	**2,133.65**
Break-up for security details			
Unsecured, considered good		2,600.39	2,133.65
Unsecured, credit impaired		2,980.28	3,220.30
	(A)	**5,580.67**	**5,353.95**
Impairment allowance			
Unsecured, considered good		-	-
Unsecured, credit impaired		(2,980.28)	(3,220.30)
	(B)	**(2,980.28)**	**(3,220.30)**
	(A-B)	**2,600.39**	**2,133.65**

*Includes advances to related parties amounting to INR 163.15 million (31st March 2021: INR 341.82 million) (refer note 39).

**Includes impairment of advances to related parties INR 91.24 million (31st March 2021: INR 91.24 million)) (refer note 39).

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 14(a): Equity share capital

	As at 31st March 2022	As at 31st March 2021
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 equity capital		
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.

Issued equity capital

	Number of equity shares	Amount
As at 01st April 2020	**1,916,819,292**	**1,916.82**
Shares issued during the year	211,670,481	211.67
As at 31st March 2021	**2,128,489,773**	**2,128.49**
Shares issued during the year	-	-
As at 31st March 2022	**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 2022		As at 31st March 2021	
	No. of shares	% holding	No. of shares	% holding
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%	190,846,571	8.97%
IDBI Bank Limited	-	-	130,445,129	6.13%

Note 14(b): Other equity

	As at 31st March 2022	As at 31st March 2021
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)	658.72	658.72
Changes in equity instruments (refer note c below)	96.21	267.03
Foreign currency translation reserve (refer note c below)	(651.38)	(300.44)
Revaluation reserve (refer note c below)	11,676.43	9,582.55
Retained earnings (refer note c below)	(52,613.05)	(51,722.94)
Cost of hedging reserve (refer note c below)	(32.59)	100.83
	(8,205.81)	**(8,754.40)**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

a. Securities premium account :

	INR million
As at 01st April 2020	**30,396.52**
Shares issued during the year	1,638.33
As at 31st March 2021	**32,034.85**
Shares issued during the year	-
As at 31st March 2022	**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).

b. Debenture Redemption Reserve (DRR) :

	INR million
As at 01st April 2020	**625.00**
Transfer to/(from) retained earnings	-
As at 31st March 2021	**625.00**
Transfer to/(from) retained earnings	-
As at 31st March 2022	**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 2022	As at 31st March 2021
Equity contribution by parent	658.72	658.72
Changes in equity instrument and others	96.21	267.03
Foreign currency translation reserve	(651.38)	(300.44)
Revaluation reserve	11,676.43	9,582.55
Retained earnings	(52,613.05)	(51,722.94)
Cost of hedging reserve	(32.59)	100.83
Total other reserves	**(40,865.66)**	**(41,414.25)**

Equity Contribution from Parents:

During the previous year, the Group has received waiver in respect of interest accrued on trade payables for purchase of raw sugar, advances for sale of white sugar and borrowings received from its ultimate holding company Wilmar Sugar Holdings Pte. Ltd. and its fellow subsidiary Wilmar Sugar Pte.Ltd. amounting to INR 658.72 million. The Group has accounted for these waivers as equity contribution from the ultimate holding company and has presented the same as a separate component of equity under other equity as per Ind AS 109 - Financial instruments.

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.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Revaluation reserve:

Revaluation reserve is credited when property, plant and equipment are revalued at fair value. The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the group recognised impairment of property, plant and equipment through revaluation reserve amounting INR 7.57 million (31st March 2021: INR 18.63 million) (net of deferred tax) and INR 17.22 million (31st March 2021: INR 17.01 million) (net of deferred tax) as reversal of revaluation reserve on retiral/disposal of assets. During the year the Group recognised revaluation reserve (net of deferred tax) of INR 2,617.69 million (31st March 2021 : Nil) on revaluation of property, plant and equipment as per Group's accounting policies.

Retained earnings :

Retained eranings 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 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 life of the contract.

Note 15: Borrowings (non-current)

	As at 31st March 2022	As at 31st March 2021
Secured:		
a) Non-Convertible Debentures (refer note B below)		
1,500 Redeemable non-convertible debentures (11.70%) of INR 1,000,000 each	1,268.98	1,327.48
1,000 Redeemable non-convertible debentures (11.30%) of INR 1,000,000 each	845.98	884.98
b) Term Loans (refer note B below)		
From Banks and financial institutions	-	65.61
From Others (refer note B below)		
IFCI Limited (Sugar Development Fund)	-	30.70
From Holding Company - Wilmar Sugar Holdings Pte. Ltd. (refer note A(a) below)		
External Commercial Borrowings (ECB) (refer note 39)	22,390.10	21,559.74
Unsecured		
Term Loans (refer note C below)		
From Banks and financial institutions	4,587.19	2,768.25
	29,092.25	**26,636.76**
Less: Current maturity of long-term borrowings transferred to short term borrowings (refer note 19)	(1,530.82)	(970.13)
	27,561.43	**25,666.63**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Terms of repayment for the loan outstanding as on 31st March 2022

Particulars	Maturity	Effective Rate of Interest	As at 31st March 2022	As at 31st March 2021
Non-convertible debentures				
Non-convertible debentures - LIC*	31st March 2029	11.70%	518.98	577.48
Non-convertible debentures - LIC*	31st March 2032	11.70%	750.00	750.00
Non-convertible debentures - LIC*	31st March 2029	11.30%	345.98	384.98
Non-convertible debentures - LIC*	31st March 2032	11.30%	500.00	500.00
Term Loans				
From Banks and financial institutions:				
Indian Renewable Energy Development Authority (IREDA)	31st March 2022	11.75%	-	65.61
First Abu Dhabi Bank	12th May 2026	9.70%	2,389.05	2,758.25
IDBI Bank Limited	28th September 2024	8.70%	8.63	10.00
Standard Chartered Bank	06th June 2026	8.66%	2,189.51	-
From Others :				
IFCI Limited (Sugar Development Fund)	30th September 2021	12.00%	-	30.70
From Holding Company - Wilmar Sugar Holdings Pte. Ltd. :				
External Commercial Borrowings (ECB)	27th August 2025	3.48% #	22,390.10	21,559.74

ECB carry the interest @ 6 months LIBOR + 3%. The EIR is calculated including applicable taxes, but excluding hedging cost.

*The Company is in the process of restructuring its 11.70% non-convertible debentures (NCD) amounting to INR 1,268.98 million (original amount INR 1,500 million) and 11.30% non-convertible debentures (NCD) amounting to INR 845.98 million (original amount INR 1,000 million), for which the Company has received a letter of intent from Life Insurance Corporation of India (debenture holders) on 11th October 2018. This letter was accepted by the Company on 16th October 2018. The Company has obtained approval from the shareholders for the aforesaid transaction in the Annual General Meeting held on 02nd September 2021. The Company has applied to BSE Ltd., for its approval for the aforesaid transaction and is awaiting approval.

Note A: Repayment schedule of external commercial borrowings, term loans and non-convertible debentures is as follows:

a) The Company received INR 22,413.57 million (USD 300 million) during the previous year ended 31st March 2021 through External Commercial Borrowings (ECB) from Wilmar Sugar Holdings Pte. Ltd. (Promoter Company). The proceeds have been utilized for repayment of Non- Convertible debentures (NCDs) issued to the banks amounting to INR 2,064 million, repayment of term loans amounting to INR 9,298 million and balance to meet the working capital requirements and for general corporate purposes. The loan is repayable on maturity after 60 months from the date of last utilisation. The maturity date of ECB is 27th August 2025.

b) 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.

c) The repayment of NCDs issued to LIC is being made as per the letter of intent dated 11th October 2018, received from LIC. As per the letter of intent, 11.70% Non-Convertable Debentures and 11.30% Non-Convertable Debentures having a face value of INR 750 million and INR 500 million respectively, having maturity date of 31st March 2029, are repayable in 39 structured quarterly instalments starting from 30th September 2018. The balance amount of 11.70% Non-Convertable Debentures and 11.30% Non-Convertable Debentures having face value of INR 750 million and INR 500 million respectively, having

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

maturity date of 31st March 2032, are repayable in 12 quarterly instalments starting from 30th June 2029.

d) 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.

e) Term loans availed from IDBI Bank, having maturity date of 28th September 2024, are repayable in 36 structured monthly instalments commencing from 28th September 2021.

Note B: Nature of security/guarantees

Secured term loans and non-convertible debentures

1. First pari-passu charge by way of mortgage / hypothecation on all immovable / movable properties of the Company both present & future except assets at Panchaganga and Ajinkyatara which are exclusively charged to IREDA.

2. Second pari-passu charge for SDF on all the current assets of the company both present and future.

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 Ajinkyatara which are exclusively charged to IREDA.

2. First pari-passu charge for ECB Lender on all the current assets of the company both present and future.

IREDA Loan

Exclusive charge on property, plant and equipment at Panchaganga and Ajinkyatara (co-generation plants).

Note C: Corporate guarantee

Corporate guarantee of Wilmar International Ltd. towards term loan extended by First Abu Dhabi Bank and working capital loans (refer note 19) extended by Bank of America, Standard Chartered Bank, Ratnakar Bank and DBS Bank India Limited aggregating to INR 17,200 million (31st March 2021: INR 14,400 million).

Corporate guarantee of Company extended towards loan availed by its subsidiary from IDBI Bank Limited aggregating to INR 8.61 million (31st March 2021: INR 10 million).

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 by the Group from banks or financial institutions on the basis of security of current assets.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 16: Lease liabilities

	As at 31st March 2022	As at 31st March 2021
Current*	11.74	10.52
Non- current*	178.30	143.32
	190.04	**153.84**

* For further information refer note 47

Note 17: Net employee benefit liabilities (non-current)

	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits:		
Provision for gratuity (refer note 38)	172.93	152.16
Provision for leave encashment (Refer Note 32 (xv))	79.59	74.23
	252.52	**226.39**

Note 18: Government grants

	As at 31st March 2022	As at 31st March 2021
Current	106.75	53.90
Non-current	309.78	203.45
	416.53	**257.35**

Note 19: Borrowings (current)

	As at 31st March 2022	As at 31st March 2021
Secured :*		
Current maturity of long-term borrowings (refer note 15)	628.34	598.25
Unsecured :		
Working capital from banks:		
Rupee borrowings (refer note a below)**	12,334.91	11,261.32
Current maturity of long-term borrowings (refer note 15)	902.48	371.88
Working capital borrowings		
Borrowings from Wilmar Sugar Holdings Pte. Ltd.***	10,719.24	6,417.25
	24,584.97	**18,648.70**

*refer note B of note 15 for details of security.

**refer note C of note 15 for details of corporate guarantee.

***Includes payable to related parties amounting to INR 10,719.24 million (31st March 2021 : INR 6,417.25 million) (refer note 39).

a. The Group 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.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 20: Trade Payables

	As at 31st March 2022	As at 31st March 2021
Payables to others#*	9,304.88	6,797.62
Payables to related parties (refer note 39)	11,090.91	20,147.50
	20,395.79	**26,945.12**

#Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled within the credit period agreed with the supplier.

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.

*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 2022	As at 31st March 2021
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	23.57	53.92
- Interest due on above**	0.03	0.00
Total	**23.60**	**53.92**
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.**	0.03	0.00
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.**	0.03	0.00

** The amount is below INR 0.01 million

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Trade payables Ageing Schedule

	As at 31st March 2022	As at 31st March 2021
Outstanding for following periods from due date of payment		
i. MSME :		
Less than 1 year	23.60	53.92
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	23.60	**53.92**
ii. Others :		
Less than 1 year	19,813.41	26,213.52
1-2 years	349.82	218.85
2-3 years	103.69	443.77
More than 3 years	105.27	15.06
	20,372.19	**26,891.20**
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	19,837.01	26,267.44
1-2 years	349.82	218.85
2-3 years	103.69	443.77
More than 3 years	105.27	15.06
	20,395.79	**26,945.12**

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 3,729.42 million (31st March 2021: 8,450.77 million).

Note 21: Other current financial liabilities

	As at 31st March 2022	As at 31st March 2021
Interest accrued but not due on borrowings#	761.00	575.25
Interest accrued on others*	529.74	505.45
Unclaimed dividend	0.02	0.02
Derivative liabilities	-	797.34
Salaries payable	60.49	61.93
Other payables**##	190.69	969.93
	1,541.94	**2,909.92**

Includes dues to affiliates INR 142.73 million (31st March 2021: INR 121.43 million) (refer note 39).

* Includes dues to affiliates INR 483.57 million (31st March 2021: INR 436.90 million) (refer note 39).

** Includes dues to affiliates INR 57.00 million (31st March 2021: Nil) (refer note 39).

Includes advance from affiliates INR 4.93 million (31st March 2021: INR 610.75 million) (refer note 39).

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 22: Other current liabilities

	As at 31st March 2022	As at 31st March 2021
Advance from customers*	539.88	442.40
Statutory dues payable	107.84	137.30
Other payables**	129.84	101.59
	777.56	**681.29**

* Includes advance received from related parties amounting to INR 135.47 million (31st March 2021: INR 11.08 million) (refer note 39).

** Includes due to Holding Company INR 49.28 million (31st March 2021: INR Nil) (refer note 39).

Note 23: Net employee benefit liabilities (current)

	As at 31st March 2022	As at 31st March 2021
Provision for gratuity (refer note 38)	66.48	70.95
Provision for leave encashment	27.31	13.94
	93.79	**84.89**

Note 24: Revenue from operations

	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from contract with customers		
Sale of manufactured sugar	47,772.48	44,597.52
Sale of ethanol and allied products	9,493.77	7,014.58
Sale of traded sugar, coal and others	4,236.55	1,766.49
Sale of power	1,382.44	1,415.40
Sale of by-products and others	496.86	541.70
Sale of engineering products	303.35	125.35
Sale of services	60.19	44.19
Other operating income		
Sales of scrap generated from operating activities	119.04	48.45
	63,864.68	**55,553.68**

Contract balances

Contract liability as at 31st March 2022 is INR 539.88 million (31st March 2021: INR 442.40 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 2022	Year ended 31st March 2021
Revenue as per contracted price	**63,885.31**	**55,613.75**
Less: Discount	(60.10)	(58.44)
Less: Trade promotion expenses	(79.57)	(50.08)
Revenue from contract with customers	**63,745.64**	**55,505.23**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Revenue from operations - Segment for the year ended 31st March 2022

Type of goods or services	Sugar-milling	Sugar-refinery	Trading	Co-generation	Distillery	Engineering	Other	Eliminations	Total
Sale of manufactured sugar	12,371.41	35,401.07	-	-	-	-	-	-	47,772.48
Sale of ethanol and allied products	-	-	-	-	9,493.77	-	-	-	9,493.77
Sale of traded sugar, coal and others	-	-	4,236.55	-	-	-	-	-	4,236.55
Sale of power	-	-	-	1,382.44	-	-	-	-	1,382.44
Sale of by-products and others	258.85	143.71	0.81	6.82	-	-	86.67	-	496.86
Sale of engineering products	-	-	-	-	-	303.35	-	-	303.35
Sale of services	-	-	-	-	-	60.19	-	-	60.19
Inter-segment sales	14,988.25	3,199.73	-	3,565.99	-	1,549.37	-	(23,303.34)	-
Total revenue from contract with customers including intersegment sales	**27,618.51**	**38,744.51**	**4,237.36**	**4,955.25**	**9,493.77**	**1,912.91**	**86.67**	**(23,303.34)**	**63,745.64**
Other operating income									
Sales of scrap generated from operating activities	-	-	-	-	-	-	119.04	-	119.04
Revenue from operations	**27,618.51**	**38,744.51**	**4,237.36**	**4,955.25**	**9,493.77**	**1,912.91**	**205.71**	**(23,303.34)**	**63,864.68**

Revenue from operations for the year ended 31st March 2022

Type of goods or services	Sugar-milling	Sugar-refinery	Trading	Co-generation	Distillery	Engineering	Other	Eliminations	Total
India	12,450.86	426.10	49.52	1,389.26	9,493.77	100.52	86.67	-	23,996.70
Outside India	179.40	35,118.68	4,187.84	-	-	263.02	-	-	39,748.94
Inter-segment sales	14,988.25	3,199.73	-	3,565.99	-	1,549.37	-	(23,303.34)	-
Total revenue from contract with customers including intersegment sales	**27,618.51**	**38,744.51**	**4,237.36**	**4,955.25**	**9,493.77**	**1,912.91**	**86.67**	**(23,303.34)**	**63,745.64**
Other operating income									
India	-	-	-	-	-	-	119.04	-	119.04
Revenue from operations	**27,618.51**	**38,744.51**	**4,237.36**	**4,955.25**	**9,493.77**	**1,912.91**	**205.71**	**(23,303.34)**	**63,864.68**
	-	-	-	-	-	-	-	-	-

Revenue from operations - Segment for the year ended 31st March 2021

Type of goods or services	Sugar-milling	Sugar-refinery	Trading	Co-generation	Distillery	Engineering	Other	Eliminations	Total
Sale of manufactured sugar	9,754.34	30,953.63	3,889.55	-	-	-	-	-	44,597.52
Sale of ethanol and allied products	-	-	-	-	7,014.58	-	-	-	7,014.58
Sale of traded sugar, coal and others	-	-	1,766.49	-	-	-	-	-	1,766.49
Sale of power	-	-	-	1,415.40	-	-	-	-	1,415.40
Sale of by-products and others	255.68	182.50	-	-	-	-	103.52	-	541.70
Sale of engineering products	-	-	-	-	-	125.35	-	-	125.35
Sale of services	-	-	-	-	-	44.19	-	-	44.19
Inter-segment sales	9,503.30	3,903.59	-	3,124.07	-	333.51	-	(16,864.47)	-
Total revenue from contract with customers including intersegment sales	**19,513.32**	**35,039.72**	**5,656.04**	**4,539.47**	**7,014.58**	**503.05**	**103.52**	**(16,864.47)**	**55,505.23**
Other operating income									
Sales of scrap generated from operating activities	-	-	-	-	-	-	48.45	-	48.45
Revenue from operations	**19,513.32**	**35,039.72**	**5,656.04**	**4,539.47**	**7,014.58**	**503.05**	**151.97**	**(16,864.47)**	**55,553.68**

Revenue from operations for the year ended 31st March 2021

Type of goods or services	Sugar-milling	Sugar-refinery	Trading	Co-generation	Distillery	Engineering	Other	Eliminations	Total
India	9,870.92	151.14	1,276.75	1,415.40	7,014.58	26.63	103.52	-	19,858.94
Outside India	139.10	30,984.99	4,379.29	-	-	142.91	-	-	35,646.29
Inter-segment sales	9,503.30	3,903.59	-	3,124.07	-	333.51	-	(16,864.47)	-
Total revenue from contract with customers including intersegment sales	**19,513.32**	**35,039.72**	**5,656.04**	**4,539.47**	**7,014.58**	**503.05**	**103.52**	**(16,864.47)**	**55,505.23**
Other operating income									
India	-	-	-	-	-	-	48.45	-	48.45
Revenue from operations	**19,513.32**	**35,039.72**	**5,656.04**	**4,539.47**	**7,014.58**	**503.05**	**151.97**	**(16,864.47)**	**55,553.68**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 25: Other income

		Year ended 31st March 2022	Year ended 31st March 2021
Other non-operating income:			
Excess provision of earlier years written back		171.32	109.77
Government assistance		81.47	44.80
Dividend on investments		1.92	1.17
RODTEP script income		58.40	-
Insurance claim received		220.38	76.07
Income from services provided to related parties	51.33		
Less: Expenses pertaining to services provided	46.92	4.41	-
Miscellaneous income		134.07	96.71
Finance income:			
Interest on financial assets carried at amortized cost and others		18.13	42.34
		690.10	**370.86**

Note 26: Cost of raw materials consumed

	Year ended 31st March 2022	Year ended 31st March 2021
a. Raw material consumed		
i. Raw-sugar and white sugar		
Opening stock	5,227.20	2,581.44
Add: Purchases	23,674.75	32,018.42
Less: Closing stock	(3,490.17)	(5,227.20)
	25,411.78	**29,372.66**
ii. Sugar cane		
Opening stock	-	14.02
Add: Purchases	21,549.57	16,106.15
Less: Closing stock	(0.03)	-
	21,549.54	**16,120.17**
iii. Molasses, DNA, MGA and Rectified Spirit		
Opening stock	325.71	455.47
Add: Purchases	570.88	261.26
Less: Closing stock	(440.53)	(325.71)
	456.06	**391.02**
b. Other materials consumed		
i. Coal and Bagasse		
Opening stock	283.85	114.82
Add: Purchases	1,479.14	1,226.76
Less: Closing stock	(324.90)	(283.85)
	1,438.09	**1,057.73**
ii. Others		
Opening stock	4.50	3.72
Add: Purchases	2.97	5.73
Less: Closing stock	(2.34)	(4.50)
	5.13	**4.95**
iii. Engineering Division		
Opening stock	34.97	38.30
Add: Purchases	546.15	150.62
Less: Closing stock	(156.40)	(34.97)
	424.72	**153.95**
	49,285.32	**47,100.48**

Notes to consolidated financial statements for the year ended 31st March 2022
All amounts in million Indian Rupees, unless otherwise stated

Note 27: Purchase of traded goods

	Year ended 31st March 2022	Year ended 31st March 2021
Raw-sugar	781.06	1,591.92
White-sugar	0.25	225.98
Coal and others	34.00	15.04
	815.31	**1,832.94**

Note 28: Increase/(decrease) in inventories of finished goods, work-in-progress and intermediate products and traded goods

		Year ended 31st March 2022	Year ended 31st March 2021
Opening stock			
Work-in-progress and Intermediate products		1,659.77	1,677.31
Finished goods		16,224.00	11,508.39
Traded goods		106.70	-
	(A)	**17,990.47**	**13,185.70**
Closing stock			
Work-in-progress and Intermediate products		4,633.02	1,659.77
Finished goods		11,123.09	16,224.00
Traded goods		-	106.70
	(B)	**15,756.11**	**17,990.47**
	(A-B)	**2,234.36**	**(4,804.77)**

Note 29: Employee benefit expenses

	Year ended 31st March 2022	Year ended 31st March 2021
Salaries, wages and bonus	1,231.21	1,103.39
Contribution to provident and other funds	78.10	69.68
Gratuity expenses (refer note 38)	33.69	34.42
Staff welfare expenses	74.17	44.25
	1,417.17	**1,251.74**

Note 30: Depreciation and amortisation expenses

	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation of tangible assets (refer note 3(a))	1,945.66	1,959.03
Amortisation of right of use assets (refer note 3(a))	127.40	122.20
Amortisation of intangible assets (refer note 3(b))	6.08	3.88
	2,079.14	**2,085.11**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 31: Foreign exchange loss/(gain)

	Year ended 31st March 2022	Year ended 31st March 2021
Foreign exchange loss/(gain) unrealised	198.59	(203.95)
Foreign exchange loss/(gain) realised	153.55	(489.67)
	352.14	**(693.62)**

Note 32: Finance costs

	Year ended 31st March 2022	Year ended 31st March 2021
Interest on :		
Term loans	181.77	471.90
External commercial borrowings	1,703.20	1,086.30
Working capital	1,002.12	547.73
Debentures	251.59	262.51
Others :		
Interest expenses on discounted securities	-	205.83
Interest on others	534.84	983.49
Interest expenses on lease liabilities	16.51	14.49
Loan processing charges and other charges	124.64	229.22
	3,814.67	**3,801.47**
Unwinding of interest on borrowings at concessional rate	111.54	40.29
	3,926.21	**3,841.76**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 33: Other expenses

	Year ended 31st March 2022	Year ended 31st March 2021
Consumption of stores and spares	757.11	546.21
Consumption of chemicals, consumables, oil and lubricants	546.04	508.70
Outsourced service cost	554.32	327.97
Consultancy services	4.77	6.96
Sugar house loading, un-loading and handling charges	227.94	247.94
Packing materials	995.42	845.87
Power and fuel	300.43	313.87
Rent	6.57	3.18
Repairs and maintenance:		
Plant and machinery	379.32	245.16
Buildings	10.06	6.43
Others	64.76	115.90
Rates and taxes	35.30	40.28
Insurance	115.05	97.85
Travelling and conveyance	22.09	17.68
Printing and stationery	11.16	9.82
Communication expenses	7.78	7.84
Legal and professional fees	108.39	129.19
Directors' sitting fees	1.80	8.50
Payment to auditors	20.17	18.44
Impairment of financial assets	188.91	152.33
Expected credit loss on trade receivables	62.56	7.39
Property, plant and equipment written off	35.41	174.28
Safety and security expenses	79.29	60.32
Donations and contributions	1.17	0.76
CSR Expenditure	4.94	15.10
Loss on sale of property, plant and equipment (net)	3.27	-
Loss on derivatives contracts	77.43	360.75
Freight and forwarding charges	1,251.96	1,143.86
Advertisement and sales promotion	192.35	170.47
Brokerage and discounts	13.39	39.18
Commission and market development expenses	1.31	0.43
Miscellaneous expenses	211.98	136.36
	6,292.45	**5,759.02**

Note 34: Exceptional items - income

	Year ended 31st March 2022	Year ended 31st March 2021
Impairment of property, plant and equipment's (refer note 3(E))	-	1,127.95
Lumpsum one time payment to the bank for settlement of outstanding facilities of the Company	-	437.43
Lumpsum one time payment to bank for settlement of dues relating to erstwhile subsidiary of the Company	-	325.78
Gain on redemption of securities*	-	(1,925.42)
	-	**(34.26)**

* Gain on redemption of Non-convertible debentures (NCD), Redeemable preference shares (RPS) and Optionally convertible preference shares (OCPS).

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 35: 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 2022	Year ended 31st March 2021
Loss attributable to equity holders of the parent for calculation of basic and diluted earnings per share	(1,385.41)	(1,147.67)
Total net loss attributable to equity shareholders	**(1,385.41)**	**(1,147.67)**
Weighted average number of equity shares for basic and diluted EPS**	2,128,489,773	2,028,163,764
Earnings Per Share		
Earning per share towards parent - Basic	(0.65)	(0.57)
Earning per share towards parent - Diluted	(0.65)	(0.57)

**Weighted average number of equity shares takes into account the weighted average effect of changes in share transactions during the year.

Note 36: Commitment and contingencies

a) Capital commitments

Outstanding commitments of the Group are as follows:

Outstanding Commitments	As at 31st March 2022	As at 31st March 2021
Estimated value of contract pending for execution on capital account	1,072.11	161.73

Capital advances of INR 195.76 million (31st March 2021: INR 16.56 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 2022	As at 31st March 2021
Bank guarantee	341.55	439.28
Corporate guarantee	130.00	130.00
Letter of Credit	77.99	-

Note 37: Contingent liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31st March 2022	As at 31st March 2021
Income Tax Demands (refer note (i) below)	77.88	167.97
Excise and Service Tax Demands (refer note (ii) below)	1,218.61	1,218.61
Sales Tax/VAT Demands (refer note (iii) below)	38.51	40.33
GST (refer note (iv) below)	48.92	124.47
Customs Demand (refer note (v) below)	1,461.33	2,133.26

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31st March 2022	As at 31st March 2021
Litigations related to erstwhile Brazilian subsidiaries (refer note (vi) below)	53.21	-
Other Matters (refer note (vii) below)	542.01	347.82
Total	**3,440.47**	**4,032.46**

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 structures for support of capital goods, 6% 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, the Company 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 Company 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 demand raised on non-payment of timely Special Additional Duty (SAD) at the time of import of import of raw sugar, and duty demand on the context of wrong classification/availing wrong exemption during import.

vi. 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 104.26 million as at 31st March 2022 (31st March 2021: INR 17.20 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 2022.

vii. Other matters mainly consist of litigations related to claims filed against customers / vendors for recovery of trade receivable / advance balances and other legal suites.

Note 38: Defined benefit plans

The Group has a defined benefit gratuity plan. The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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 than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group there can be strain on the cash flows.

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. 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.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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 2022	Gratuity plan 31st March 2021
1	**Change in benefit obligation**		
	Opening defined benefit obligation	318.05	312.59
	Current service cost	22.19	22.15
	Interest cost	17.97	19.15
	Actuarial gain due to change in financial assumptions	(7.82)	(0.40)
	Actuarial gain due to change in demographic assumption	(0.24)	-
	Actuarial loss/(gain) due to experience	11.35	(4.31)
	Benefits paid	(33.61)	(31.13)
	Closing defined benefit obligation	**327.89**	**318.05**
2	**Change in plan assets**		
	Opening value of plan assets	94.94	98.74
	Interest income	6.47	6.88
	Return on plan assets excluding amounts included interest income	(2.08)	(5.65)
	Contributions by employer	0.42	-
	Benefits paid	(11.27)	(5.03)
	Closing value of plan assets	**88.48**	**94.94**
3	**Fund status of plan assets**		
	Present value unfunded obligations	175.88	179.34
	Present value funded obligations	152.01	138.71
	Fair value of plan assets	(88.48)	(94.94)
	Net liability (refer note 17 and 23)	**239.41**	**223.11**
4	**Other comprehensive income for the current period**		
	Due to change in financial assumptions	(7.82)	(0.40)
	Due to change in demographic assumption	(0.24)	-
	Due to experience adjustments	11.35	(4.31)
	Return on plan assets excluding amounts included in interest income	2.08	5.65
	Expense recognized in other comprehensive income	**5.37**	**0.94**
5	**Expenses for the current period**		
	Current service cost	22.19	22.15
	Interest cost (net of interest income)	11.50	12.27
	Amount recognized in expenses (refer note 29)	**33.69**	**34.42**
6	**Defined benefit liability**		
	Net opening provision in books of accounts	223.11	213.85
	Employee Benefit Expense	33.69	34.42
	Amounts recognized in Other Comprehensive Income	5.37	0.94
	Contributions to plan assets	(0.42)	-
	Benefits paid by the Company	(22.34)	(26.10)
	Closing provision in books of accounts	**239.41**	**223.11**
7	**Composition of the plan assets**		
	Policy of insurance	100%	100%
	Total	**100%**	**100%**
8	**Principal actuarial assumption**		
	Discount rate	5.45% to 7.26%	5.74% to 7.70%
	Salary Growth rate	5%	5%

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Sr. No.	Particulars	Gratuity plan	
		31st March 2022	31st March 2021
	Withdrawal Rates	5% at younger ages reduced to 1% at older ages and 21% for Engineering division	5% at younger ages reduced to 1% at older ages and 26% for Engineering division
9	**Maturity Profile of Defined Benefit Obligation**		
	Expected Future Cash flows		
	Year 1	79.87	80.52
	Year 2	30.36	25.49
	Year 3	30.35	27.31
	Year 4	26.03	27.40
	Year 5	32.78	25.13
	Year 6 to 10	119.30	123.03
	Above 10 Years	236.57	209.49
	Average Expected Future Working Life (Years)	8.69	8.10
10	**Sensitivity to key assumptions***		
	Discount rate Sensitivity		
	Increase by 0.5%	317.15	308.71
	(% change)	(3.50%)	(2.92%)
	Decrease by 0.5%	336.00	329.25
	(% change)	2.23%	3.57%
	Salary growth rate Sensitivity		
	Increase by 0.5%	335.14	328.62
	(% change)	1.97%	3.35%
	Decrease by 0.5%	317.87	309.17
	(% change)	(3.29%)	(2.77%)
11	**Expected contributions to the defined benefit plan in next years**	**14.88**	**10.26**

***A description of methods used for sensitivity analysis and its limitations:**

Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Note 39: Related party transactions

(a) Ultimate Holding Company :

1 Wilmar International Limited

(b) Holding Company :

1 Wilmar Sugar Holding Pte. Ltd.

(c) Affiliate Companies :

1 Adani Wilmar Limited
2 Wilmar Sugar Pte. Ltd.
3 Wilmar Sugar India Private Limited
4 Wilmar Agri Trading DMCC
5 Surface Wilmar Pvt. Ltd.
6 Jawananis Rafinasi (JMR)
7 BIDCO Uganda Limited
8 MW Rice Millers Limited

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

9 SANIA Cie
10 Ghana Speciality Fats Industries Ltd.
11 Repi Soap and Detergent PLC
12 PT Duta Sugar International
13 Wilmar Africa Limited
14 LLC Delta Wilmar
15 Wilmaco Food Industries
16 Wilmar Processing SA (PTY) Ltd.
17 Global Industries Limited
18 Irving Investments Limited (Wilmar)
19 Bright Agrocomm DMCC
20 Great Wall – Wilmar Holding Limited
21 Alfa Trading Limited
22 Global Oil Limitada

(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) The Trustees Shree Renuka Sugars Limited

(f) Key managerial personnel

1 Mr. Atul Chaturvedi - Executive Chairman
2 Mr. Vijendra Singh - Executive Director and Dy. CEO
3 Mr. Sunil Ranka - Chief Financial Officer
4 Mr. Deepak Manerikar - Company Secretary
5 Mr. Ravi Gupta (Executive Director) (w.e.f. 28th October 2021)

(g) Additional related parties as per the Companies Act, 2013 :

1 Mr. Jean-Luc Bohbot (Non-Executive Director)
2 Mr. Madhu Rao (Independent Director)
3 Mr. Bhupatrai Premji (Independent Director)
4 Mr. Dorab Mistry (Independent Director)
5 Mr. Stephen Ho Kiam Kong (Non-Executive Director) (till 31st May 2021)
6 Mr. Cheau Leong Loo (Non-Executive Director) (w.e.f 01st June 2020)
7 Mr. Bharat Kumar Mehta (Independent Director)
8 Mr. Surender Kumar Tuteja (Independent Director)
9 Ms. Priyanka Mallick (Independent Director)
10 Mr. Rajeev Kumar Sinha (Non-Executive Director) (Nominee Director of IDBI Bank) (till 21st January 2021)
11 Mr. Kuok Khoon Hong (Non-Executive Director)
12 Mr. T.K.Kanan (Alternate Director) (to Mr. Kuok Khoon Hong) (till 31st March 2022)

Notes to consolidated financial statements for the year ended 31st March 2022

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 advances	Interest waiver	Loans and advance (received)/ repaid	Advance received	ECB Loan	Share Capital issued during the year	Interest on ECB Loan and commitment fees
(a)	**Ultimate Holding Company :**											
i	Wilmar International Limited	31 March 2022	-	14.27	51.37	-	-	-	-	-	-	-
		31 March 2021	-	10.95	5.85	-	-	-	-	-	-	-
(b)	**Holding Company :**											
i	Wilmar Sugar Holding Pte. Ltd.	31 March 2022	-	-	-	170.04	-	(4,019.82)	-	-	-	779.00
		31 March 2021	-	-	-	152.31	479.26	809.24	8,744.20	22,413.57	1,850.00	575.18
(c)	**Affiliate Companies :**											
i	Adani Wilmar Limited	31 March 2022	692.78	-	-	-	-	-	1.32	-	-	-
		31 March 2021	365.19	-	-	-	-	-	-	-	-	-
ii	Wilmar Sugar Pte. Ltd.	31 March 2022	20,708.42	4,906.04	0.20	429.15	-	54.87	2,181.78	-	-	-
		31 March 2021	23,674.04	28,318.86	-	876.98	179.46	-	-	-	-	-
iii	Wilmar Sugar India Private Limited	31 March 2022	-	17,335.87	64.20	61.49	-	2,313.40	-	-	-	-
		31 March 2021	-	-	0.37	-	-	-	-	-	-	-
iv	Wilmar Agri Trading DMCC	31 March 2022	-	-	1.93	-	-	-	-	-	-	-
		31 March 2021	-	-	1.92	-	-	-	-	-	-	-
v	Jawananis Rafinasi (JMR)	31 March 2022	48.46	-	-	-	-	-	20.68	-	-	-
		31 March 2021	19.51	-	-	-	-	-	7.39	-	-	-
vi	BIDCO Uganda Limited	31 March 2022	9.14	-	-	-	-	-	10.29	-	-	-
		31 March 2021	0.40	-	-	-	-	-	3.05	-	-	-
vii	MW Rice Millers Limited	31 March 2022	3.26	-	-	-	-	-	4.63	-	-	-
		31 March 2021	0.28	-	-	-	-	-	-	-	-	-
viii	SANIA Cie	31 March 2022	0.57	-	-	-	-	-	0.57	-	-	-
		31 March 2021	1.09	-	-	-	-	-	0.54	-	-	-
ix	Ghana Speciality Fats Industries Ltd.	31 March 2022	8.98	-	-	-	-	-	5.76	-	-	-
		31 March 2021	35.28	-	-	-	-	-	4.91	-	-	-
x	Surface Wilmar Pvt. Ltd.	31 March 2022	-	-	-	-	-	-	-	-	-	-
		31 March 2021	2.89	-	-	-	-	-	1.53	-	-	-
xi	Wilmar Africa Limited	31 March 2022	-	-	-	-	-	-	8.97	-	-	-
		31 March 2021	10.42	-	-	-	-	-	6.49	-	-	-
xii	Repi Soap and Detergent PLC	31 March 2022	11.60	-	-	-	-	-	16.83	-	-	-
		31 March 2021	50.26	-	-	-	-	-	17.02	-	-	-
xiii	PT DUTA Sugar International	31 March 2022	2.42	-	-	-	-	-	1.68	-	-	-
		31 March 2021	4.50	-	-	-	-	-	5.31	-	-	-
xiv	Global Industries Limited	31 March 2022	-	-	-	-	-	-	15.34	-	-	-
		31 March 2021	-	-	-	-	-	-	-	-	-	-
xv	Wilmaco Food Industries	31 March 2022	-	-	-	-	-	-	1.08	-	-	-
		31 March 2021	-	-	-	-	-	-	-	-	-	-
xvi	Wilmar Processing SA (PTY) Ltd.	31 March 2022	68.38	-	-	-	-	-	157.55	-	-	-
		31 March 2021	-	-	-	-	-	-	-	-	-	-
xvii	Alfa Trading Company	31 March 2022	-	-	-	-	-	-	-	-	-	-
		31 March 2021	-	-	-	-	-	-	0.35	-	-	-
xviii	LLC Delta Wilmar	31 March 2022	-	-	-	-	-	-	1.40	-	-	-
		31 March 2021	-	-	-	-	-	-	-	-	-	-

* 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 17,200 million (31st March 2021; INR 14,400 million) towards term loan and working capital limits extended by Banks to Shree Renuka Sugars Limited.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Details of amount receivable from related parties as at 31st March 2022 and 31st March 2021 are as follows:

Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
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)						
Ultimate Holding Company :						
Wilmar International Limited	-	5.85	-	-	-	5.85
Affiliate Companies :						
Adani Wilmar Limited	53.37	19.17	-	-	53.37	19.17
Ghana Speciality Fats Industries Ltd.	3.21	0.53	-	-	3.21	0.53
Great Wall - Wilmar Holdings Limited.	-	0.58	-	-	-	0.58
Irving Investments Limited (Wilmar)	-	0.33	-	-	-	0.33
Bright Agrocomm DMCC	-	1.29	-	-	-	1.29
BIDCO Uganda Limited	0.91	-	-	-	0.91	-
Jawananis Rafinasi (JMR)	26.99	4.54	-	-	26.99	4.54
MW Rice Millers Limited	2.90	0.17	-	-	2.90	0.17
Repi Soap and Detergent PLC	5.14	36.89	5.14	-	-	36.89
Global Oil Limiteda	-	0.58	-	-	-	0.58
Wilmar Africa Limited	-	3.99	-	-	-	3.99
Wilmar Sugar Pte. Ltd.	1,000.44	-	-	-	1,000.44	-
Wilmar Sugar India Private Limited	-	0.21	-	-	-	0.21
	1,092.96	**74.13**	**5.14**	**-**	**1,087.82**	**74.13**
Other current financial assets (refer note 12)						
Other receivables						
Ultimate Holding Company :						
Wilmar International Limited	10.60	-	-	-	10.60	-
Holding Company :						
Wilmar Sugar Holdings Pte. Ltd.	-	10.39	-	-	-	10.39

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Details of amount receivable from related parties as at 31st March 2022 and 31st March 2021 are as follows:

Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Affiliate companies :						
Wilmar Sugar India Private Limited	43.98	-	-	-	43.98	-
Wilmar Sugar Pte. Ltd.	-	20.82	-	-	-	20.82
	54.58	**31.21**	**-**	**-**	**54.58**	**31.21**
Other current assets (refer note 13)						
Affiliate Companies :						
Adani Wilmar Limited	-	0.10	-	-	-	0.10
Renuka vale do Ivai S/A	91.24	91.24	91.24	91.24	-	-
Wilmar Sugar India Private Limited	71.91	250.48	-	-	71.91	250.48
	163.15	**341.82**	**91.24**	**91.24**	**71.91**	**250.58**

Impairment of amounts owed by related parties

During the year the Group has recorded impairment of amounts owed by related parties INR 5.14 million (31st March 2021: Nil).

As at 31st March 2022, the Group has accumulated impairment of INR 15,684.64 million (31st March 2021: INR 15,679.50 million) against total gross amount owed by related parties of INR 16,898.95 million (31st March 2021: INR 16,035.42 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 2022 and 31st March 2021 are as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Borrowings (non-current) (refer note 15)		
Holding Company :		
Wilmar Sugar Holdings Pte. Ltd.	22,390.10	21,559.74
	22,390.10	**21,559.74**
Borrowings (current) (refer note 19)		
Holding Company :		
Wilmar Sugar Holdings Pte. Ltd.	10,719.24	6,417.25
	10,719.24	**6,417.25**
Trade payables (refer note 20)		
Ultimate Holding Company :		
Wilmar International Limited	12.74	10.99
Affiliate Companies :		
Wilmar Sugar Pte. Ltd.	8,212.68	20,136.51
Wilmar Sugar India Private Limited	2,865.49	-
	11,090.91	**20,147.50**
Other current financial liabilities (refer note 21)		
Affiliate Company :		
Wilmar Sugar Pte. Ltd.	61.93	610.75
	61.93	**610.75**
Interest accrued on others		
Holding Company :		
Wilmar Sugar Holdings Pte. Ltd.	42.51	4.36
Affiliate Company :		
Wilmar Sugar Pte. Ltd.	441.06	432.54
	483.57	**436.90**

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All amounts in million Indian Rupees, unless otherwise stated

Details of amounts payable to related parties as at 31st March 2022 and 31st March 2021 are as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Interest accrued but not due on borrowings		
Holding Company :		
Wilmar Sugar Holdings Pte. Ltd.	142.73	121.43
	142.73	**121.43**
Other current liabilities (refer note 22)		
Other payables		
Holding Company :		
Wilmar Sugar Holdings Pte. Ltd.	49.28	-
	49.28	**-**
Advance from customers		
Affiliate Companies :		
Jawananis Rafinasi (JMR)	3.39	2.57
BIDCO Uganda Limited	4.60	2.68
PT Dutta Sugar International	0.12	0.83
MW Rice Millers Limited	4.66	-
Ghana Speciality Fats Industries Ltd.	2.30	0.06
Wilmar Africa Limited	10.37	1.29
LLC Delta Wilmar	1.43	-
Wilmaco Food Industries	1.09	-
Wilmar Processing SA (PTY) Ltd.	91.85	-
Repi Soap and Detergent PLC	-	3.65
Global Industires Limited	15.66	-
	135.47	**11.08**

B. Transactions with key managerial personnel

Compensation of key managerial personnel*

	As at 31st March 2022	As at 31st March 2021
Short-term employee benefits	99.59	83.07
Contribution to provident fund	1.70	3.77
Sitting fees	1.80	8.50
	103.09	**95.34**

* Gratuity for Key managerial personnel is included in overall provision.

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 2022 and 31st March 2021:

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 2022

All amounts in million Indian Rupees, unless otherwise stated

Accumulated balance of material non-controlling interest

Particulars	As at 31st March 2022	As at 31st March 2021
Accumulated balance of material non-controlling interest	2.70	(15.52)
Profit allocated to material non-controlling interest	18.22	(17.55)

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 2022	As at 31st March 2021
Non-current assets	1,601.32	1,493.38
Current assets	772.89	1,098.35
Total Assets	**2,374.21**	**2,591.73**
Non-current liabilities	1,514.35	1,736.14
Current liabilities	726.15	1,099.32
Total Liabilities	**2,240.50**	**2,835.46**

Summarised statement of profit and loss

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Total revenue	3,130.38	1,326.86
Less:		
Cost of goods sold	2,461.41	960.64
Finance cost	162.22	205.30
Other expenses	338.61	292.40
Total cost	**2,962.24**	**1,458.34**
Profit before tax	**168.14**	**(131.48)**
Tax expenses	(118.33)	144.52
Profit after tax	**286.47**	**(276.00)**
Other comprehensive income	90.96	0.05
Total Comprehensive Income	**377.43**	**(275.95)**

Note 41: Hedging activities and derivatives

During the previous year, Group has obtained External Commercial Borrowings (ECB) from its Holding Company, Wilmar Sugar Holdings 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.

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 are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 4 months .

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk:

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of outstanding ECB loan which has been denominated in USD.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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 :

	Maturities		
	1 to 3 months	3 to 6 months	Total
As at 31 March 2021			
Foreign exchange forward contracts			
Notional amount (million INR)	3,306.00	19,827.18	23,133.18
Average forward rate (INR/USD)	73.47	77.75	
As at 31 March 2022			
Foreign exchange forward contracts			
Notional amount (million INR)	-	22,945.13	22,945.13
Average forward rate (INR/USD)	-	76.48	

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 31 March 2021				
Foreign exchange forward contracts	23,133.18	825.83	Other current financial liabilities	(352.24)
As at 31 March 2022				
Foreign exchange forward contracts	22,945.13	(319.62)	Other current financial assets	735.39

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 31 March 2021			
Foreign exchange forward contracts	(352.24)	(352.24)	(473.59)
As at 31 March 2022			
Foreign exchange forward contracts	735.39	735.39	(1,055.01)

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

The effect of the cash flow hedge in the statement of profit and loss is as follows:

	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognise in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit and loss
Year ended 31 March 2021					
Net gain/(loss) on cash flow hedges	(352.24)	-	-	352.24	Foreign exchange loss/ (gain) (net)
Net change in costs of hedging	-	-	(473.59)	574.42	Finance cost
Year ended 31 March 2022					
Net gain/(loss) on cash flow hedges	735.39	-	-	(735.39)	Foreign exchange loss/ (gain) (net)
Net change in costs of hedging	-	-	(1,055.01)	921.59	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 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Financial assets:				
Fair value through profit or loss				
Derivative instruments at fair value through profit or loss	204.91	-	204.91	-
Investment in equity shares of Simbhaoli Sugars Limited	3.34	1.10	3.34	1.10
Fair value through other comprehensive income				
Investment in equity shares of National Commodity Derivative Exchange Limited(NCDEX)	429.16	599.98	429.16	599.98
Other financial assets at amortised cost				
Trade receivables	2,896.87	1,540.85	2,896.87	1,540.85
Cash and cash equivalents	222.34	386.26	222.34	386.26
Other bank balance	537.19	479.20	537.19	479.20
Other financial assets	418.46	1,004.78	418.46	1,004.78
Total financial assets	**4,712.27**	**4,012.17**	**4,712.27**	**4,012.17**
Financial liabilities:				
Fair value through profit and loss				
Derivative financial instruments	-	797.34	-	797.34
Other financial liabilities at amortised cost				
Borrowings				
Redeemable non-convertible debentures	2,114.96	2,212.46	2,114.96	2,212.46
IFCI (Sugar Development Fund)	-	30.70	-	30.70
Other borrowings at floating rate of interest	50,031.44	42,072.17	50,031.44	42,072.17
Trade Payables	20,395.79	26,945.12	20,395.79	26,945.12
Other financial liabilities	1,731.98	2,266.42	1,731.98	2,266.42
Total financial liabilities	**74,274.17**	**74,324.21**	**74,274.17**	**74,324.21**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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 price to book value multiple of comparable quoted investments, adjusted for certain significant unobservable inputs like business risk discount and liquidity discount.

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 2022 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 2022, 31st March 2021 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 estimated based price to book value multiple of comparable quoted investments, adjusted for certain significant unobservable inputs like business risk discount and liquidity discount.	31st March 2022: 5% (31st March 2021: 5%) increase / (decrease) in the market price per share would result in increase/(decrease) in fair value by INR 21.46 million (31st March 2021: INR 30.00 million)

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI:

	Amount
As at 01st April 2020	**179.59**
Measurement recognised in OCI	420.39
Purchases	-
Sales	-
As at 31st March 2021	**599.98**
Measurement recognised in OCI	(170.82)
Purchases	-
Sales	-
As at 31st March 2022	**429.16**

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All amounts in million Indian Rupees, unless otherwise stated

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2022:

	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	204.91	-	204.91	-
Investment in equity shares of Simbhaoli Sugars Limited and National Commodity Derivative Exchange Limited(NCDEX)	432.50	3.34	-	429.16
Revalued property, plant and equipment (including right to use assets) (refer note 3)	39,924.97	-	-	39,924.97
Borrowings				
Redeemable non-convertible debentures	2,114.96	-	-	2,114.96

There have been transfers of Investment in equity shares in NCDEX from Level 2 to level 3 as offer received by the Company to sell its shareholding has been withdrawn and calculation of fair value is based on use of significant unobservable inputs like business risk discount and liquidity risk discount used in calculation of fair value.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2021:

	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	-	-	-	-
Investment in equity shares of Simbhaoli Sugars Limited and National Commodity Derivative Exchange Limited(NCDEX)	601.08	1.10	599.98	-
Liabilities which are measured at amortised cost for which fair values are disclosed:				
Derivative liabilities	797.34	-	797.34	-
Borrowings				
Redeemable non-convertible debentures	2,212.46	-	-	2,212.46

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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 141.62 million availed from its holding company Wilmar Sugar Holdings Pte. Ltd. and receivables and payables.

The Group manages its foreign currency risk by hedging transactions ranging for period of 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 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 2022, the Company has fully hedged the foreign currency exposure related to principal portion of External Commercial Borrowing (ECB) loan for 5 months using foreign currency forward contracts and expects to roll-forward these hedges in the future periods to hedge the foreign currency risks. The Company has also obtained foreign currency forward contracts to cover the foreign currency risks related to receivable and other payable balances in foreign currency and these contracts have a tenure between 1 to 3 months.

Foreign currency sensitivity:

As at 31st March 2022, 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 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
United States Dollar (USD)	1,496.78	312.56	(20,283.70)	(27,402.65)
United Arab Emirates Dirham (AED)	0.03	21.45	-	(0.01)
European Union (EURO)	-	0.43	-	(1.07)
Japanese Yen (JPY)	-	0.17	-	-
Great Britain Pound (GBP)	-	-	(0.14)	-

5% increase and decrease in the foreign exchange rates will have the following impact on profit before tax:

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Amount in INR million

Currency	Sensitivity Analysis Assets		Sensitivity Analysis Liabilities	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Increase by 5%				
United States Dollar (USD)	74.84	15.63	(1,014.19)	(1,370.13)
United Arab Emirates Dirham (AED)	0.00	1.07	-	(0.00)
European Union (EURO)	-	0.02	-	(0.05)
Japanese Yen (JPY)	-	0.01	-	-
Great Britain Pound (GBP)	-	-	(0.01)	-
Decrease by 5%				
United States Dollar (USD)	(74.84)	(15.63)	1,014.19	1,370.13
United Arab Emirates Dirham (AED)	(0.00)	(1.07)	-	0.00
European Union (EURO)	-	(0.02)	-	0.05
Japanese Yen (JPY)	-	(0.01)	-	-
Great Britain Pound (GBP)	-	-	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.

Interest rate sensitivity:

Particulars	As at 31st March 2022	Composition	As at 31st March 2021	Composition
Borrowing - Fixed interest rate	2,114.96	4.06%	2,243.16	5.06%
Borrowing - Floating interest rate	50,031.44	95.94%	42,072.17	94.94%
Total	**52,146.40**		**44,315.33**	

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
31st March 2022		
INR	50	250.16
31st March 2021		
INR	50	210.36

Commodity price risk:

Commodity price in sugar industry is impacted by multiple factors such as international sugar price, government regulations, quantity of sugar production in the relevant period, etc. The Group has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The following table shows effect of changes in various commodities on the profit of the Group.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Commodity price sensitivity:

	Sugar	Cane	Raw-sugar
Increase in price by 5%			
31st March 2022	2,388.62	(1,077.48)	(1,270.59)
31st March 2021	2,246.43	(806.01)	(1,468.63)
Decrease in price by 5%			
31st March 2022	(2,388.62)	1,077.48	1,270.59
31st March 2021	(2,246.43)	806.01	1,468.63

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.

Trade receivables:

Trade receivables are non-interest bearing and are generally on credit terms of 7 to 180 days.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of expected credit loss, actual credit loss and party-wise review of credit risk. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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 2022	As at 31st March 2021
Up to 6 months	2,817.84	1,403.37
More than 6 months	79.03	137.48
	2,896.87	**1,540.85**

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.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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 2022				
Borrowings	24,732.37	28,101.88	-	52,834.25
Trade and other payables	20,395.79	-	-	20,395.79
Lease liabilities	16.63	35.46	932.50	984.59
Other financial liabilities	1,541.94	-	-	1,541.94
Total	**46,686.73**	**28,137.34**	**932.50**	**75,756.57**
As at 31st March 2021				
Borrowings	18,726.89	26,091.77	150.00	44,968.66
Trade and other payables	26,945.12	-	-	26,945.12
Lease liabilities	13.70	16.99	918.56	949.25
Other financial liabilities	2,909.92	-	-	2,909.92
Total	**48,595.63**	**26,108.76**	**1,068.56**	**75,772.95**

Note 44: Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of Group's management is to maximise shareholder's value.

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial and non financial covenants of any interest- bearing loans and borrowings in the current period.

The 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 2022	As at 31st March 2021
Equity share capital	2,128.49	2,128.49
Other equity (including securities premium)	(8,203.11)	(8,769.92)
	(6,074.62)	**(6,641.43)**

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 2022	As at 31st March 2021
Equity	2,128.49	2,128.49
Other equity	(8,203.11)	(8,769.92)
	(6,074.62)	**(6,641.43)**
Total borrowings	52,146.40	44,315.33
Debt equity ratio	(8.58)	(6.67)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 45: Segment information

Primary segment reporting for the year ended 31st March 2022

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.

	Sugar-Milling		Sugar - Refinery		Trading		Co-Generation		Distillery		Engineering		Other		Eliminations		TOTAL	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue																		
External sales	12,629.83	10,010.02	35,544.78	31,136.13	4,237.36	5,656.04	1,389.69	1,415.40	9,493.77	7,014.58	363.54	169.54	205.71	151.97	-	-	63,864.68	55,553.68
Inter-segment sales	14,988.68	9,503.30	3,199.73	3,903.59	-	-	3,565.56	3,124.07	-	-	1,549.37	333.51	-	-	(23,303.34)	(16,864.47)	-	-
Total Revenue	**27,618.51**	**19,513.32**	**38,744.51**	**35,039.72**	**4,237.36**	**5,656.04**	**4,955.25**	**4,539.47**	**9,493.77**	**7,014.58**	**1,912.91**	**503.05**	**205.71**	**151.97**	**(23,303.34)**	**(16,864.47)**	**63,864.68**	**55,553.68**
Results	683.44	61.32	17.93	2,475.86	98.00	(5.73)	126.56	711.04	1,907.73	962.91	144.85	13.08	145.87	78.47	-	-	3,124.38	4,296.95
Unallocated corporate expenses																	**(921.83)**	**(1,036.32)**
Operating profit																	**2,202.55**	**3,260.63**
Finance costs																	3,926.21	3,841.76
Foreign currency and derivative (gain)/ loss (net)																	352.14	(693.62)
Other income																	690.10	370.86
Profit from ordinary activities																	**(1,385.70)**	**483.35**
Exceptional items																	-	34.26
Total Profit/(loss) before tax																	**(1,385.70)**	**517.61**
Other Information																		
Segment assets	25,020.41	22,060.55	16,612.03	23,044.94	72.78	385.73	11,235.23	11,420.86	12,081.52	8,464.95	675.39	426.29	611.28	551.11	-	-	66,308.64	66,354.43
Unallocated corporate assets																	4,725.10	2,711.38
Total assets	**25,020.41**	**22,060.55**	**16,612.03**	**23,044.94**	**72.78**	**385.73**	**11,235.23**	**11,420.86**	**12,081.52**	**8,464.95**	**675.39**	**426.29**	**611.28**	**551.11**	**-**	**-**	**71,033.74**	**69,065.81**
Segment liabilities	8,243.77	5,774.80	11,791.98	21,454.48	4.76	98.74	592.96	399.61	162.25	157.77	558.14	225.28	148.20	46.14	-	-	21,502.06	28,156.82
Unallocated corporate liabilities																	55,606.30	47,550.42
Total liabilities	**8,243.77**	**5,774.80**	**11,791.98**	**21,454.48**	**4.76**	**98.74**	**592.96**	**399.61**	**162.25**	**157.77**	**558.14**	**225.28**	**148.20**	**46.14**	**-**	**-**	**77,108.36**	**75,707.24**
Capital expenditure	368.86	209.48	322.45	132.31	0.09	-	457.95	202.70	1,637.61	384.87	16.17	1.18	1.83	0.19	-	-	2,804.96	930.73
Unallocated corporate capital expenditure																	94.11	32.10
Total capital expenditure	**368.86**	**209.48**	**322.45**	**132.31**	**0.09**	**-**	**457.95**	**202.70**	**1,637.61**	**384.87**	**16.17**	**1.18**	**1.83**	**0.19**	**-**	**-**	**2,899.07**	**962.83**
Depreciation	836.50	826.38	443.57	509.82	1.33	1.51	473.29	477.45	260.65	211.46	4.09	3.77	19.52	19.57	-	-	2,038.95	2,049.96
Unallocated corporate depreciation																	40.19	35.15
Total depreciation	**836.50**	**826.38**	**443.57**	**509.82**	**1.33**	**1.51**	**473.29**	**477.45**	**260.65**	**211.46**	**4.09**	**3.77**	**19.52**	**19.57**	**-**	**-**	**2,079.14**	**2,085.11**

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 2022

All amounts in million Indian Rupees, unless otherwise stated

Reconciliations to amounts reflected in the financial statements

Reconciliation of assets

	31st March 2022	31st March 2021
Segment operating assets	**66,308.64**	**66,354.43**
Investment (refer note 4)	432.50	601.08
Cash and cash equivalents (refer note 10)	222.34	386.26
Other bank balances (refer note 11)	537.19	479.20
Non-Current tax assets	93.05	55.88
Other assets forming a part of unallocated segment	3,440.02	1,188.96
Total assets	**71,033.74**	**69,065.81**

Reconciliation of liabilities

	31st March 2022	31st March 2021
Segment operating liabilities	**21,502.06**	**28,156.82**
Non-current borrowings (refer note 15)	27,561.43	25,666.63
Current borrowings (refer note 19)	24,584.97	18,648.70
Government grants (refer note 18)	416.53	257.35
Deferred tax liabilities (refer note 7)	1,287.94	127.26
Other liabilities forming part of unallocated segment	1,755.43	2,850.48
Total liabilities	**77,108.36**	**75,707.24**

Revenue from customers

	31st March 2022	31st March 2021
India	19,907.39	19,907.39
Outside India	43,957.29	35,646.29
Total revenue	**63,864.68**	**55,553.68**

Total assets

	31st March 2022	31st March 2021
India	69,590.24	68,602.35
Outside India	1,443.50	463.46
Total assets	**71,033.74**	**69,065.81**

Total liabilities

	31st March 2022	31st March 2021
India	34,614.64	26,103.77
Outside India	42,493.72	49,603.47
Total liabilities	**77,108.36**	**75,707.24**

Segment revenue from customer groups to whom sales of 10% or more are made during the period ended

Customer	2021-22	Segment	2020-21	Segment
Customer- 1	21,554.01	Sugar refinery Engineering	24,163.87	Sugar refinery
Customer- 2	8,410.18	Sugar refinery	-	

Notes to consolidated financial statements for the year ended 31st March 2022

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	-90%	5,469.83	-83%	1,130.64	114%	1,994.28	821%	3,124.92
II	**Indian subsidiaries**								
	Gokak Sugars Limited	-2%	133.71	-21%	286.47	5%	90.96	99%	377.43
	Shree Renuka Agri Ventures Limited	4%	(220.72)	0%	(0.10)	0%	-	0%	(0.10)
	Monica Trading Private Limited	0%	(9.06)	3%	(36.62)	0%	2.71	-9%	(33.91)
	Shree Renuka Tunaport Private Limited	0%	(8.20)	0%	(0.17)	0%	-	0%	(0.17)
	KBK Chem-Engineering Private Limited	12%	(744.08)	-29%	400.47	0%	5.76	107%	406.23
III	**Foreign subsidiaries**								
	Renuka Commodities DMCC, Dubai	180%	(10,949.06)	16%	(221.53)	0%	-	58%	(221.53)
	Shree Renuka East Africa Agriventures PLC	0%	0.01	0%	-		-	0%	-
IV	**Non controlling interest**	0%	2.70	-1%	18.22	0%	-	5%	18.22
V	**Consolidation adjustments / eliminations**	-4%	250.25	215%	(2,944.57)	-20%	(345.91)	-865%	(3,290.49)
			(6,074.62)		**(1,367.19)**		**1,747.80**		**380.61**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

Note 47: Leases

Company as a lessee

The Company 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. 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 2020	**678.87**	**11.49**	**1,275.08**	**1,965.44**
ROU assets recognized to the extent of ROU liabilities	-	21.96	-	21.96
Prepayments capitalised as ROU	-	-	10.98	10.98
ROU assets derecognized	-	(0.42)	-	(0.42)
Total	**678.87**	**33.03**	**1,286.06**	**1,997.96**
Depreciation expense	(8.79)	(10.79)	(102.62)	(122.20)
As at 31st March 2021	**670.08**	**22.24**	**1,183.44**	**1,875.76**
ROU assets recognized to the extent of ROU liabilities	-	36.67	-	36.67
Prepayments capitalised as ROU	-	-	8.75	8.75
ROU assets derecognized	-	(0.43)	-	(0.43)
Revaluation	(58.71)	-	-	(58.71)
Total	**611.37**	**58.48**	**1,192.19**	**1,862.04**
Depreciation expense	(8.79)	(15.99)	(102.62)	(127.40)
Impairment recognised during the year	-	-	-	-
As at 31st March 2022	**602.58**	**42.49**	**1,089.57**	**1,734.64**

During the year ended 31st March 2022, the Group had appointed a registered independent valuer who has relevant valuation experience for valuation of property, plant and equipment in India for 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 leasehold land.

Set out below are the carrying amounts of lease liabilities (included under the head non-current and current financial liabilities) and the movements during the period:

	Amount
As at 01st April 2020	**130.18**
Additions	21.96
Deletion	(0.42)
Accretion of interest	14.49
Payments	(12.37)
As at 31st March 2021	**153.84**

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

	Amount
Additions	36.67
Deletion	(0.43)
Accretion of interest	16.51
Payments	(16.55)
As at 31st March 2022	**190.04**

The following are the amounts recognised in profit or loss:

	Year ended 31st March 2022	Year ended 31st March 2021
Amortization of right-of-use assets	127.40	122.20
Interest expense on lease liabilities	16.51	14.49
Expense relating to short-term leases and low value leases	6.57	3.18
Total amount recognised in profit or loss	**150.48**	**139.87**

The Company had total cash outflows for leases of INR 21.85 million (31st March 2021: INR 15.55 million) during the financial year ended 31st March 2022. The Company do not have any future cash outflows relating to leases that have not yet commenced.

The Company has certain lease contracts that are non-cancellable for fixed period and considered will be terminated after completion of non-cancellable period.

Note 48: 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 2022	31st March 2021
Renuka Commodities DMCC, Dubai	Dubai	100.00%	100.00%
Shree Renuka East Africa Agriventures PLC, Ethiopia*	Ethiopia	99.99%	99.99%
Gokak Sugars Limited	India	93.64%	93.64%
Shree Renuka Agri Ventures Limited	India	100.00%	100.00%
Monica Trading Private Limited	India	100.00%	100.00%
Shree Renuka Tunaport Private Limited	India	100.00%	100.00%
KBK Chem Engineering Private Limited	India	100.00%	100.00%

* Liquidation application filed with concerned authorities

Note 49: 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.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

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 2022	As at 31st March 2021
Current assets	3,017.70	8,068.25
Non-current assets	23,310.11	110,762.60
Total assets	**26,327.81**	**118,830.85**
Current liabilities	68,847.15	368,143.81
Non-current liabilities	33,486.91	125,944.83
Equity	(76,006.25)	(375,257.88)
Total equity and liabilities	**26,327.81**	**118,830.76**
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)	**-**	**-**

	Year ended 31st March 2022	Year ended 31st March 2021
Income		
Revenue from operations	13,491.47	54,227.93
Other income	5,994.88	4,043.59
Total income	**19,486.35**	**58,271.52**
Expenses		
Cost of raw materials consumed	10,975.81	50,896.01
Increase in inventories of finished goods, work-in-progress and traded goods	-	(211.14)
Finance costs	2,060.96	44,314.90
Other expenses	1,161.79	4,464.92
Total expenses	**14,198.56**	**99,464.69**
Profit/(loss) before exceptional items and tax	**5,287.79**	**(44,193.17)**
Exceptional items	-	-
Profit/(loss) before tax	**5,287.79**	**(44,193.17)**
Tax income	69.83	-
Profit/(loss) after tax	**5,357.62**	**(44,193.17)**
Other comprehensive income	-	-
Total comprehensive income	**5,357.62**	**(44,193.17)**
Group's share of loss for the year	**-**	**-**

Note 50: The Board of Directors of the Company approved the Scheme of Merger of Gokak Sugars Limited (a subsidiary of the Company) with the Company, at its meeting held on 09th November 2020 and subsequently, approved amendments to the scheme in its meeting held on 28th October 2021. The Company has received approvals from both BSE and NSE on 11th March 2022 to file the scheme with National Company Law Tribunal (NCLT). The Company is now in the process of filing of the scheme with NCLT.

Note 51: 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.

Notes to consolidated financial statements for the year ended 31st March 2022

All amounts in million Indian Rupees, unless otherwise stated

(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

(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 52: Previous year's figures have been regrouped /rearranged wherever necessary to conform to the current year presentation.

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

per Shyamsundar Pachisia
Partner
Membership No. : 049237

Date : 24th May 2022
Place : Mumbai

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

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 24th May 2022
Place : Mumbai

Vijendra Singh
Executive Director and Dy. CEO
DIN : 03537522
Date : 24th May 2022
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 24th May 2022
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 24th May 2022
Place : Mumbai

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Shree Renuka Sugars Limited
2^{nd} & 3^{rd} Floor, Kanakashree Arcade, CTS No. 10634,
JNMC Road, Neharu Nagar, Belagavi - 590010, Karnataka