



Shree Renuka Sugars Limited

ANNUAL REPORT 2009-10

**THE
CONVICTIONS
THAT PROPEL US.
THE ACTIONS
THAT DEFINE US.**



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FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Shree Renuka Sugars Limited (SRSL) is driven by deep convictions.

A conviction in our ability to evolve a new paradigm in a traditional business.

A conviction to grow through acquisitions and turnarounds, nationally and internationally.

And to set into motion a system of corporate governance, based on transparency, meritocracy and socio-cultural sensitivity.

Our business strategy follows an intricate pattern.



Global
leadership



Consolidation



Integration



Expansion



Strategic
acquisitions

Strategic acquisitions>
expansion>integration>
consolidation>global
leadership

Strategic acquisitions that converge diverse cultures and operations.

Expansion strategies that set into motion economies of scale.

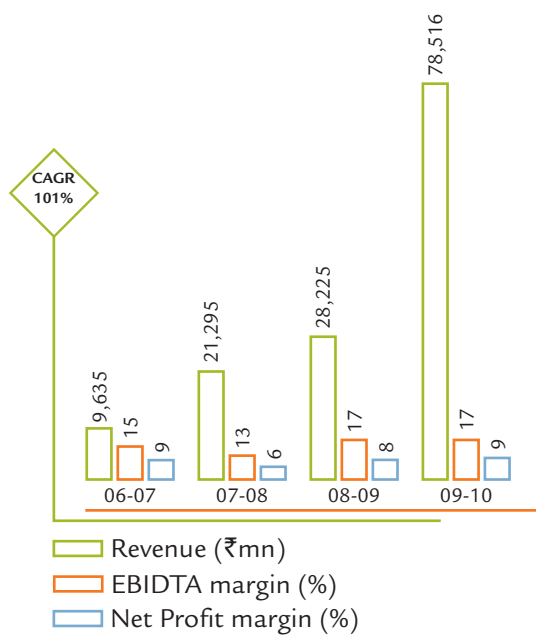
Integration that lends enhanced flexibility to the manufacture of end-products (sugar, ethanol and power) and enables an alignment with demand-supply dynamics.

A combination of the above three results in consolidation of resources and synergies to sustain and secure global leadership.

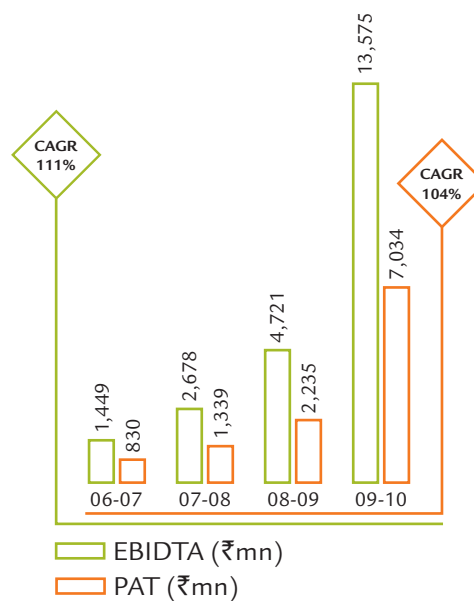


Defining Numbers[#]

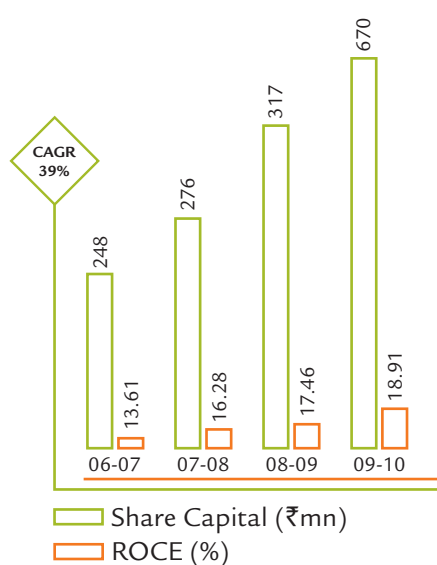
Topline growth and stabilising margins enhancing business sustainability



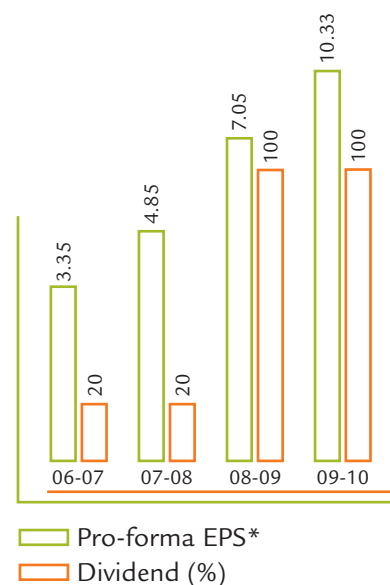
Profitability momentum growing attractively



Financial discipline providing stable returns

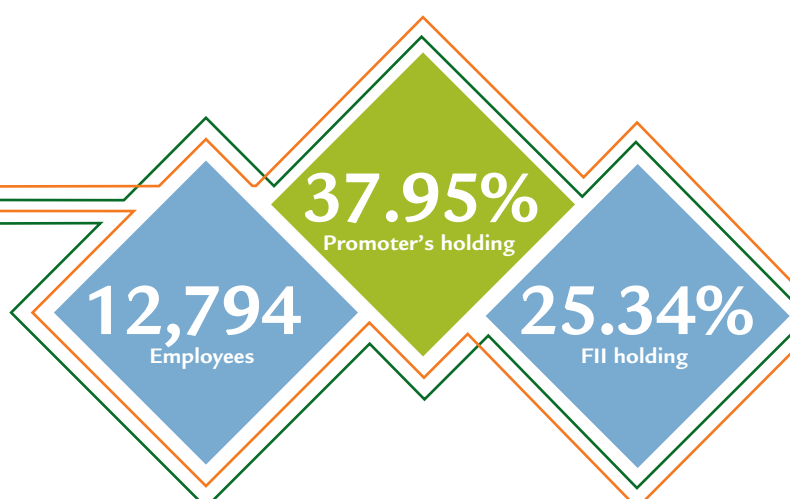


Regular shareholder returns

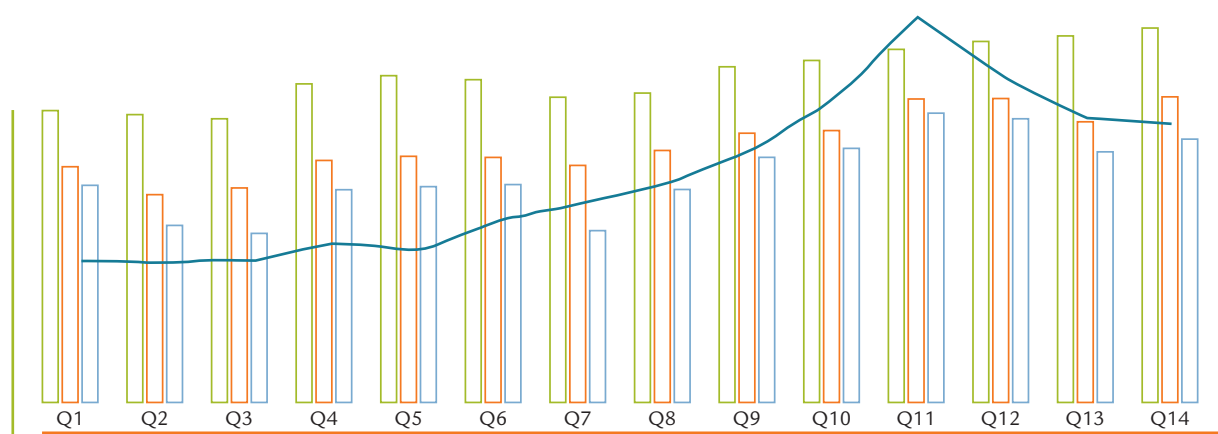


* Pro-forma EPS calculated at ₹ 1 per share and paid up capital at the end of the year

* The equity shares of the Company were sub-divided (split) from a face value of ₹ 10 to ₹ 1 each with effect from April 21, 2008; accordingly, the high/low/closing share prices from April to September 2008 are based on a face value of ₹ 1 each



Shree Renuka Sugars Ltd.'s performance over 14 quarters vis-à-vis sugar prices (June 2007 to September 2010)



Revenue (₹mn)
EBIDTA (₹mn)
PAT (₹mn)
Sugar Prices (₹/quintal)

Note: Sugar prices pertain to Kolhapur region for M grade sugar
1 quintal = 100 kilograms

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
Sugar prices (₹/quintal)	1334	1315	1330	1498	1428	1720	1875	2049	2361	2850	3630	3060	2670	2616
Revenue (₹ mn)	2,772	2,445	2,237	5,608	7,042	6,408	4,028	4,425	8,896	10,876	14,437	18,069	20,421	25,589
EBIDTA (₹ mn)	609	286	352	738	817	771	634	931	1,518	1,638	3,761	3,800	2,052	3,962
PAT (₹ mn)	367	128	104	320	365	367	110	332	781	1,020	2,609	2,242	902	1,283

*Consolidated Figures

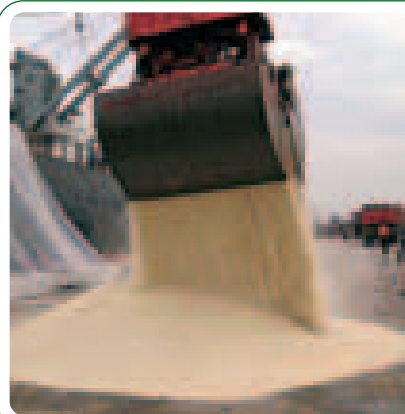


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2009-10 in Retrospect

Acquired 100% stake in Renuka Vale do Ivai S/A formerly Vale do Ivai Acucar e alcool (VDI), a Brazilian sugar and ethanol company in March 2010

Growing a multi-cultural and stimulating work environment



Started construction of standalone port based refinery at Kandla having capacity of 3,000 TPD; expected to start production in second half of 2011



Acquired a controlling stake of 50.34% in Equipav S.A. Açúcar e Álcool ("Equipav AA"), in July 2010; the Company was renamed Renuka do Brasil S/A

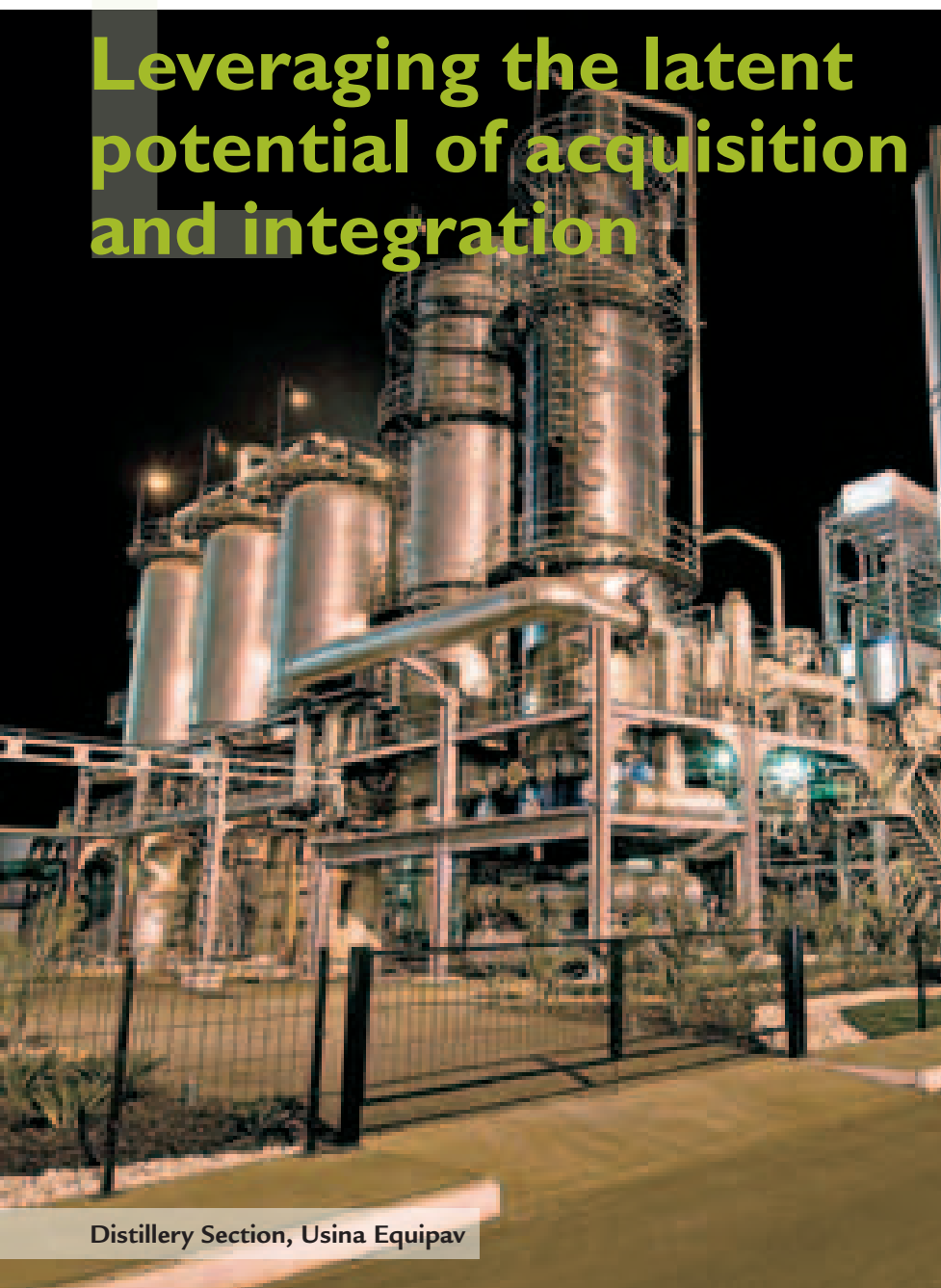
Received the letter of intent for largest order of supply of 118 million litres of ethanol under the Ethanol Blending Programme



Aerial View, Usina Equipav



Leveraging the latent potential of acquisition and integration



Distillery Section, Usina Equipav

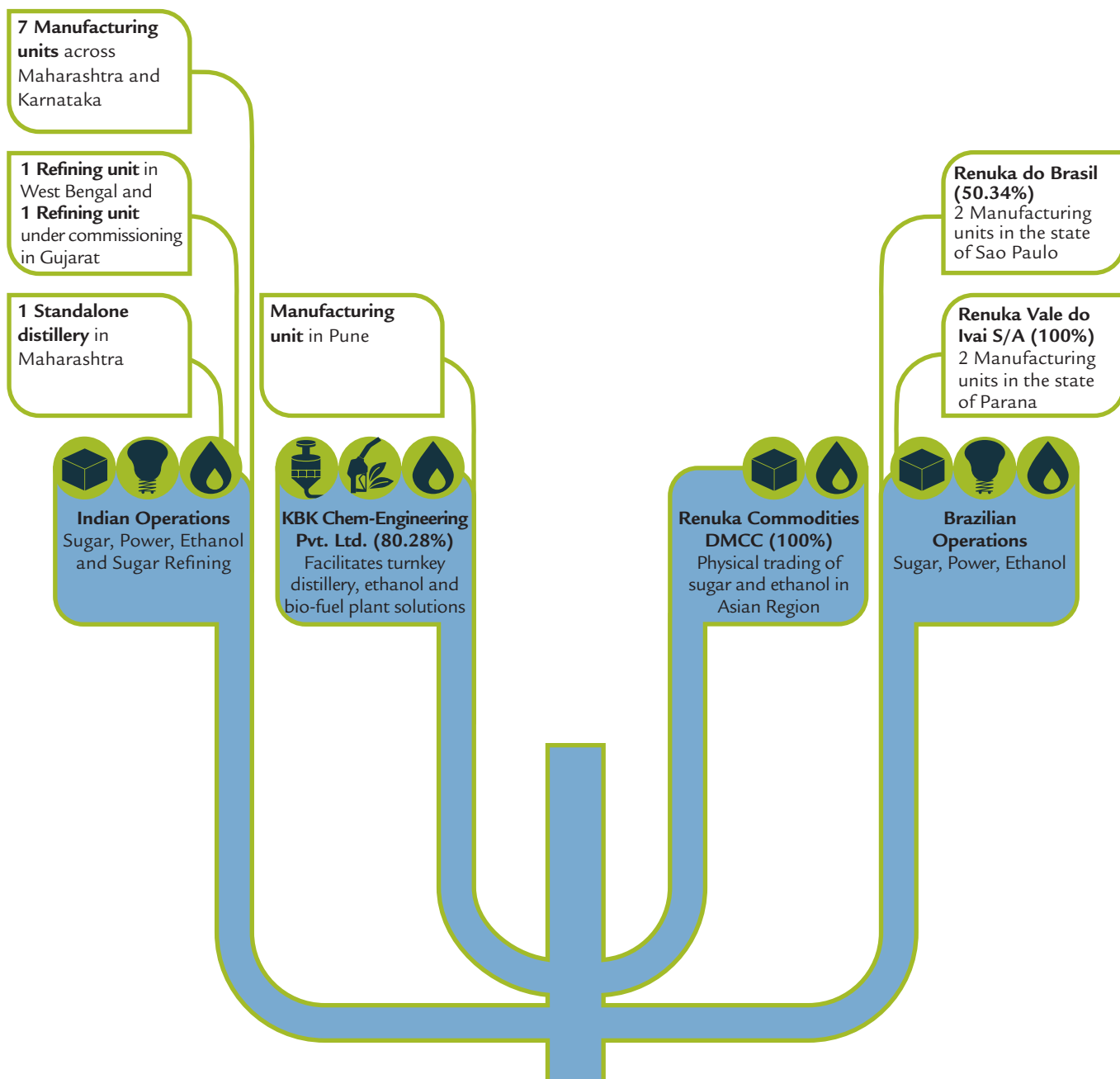
Shree Renuka Sugars Limited (SRSL) has emerged as one of the largest sugar manufacturer in the world and one of the largest refiners globally, besides being India's leading sugar producer.

Operational Statistics

	India	Brazil	Total
Crushing capacity (TCD)	35,000	59,520	94,520
Annual crushing capacity (mn MT)	7.1	13.6	20.7
Ethanol production capacity (KLPD)	930	5,310	6,240
Sugar refining capacity (TPD)	6,000	-	6,000
Raw sugar production capacity in (TPD)	-	4,694	4,694
Power generation capacity (MW)	173	221	394
Own cane plantation (in HA)	-	110,000	110,000

SRSL

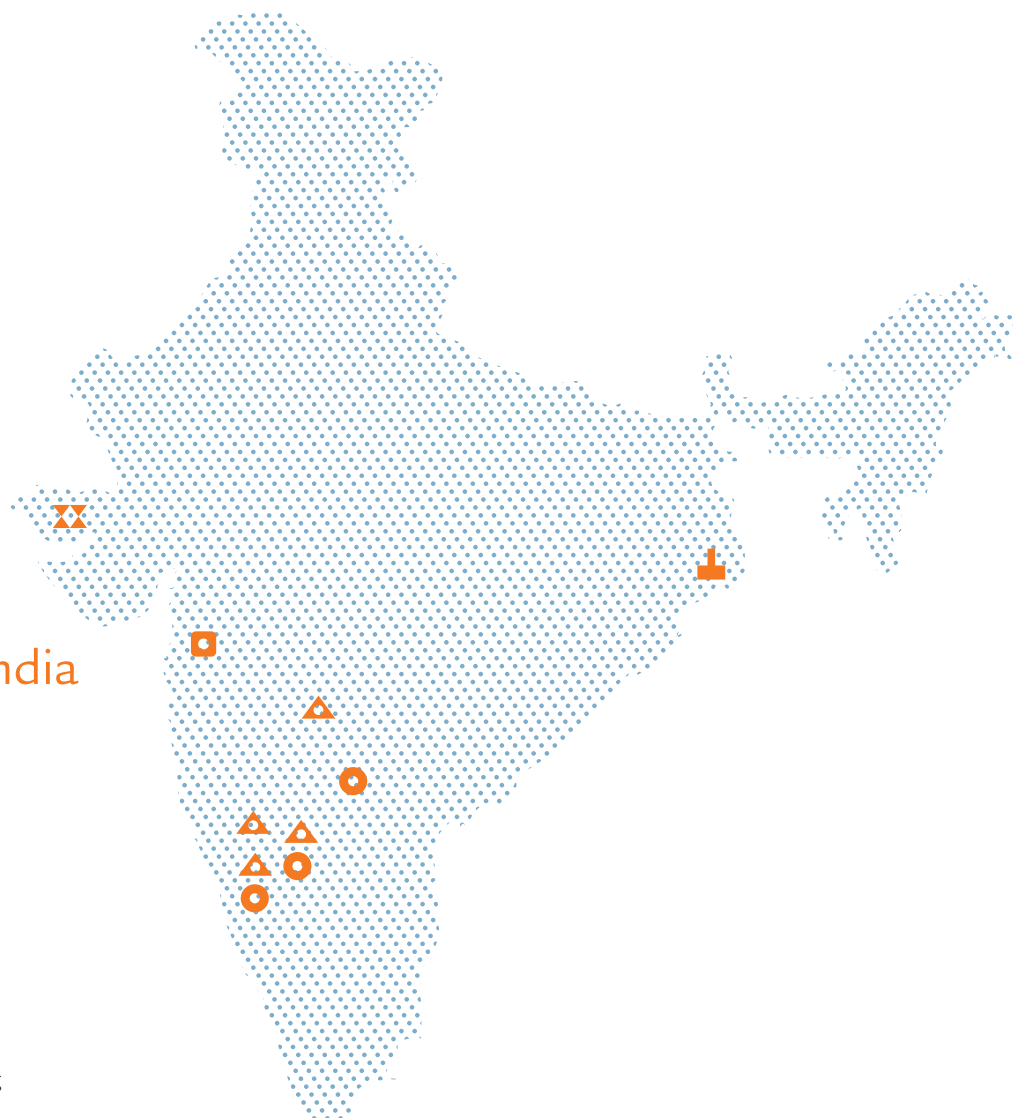
Business Structure








Shree Renuka Sugars Limited

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Presence



A. SRSL units in India

-  Standalone distillery
-  Sugar Mills
-  Sugar Mills with refinery
-  Dedicated refinery
-  Refinery under commissioning



Key milestones

2005

Greenfield
project at Athani (Karnataka)

SRSL IPO launched

2006

Acquisition of sugar mill in
Sindhkheda and relocated to
Havalga (Karnataka)

2007

Acquisition of KBK Chem-
Engineering Pvt. Ltd.

B. SRS� units in Brazil



Mills of Renuka Vale do Ivai S/A:

Cambui

Sao Pedro do Ivai



Mills of Renuka do Brasil S/A

Equipav (Promissao)

Revati (Brejo Alegre)

2008

Commissioning of 2,000 TPD
port-based refinery at Haldia

2009

Commissioning of
cogeneration plant in
Panchganga cooperative
sugar mill

2010

Acquisition of 100% stake
in Renuka Vale do Ivai S/A and
50.34% stake in
Renuka do Brasil S/A

Map not to scale

OUR CONVICTION.

D Developing insight nationally and internationally creates sustainable synergies

Mechanical Harvester

OUR ACTION.

We created attractive synergies to explore the next frontier for unsurpassed growth

This action is reinforced by important realities.

India's sugar industry has matured in terms of refining and industrial operations. Besides, the country's billion-plus population and traditional affinity with sugar in all aspects of daily life make it the largest sugar consumer globally.

On the other end of the spectrum stands Brazil, the largest and most efficient sugar producer with a plethora of other opportunities. The Latin American country enjoys a decontrolled sugar industry, witnessing consolidation; abundant farmlands, which can be directly owned or leased; mechanised farming practices supporting cost-efficient production; strong infrastructure and logistics support.

Consequently, SRSI can now leverage complementary crushing seasons, enhanced raw material security, economies of scale and efficient utilisation of assets to perform at a global scale.



OUR CONVICTION.

Enhancing integration (vertical and horizontal) and scale is a derisking strategy to counter cyclical

Distillery Section, Usina Revati

OUR ACTION.

We enhanced our flexibility in terms of end-product selection, based on the prevailing demand-supply scenario



We can now utilize our sugar and ethanol assets more efficiently, thanks to the following:

Brazil enjoys robust ethanol demand because of the presence of the flexi fuel cars. SRSL facilities in Brazil have flexible capacity to produce 62% sugar or ethanol. It helps to maximise revenues based on the prevailing market scenario.

This initiative will trigger better capital efficiency, encourage inventory fore-planning, strengthen bottomline and create price arbitrage between sugar and ethanol to achieve steady shareholder returns.

24.80%

Average ROE from
2006 to 2010



OUR CONVICTION.

Accelerated response to multiple sugar scenarios sustains global leadership

OUR ACTION.

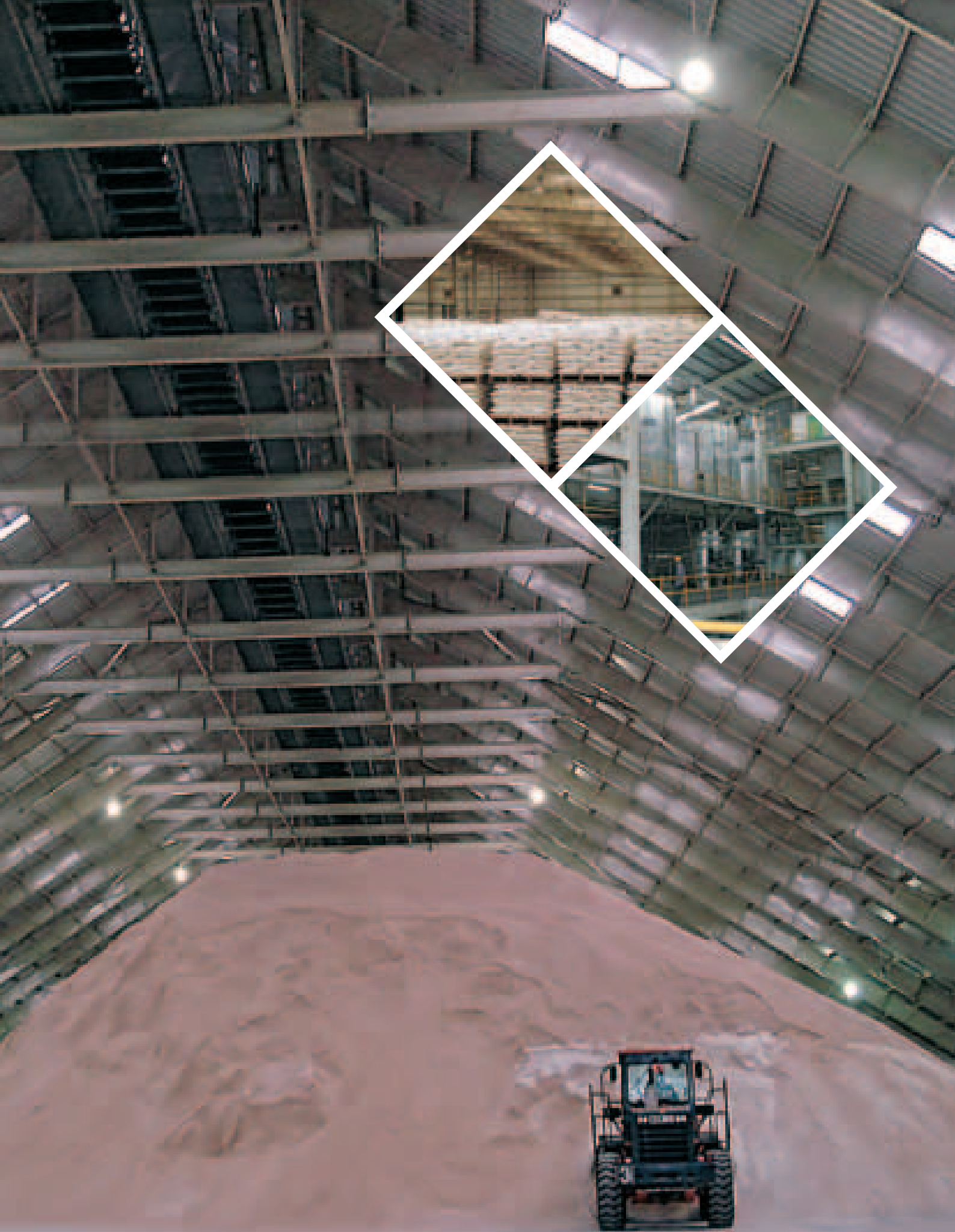
Our quick refining turnaround helps address the constantly changing global sugar dynamics



Our action will enhance our global visibility through export of refined sugar to the sugar deficit countries suffering from sugar shortfall. Port based standalone sugar refineries on both west and east coasts of India provide the flexibility to move from import to export mode and capitalize on the demand from the sugar deficit region from either India in the import mode or the Asian region in export mode.

As a result, we are suitably positioned to enjoy the white premium advantage between India's regulated sugar industry and unpredictable global sugar scenarios.

**Global
scale**
refining operations



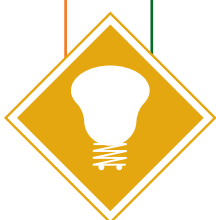
Raw Sugar Warehouse, Haldia Refinery



We became the first and only sugar company to have a strong foothold in India and Brazil, the largest sugar consuming and producing geographies in the world.



Mr. Narendra Murkumbi,
Co-founder, Vice Chairman and
Managing Director



Managing Director's Review

2009-10 was a defining year in the corporate history of SRSL. We became the first and only sugar company to have a strong foothold in India and Brazil, the largest sugar consuming and producing geographies in the world. In many ways, however, this represented a continuation of our inorganic growth strategy, of acquiring distressed assets and turning them around. Only this time, the scale was far larger, and the geography different.

CONVICTION AND ACTION

Our action was driven by a strong conviction in the potential of such assets, reeling as they were under the aftermath of the global liquidity crisis and capital crunch. The fiscal discipline of our existing operations, marked by a modestly geared balance sheet (debt-equity ratio of 0.62) and exemplary financial stewardship, enabled us to mobilise capital required. In a sense, this was the fructification of our exploratory efforts in Brazil since early 2009.



Therefore, 2009-10 resulted in SRSL emerging as a unique company in the sugar world.

STRATEGIC ROADMAP

Both our acquisitions (100% in Renuka Vale do Ivaí S/A formerly Vale do Ivaí S/A - Açúcar e Álcool and 50.34% in Renuka do Brasil S/A formerly Equipav) are being invested with further capital investments to enhance production capacities, improve capacity utilisation, and further increase co-generation capacities. These investments will also lubricate the working capital cycle and improve work-force management at these mills.

Combining the four Brazilian plants with our Indian capacity, the overall crushing capacity at SRSL will reach 22 mn tons of sugarcane in the next financial year.

The acquisitions bring us closer to building a global sugar and ethanol business, combining the most cost-efficient and scalable production areas in the world, along with a leading presence in the most important ethanol and sugar markets across multiple geographies.

GROWING ETHANOL – A SUSTAINABLE FUEL ALTERNATIVE

Renewable energy is one of the most efficient ways to achieve sustainable development. Increasing its share in the world energy matrix will help prolong the existence of fossil fuel reserves, address the threats posed by climate change, and enable better

security of the energy supply on a global scale.

Ethanol is one of the widely accepted forms of renewable energy, signifying the answer to high fuel prices, speedy depletion of fossil fuel reserves and ballooning fuel demand. Ethanol dominates the world's biofuel market and its production is expected to register 6% CAGR during 2008-2017.

India's ethanol production is likely to attain a CAGR of 2%-plus during the same period. At SRSL, Brazilian ethanol can supplement our domestic production, as currently the mandatory blending of ethanol in gasoline is only 5% owing to limited domestic product availability. The goal is to reach 20% by 2017, which may represent a captive market of 3 billion gallons of ethanol annually.

Brazilian sugarcane ethanol after 30 years of production, is a global energy commodity that is fully competitive. It uses modern equipment and abundantly available sugar cane as feedstock resulting in high-energy balance and reduction of total life cycle greenhouse gas emissions. Moreover, with the commercial success of flexi fuel vehicles, the outlook for sugarcane ethanol looks secured.

SRSL is well positioned to benefit from this positive outlook given our enhanced ethanol capacities, and production flexibility based on market conditions.



FUTURE PROOF

We now have taken over distressed sugar assets, operating at less than 70 per cent capacity utilisation, and our primary aim is to increase capacity utilisation, produce more efficiently and sweat our assets better. An increasingly positive price environment, coupled with our conservative risk-management practices, will result in attractive margins being locked-in going forward.

Thus, we are confident of maintaining and growing the bottom-line, in line with our track record of stable performance, despite the fluctuations in the sugar price cycle. Our Brazilian acquisitions are already EPS accretive signalling a strong growth in shareholder value in the years to come. The geographic diversity of our business also provides an insulation against significant exposure to the impact of regulatory policy in India.

Combining the four Brazilian plants with our Indian capacity, the overall crushing capacity at SRSL will reach

22 mn tons
of sugarcane in the next financial year.



AN INDUSTRY THAT NEEDS ATTENTION

A growing global population requires more food. According to the UN's Food and Agriculture Organisation, food production must double by 2050. The shortage of food is already beginning to find illustration in prices - in the last 12 months, several agri-commodities have been trading at historically high prices. However, investments in the agricultural sector are still lagging far behind what is required. We believe, that companies that have invested in agriculture, and are striving to increase capacities will be amply rewarded in the times to come.

SRSL is a strong, robust organisation committed to the industry we are in.

We have emerged as India's first multinational operating in the sugar industry, encouraging a stimulated multi-cultural environment and cross-pollination of ideas across continents. We are currently looking at modalities to harmonise our multi-geographic facilities in terms of operational excellence, human resource development, environment sensitivity and social responsibility. SRSL is not only a company of strongly-held convictions, but one with the ability and willingness to act on those convictions to maintain our value proposition with all our stakeholders.

Narendra Murkumbi,

Co-founder, Vice Chairman and
Managing Director

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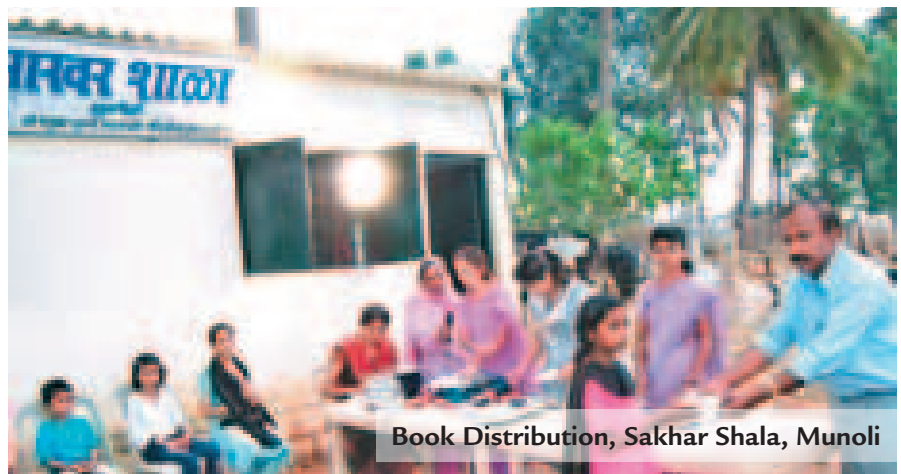
Mr Narendra Murkumbi, Vice Chairman and MD, was conferred the prestigious **'Entrepreneur of the Year Award'** by The Economic Times newspaper in 2010



Corporate Social Responsibility

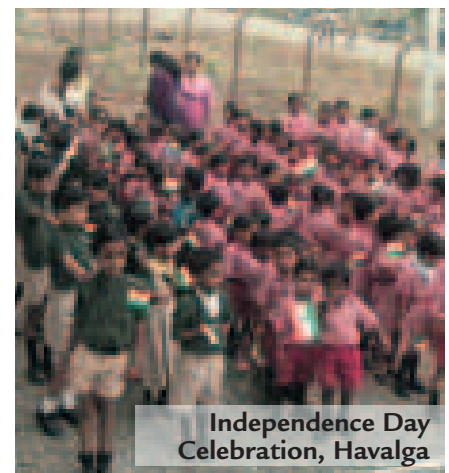


Mrs. Vidya Murkumbi distributing discount cards to farmer patients



We believe business sustainability depends on social stability. Corporate citizenship is an important cornerstone of our strategy.

Since inception SRSL has not just grown in scale and stature as a global sugar enterprise, it has progressively enhanced its knowledge and sensitivity to emerge as a socially responsible corporate citizen. Our CSR commitment is exemplified by numerous projects, some of which the company has been supporting for years. We are continuously developing the scope of our projects and looking at modalities to extend them to other countries. We firmly believe that a sustainable CSR commitment can make an important contribution to social stability, while at the same time improving the conditions for our business activity and promoting our long-term economic success.





Ambulance Facility, Havalga Plant

As part of our social commitment, we actively support and sponsor Shree Renuka Institute for Rural Development & Research (SRIRD), an N.G.O. dedicated to serve the cause of education, healthcare and rural development to bring about visible and measurable rural transformation and sustainable development for the rural masses, especially the downtrodden and marginalized population around the SRSL Units.

EDUCATION

English Medium Primary Schools: Three CBSE primary schools (each at Munoli, Kokatnur and in the remote and backward area of Havalga in Gulbarga district) impart quality education to the children of employees and villagers at minimal costs. The schools possess spacious class rooms with audio-visual, library, e-learning, bus facilities and well equipped laboratories.

Raibag Polytechnic: SRIRD also runs a state-of-the-art Polytechnic institute at Raibag to impart technical training (Diploma in Electrical and

Electronics Engineering, Mechanical Engineering, Electronics and Communication and Civil Engineering) to eligible candidates.

A Community Development Scheme, another important project feature, is sponsored by the Ministry of Human Resources Development, Govt. of India, to conduct project oriented training programmes to school dropouts, unemployed youths and women, at their doorsteps. Various short-duration programmes (cutting and tailoring for women, food processing and pickles making, mehendi course, making of baskets, candles and agarbattis, computer data entry course, toys and doll making) are being conducted at present.

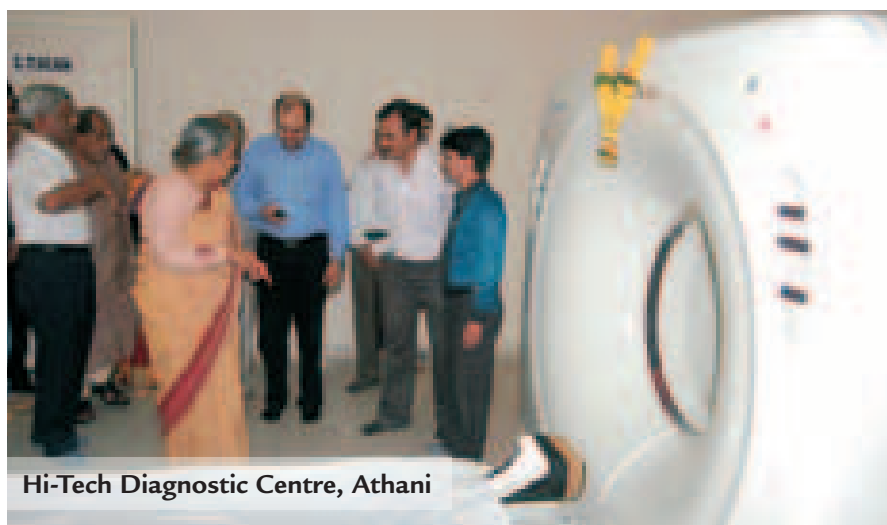
Sakhar Shalas: This was specifically set up for the children of sugarcane harvesting labourers, who migrate from different places during the sugar crushing season annually. This relocation disrupts continuous education of their children and the Sakhar Shalas established at each of the SRSL Units aim to fill this gap. Books, school uniforms,

nutritious food (milk, bread, eggs and bananas) are distributed to the students without cost. Besides, extra-curricular activities (sports, cultural, recreation and excursion) and health check-up camps are being conducted.

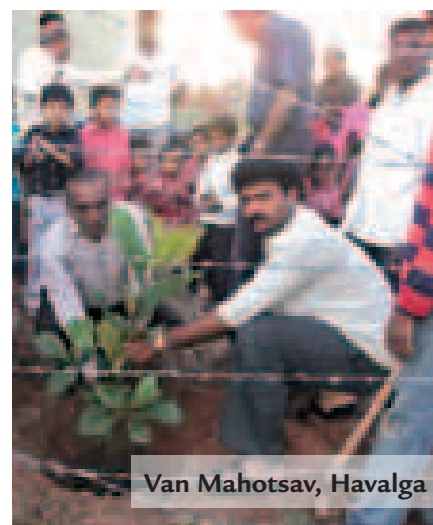
Scholarship: SRIRD has introduced Scholarship Schemes – made available to PUC, Engineering Degree, Engineering Diploma, B.Sc. Degree and ITI Courses from the Academic Year 2011-12 – for the children of SRSL and its group employees and for the children of the farmers supplying sugarcane to SRSL units to pursue their higher education. The scholarship ranges between Rs.5000 to Rs.15000 depending upon the course being pursued.

HEALTHCARE INITIATIVES

Three Health Centres (one each at Munoli, Kokatnur and Havalga providing ECG, blood, sugar level check-up) cater to employees, farmers, sugarcane harvesting workers and the neighbouring population.



Hi-Tech Diagnostic Centre, Athani



Van Mahotsav, Havalga

Mini camps and multi-diagnostic camps render varied (maternal, child health, cardiovascular and eye treatment) healthcare services to village clusters. Health Awareness Programmes comprise immunisation, maternal and child health, communicable diseases, cancer awareness, HIV and AIDS awareness, among others in association with governmental/ non-governmental organizations.

A 50 bed hospital is planned at remote Havalga village in Gulbarga district, with all speciality services and advanced diagnostic facilities.

Hi Tech Diagnostic Centre, Athani: Realising the lack of advanced diagnostic centre in Athani, SRSL set up a hi-tech diagnostic centre at Taluka Headquarters at Athani, Belgaum district. It renders pathology, biochemistry, microbiology and radiological investigations including, Fuji SR, X-Ray, Ultra Sonography and CT scan. Cardiology investigations are carried out such as ECG, Eco-Cardiography and TMT machines. The centre will enjoy super specialities comprising Neurology, Neonatology, supported by paediatric surgeons and IVF specialists for consultation. A 25% flat concession on all tests is

extended to the farmers, employees and the sugarcane harvesting workers.

We have also purchased two ambulances (one for Havalga and Athani) in response to the demand of local population and the medical fraternity. The ambulance service is rendered at subsidized rates and is well equipped with trained manpower.

COMMUNITY DEVELOPMENT INITIATIVES

Asare Houses: A total of 349 houses, funded by SRSL and monitored by SRIRDR, were built for the flood affected and displaced people of Ramdurga Taluka in Belgaum district.

Two Reverse Osmosis (RO) Safe Drinking Water Treatment Plants are coming up (at Ghataraga near Havalga in Gulbarga district and another in Munoli of Belgaum district), to provide safe drinking water to the rural people. SRIRDR has also constructed a vegetable market, shopping complex and community hall near the Company's Havalga unit.

Rural libraries, set up in Desai Kolar and Ingalagi villages of Gulbarga district, provide books and

newspapers to the villagers.

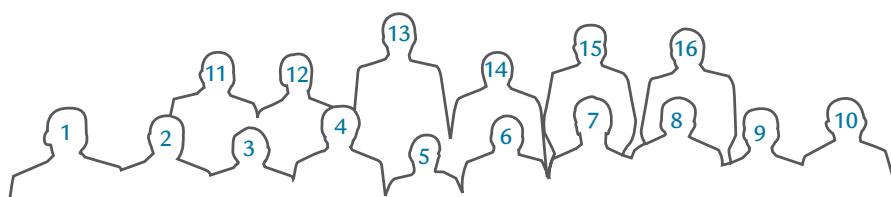
SRIRDR sponsors and conducts sports meet, yoga shibirs, sarva shikshan abhiyan programmes, van mahotsavs and street dramas. Cash prizes and scholarships are awarded to the meritorious participants to promote art, drama and social issues.

Boy's hostel: Set up at Belgaum, the hostel (possesses 30 beds) helps rural children to continue their higher studies in engineering and medical sciences by providing accommodation.

The Company is also considering a proposal to establish two industrial training centres, one at Havalga and another at Kokatnur to ensure employment of youth through technical education. A Rural Engineering College, a Sugar Institute and a 50-Bed Multi Speciality Hospital have also been proposed.



Board of Directors and Key Managerial Personnel



1 Mr. Nandan Yalgi
Director - Commercial

2 Mr. Sanjay Asher
Independent Director
Head - Audit Committee

3 Mr. S. K. Tuteja
Independent Director

4 Mr. J. J. Bhagat
Independent Director

5 Mrs. Vidya Murkumbi
Executive Chairperson

6 Mr. Narendra Murkumbi
Vice Chairman &
Managing Director

7 Mr. Jonathan Kingsman
Independent Director

8 Mr. Hrishikesh Parandekar
Independent Director

9 Mr. S. M. Kaluti
Non-Executive Director

10 Mr. Robert Taylor
Independent Director

11 Mr. S. Kumar
President - Refining

12 Mr. K K Kumbhat
CFO

13 Mr. Humberto Farias
CEO - Renuka do Brasil S/A

14 Mr. Somit Banerjee
Sr. VP - Trading

15 Mr. Vijendra Singh
President - Sugar Mills

16 Mr. Gautam Watve
Head - Strategy & Planning



C

Corporate Information

Auditors

M/s. Ashok Kumar,
Prabhashankar & Co.
Chartered Accountants, Bangalore.

Registered Office

BC 105, Havelock Road, Camp,
Belgaum-590 001.
Tel.: 91-831-2404000
Fax: 91-831-2404961.

Corporate Office

7th Floor, Devchand House,
Shiv Sagar Estate,
Dr. Annie Besant Road,
Worli, Mumbai-400 018.
Tel: 91-22-2497 7744 / 4001 1400
Fax: 91-22-2497 7747.

Bankers

Royal Bank of Scotland N.V.
Axis Bank Ltd
HSBC
ICICI Bank Ltd
IDBI Bank Ltd
IndusInd Bank Ltd
ING Vysya Bank Ltd
State Bank of India
Standard Chartered Bank
Yes Bank Ltd

Plant Locations (India)

Unit I - Munoli

Sugar, Distillery, Co-generation and
Sugar Refinery at,
Gavase, Taluka Saundatti,
District: Belgaum, Karnataka

Unit II - Arag (Leased)

Sugar & Co-Generation
Taluka Miraj,
District: Sangli, Maharashtra

Unit III - Athani

Sugar, Distillery, Co-Generation and
Sugar Refinery
Taluka Athani
District Belgaum, Karnataka

Unit IV - Havalga

Sugar, Distillery and Co-Generation
Taluka: Afzalpur,
Dist: Gulbarga, Karnataka

Unit V - Raibag (Leased)

Sugar
Taluka: Raibag,
Dist: Belgaum, Karnataka

Unit VI - Pathri

Sugar
Deonandra, Taluka: Pathri
Dist: Parbhani, Maharashtra

Unit VII - Gokak

Sugar and Co-generation
Kolavi, Taluka: Gokak
Dist: Belgaum, Karnataka

Unit E1 - Khopoli

Ethanol
Donvat, Taluka: Khalapur,
Maharashtra

Unit R1 - Haldia

Sugar Refinery
Kolkata, West Bengal

Unit R2 - Kandla

Sugar Refinery
Kandla, Gujarat

Plant Locations (Brazil)

Renuka do Brasil S/A

Unit I - Usina Equipav

Promissao, Sao Paulo
Brazil

Unit II - Usina Revati

Brejo Alegre, Sao Paulo
Brazil

Renuka Vale do Ivaí S/A

Unit I - Usina Sao Pedro do Ivaí

Sao Pedro do Ivaí, Paraná
Brazil

Unit II - Usina Cambui

São Miguel do Cambuí, Parana
Brazil



Management Discussion and Analysis

Brazil is the world's largest sugar producer, followed by India (which is the world's largest consumer as well), the EU and China

INDUSTRY REVIEW

GLOBAL SUGAR INDUSTRY

Quick facts

- ▶ One of the world's major agro-based industries
- ▶ Around 75% of the global sugar production comes from the top 10 producers
- ▶ Brazil is the world's largest sugar producer, followed by India (which is the world's largest consumer as well), the EU and China

Production and consumption

As of November, 2010, global sugar production stands at 168.95 Million tons, increasing 5.27% over that of the previous year. Owing to record high prices in both the world market and, more importantly, domestic markets, and lingering impacts of global downturn, the world's global consumption (167.67 Million tons) registered a slower growth rate, compared to the long-term 10 year average of 2.59%.

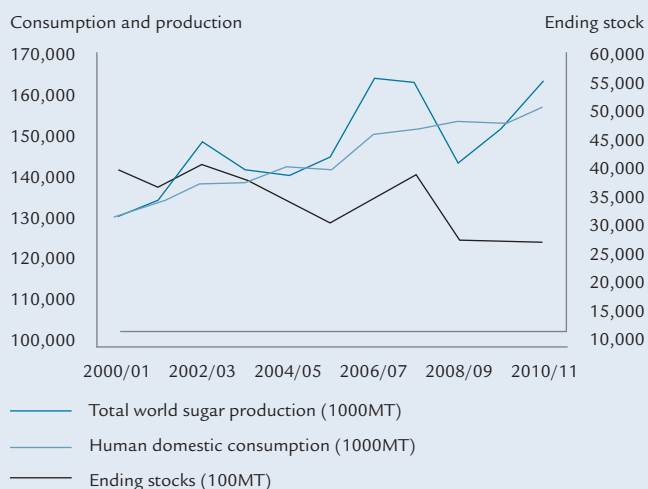
World sugar balance (Million tons, raw value)

	2010-11E	2009-10	Change	
			in Million tons	in %
Production	168.95	160.50	8.45	5.27
Consumption	167.67	164.33	3.33	2.03
Surplus/deficit	1.28	-3.83		
Import demand	50.15	52.89	-2.73	-5.17
Export availability	50.68	52.86	-2.18	-4.13
End stocks	58.08	57.32	0.75	1.32
Stocks/consumption ratio in %	34.64	34.88		

Source: ISO Quarterly Market Outlook, November 2010



Global sugar production, consumption, and ending stocks

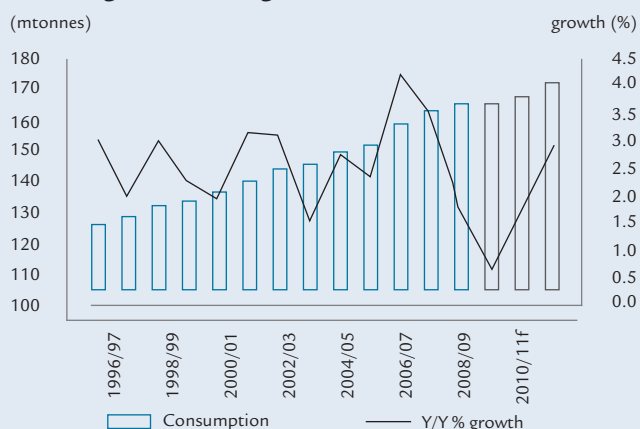


Source: Foreign Agricultural Service

Sugar Price

Over the preceding two years, the sugar markets were characterised by dramatic swings in sugar prices due to tight demand and supply situation prevalent in the sector. After reaching a high of USD 29.9 cents/pound(lb), the prices dropped significantly between January 2010 to May 2010. After that prices rebounded very sharply and gone as high as 34.5 cents/pound(lb) in December. It actual highlights the two underlying factors, one is the historically low levels of inventory across the world and impact of adverse weather conditions. The prices would stabilise in the coming years with the prospect of better weather conditions in Brazil and India, combined with more optimistic sugar production estimates.

World sugar demand to grow at 2%



Source: ISO, Industry data, September 2010

Sugar price rebounded 50% after slump in June



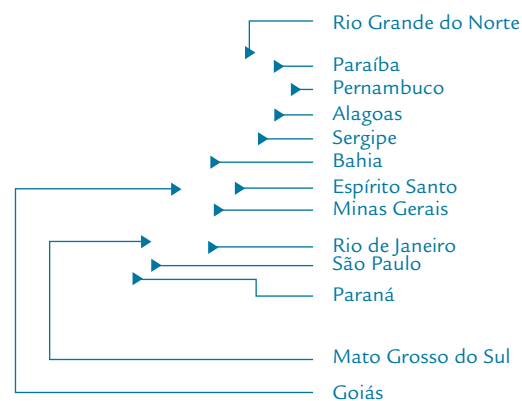
Going forward given low stock to use ratio present in the industry, any supply shocks will result in higher prices

BRAZILIAN SUGAR INDUSTRY

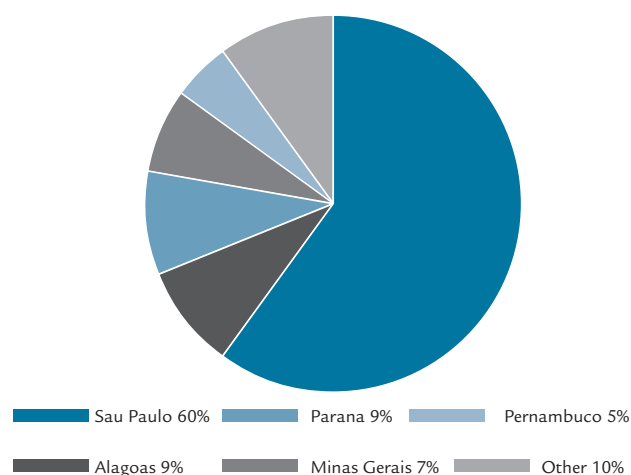
Quick facts

- ▶ Largest and among the lowest-cost producers of sugar in the world
- ▶ Accounts for over 70% of global raw sugar exports
- ▶ Ethanol market supported by growth of Flex-fuel vehicles

Sugarcane cultivation regions of Brazil



Geographic break-up of sugar producing states of Brazil



BRAZILIAN SUGAR SECTOR FOLLOWING DEREGULATION

The Brazilian sugar industry grew rapidly after deregulation of the sugar sector in 1990. Prior to liberalisation, the Brazilian industry was ruled by IAA – the Sugar and Ethanol National Institute. Brazilian sugar production increased from around 7.3 mt in CY91 to around 31 mt in CY09.

Following is the history of Brazilian liberalisation process:

1990: Elimination of public production and export controls

1991: The mandate for national agencies and sector ministries to look over some of the IAA tasks

1997: Establishment of CIMA – The sugar and ethanol Inter-ministerial Council (responsible for recommendation for ethanol blending etc.)

1999: Creation of the sugarcane payment model 'Consecana'. An arrangement between sugar and ethanol producers and sugarcane growers to share risks and profits.

Sugar

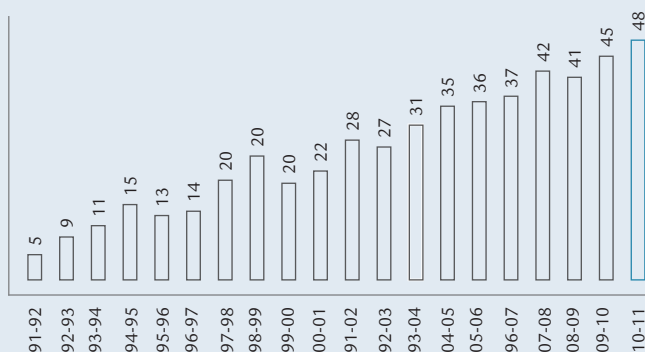
High global prices have encouraged Brazil to produce sugar for export, as sugarcane refiners in Brazil continue to reallocate their production mix of sugar versus ethanol. During 2010-11, Brazil produced 33.5 Million MT of sugar out of which around two-thirds of the production will be exported, accounting for more than 48% of global trade flow. Total global sugar imports, on the other hand, are expected to decline. The reasons: increased domestic production in many countries will meet the sugar demand in the international market, and particularly in India, which was the biggest sugar importer in 2009/10.

Center - South Brazil production update

	CY09	CY10E
Cane crushing (mt)	526	555
% Sugar	43	44
% Ethanol	57	56
ATR/ton of sugarcane	131.07	141.28
ATR	69	78
Sugar production	28.3	33.5
Ethanol production	22.9	25.2
Hydrous(b lit)	16.8	17.8
Anhydrous(b lit)	6.1	7.4

Source: UNICA

Brazil's market share of global sugar exports* (%)



* Sugar exports including white and raw sugar,

Source: UNICA

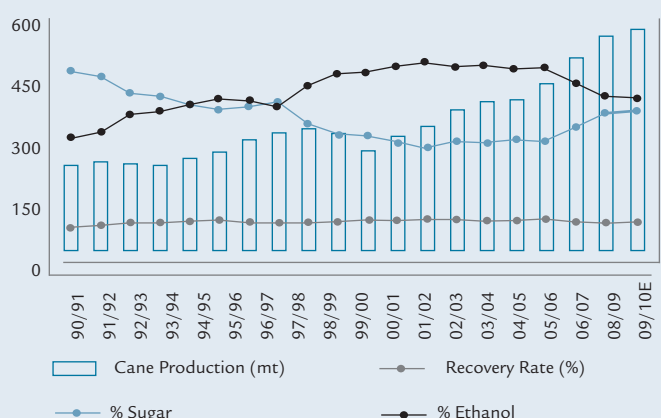
Ethanol

Brazil is the second largest producer preceded only by USA. The demand of ethanol has increased in Brazil with the advent of full flexi fuel vehicles in 2003. Currently Brazil is sugar: ethanol production mix is 55% skewed towards ethanol production. 90% of the ethanol produced is consumed domestically. The industry also helps the country to de-risk itself from the rising crude oil prices by the way of providing bio-ethanol for fuelling of flexible-fuel vehicles. With growing number of flexible fuel fleet, the ethanol supply and demand scenario in the domestic market is expected to remain balanced.

Flex fuel cars represent around 40% of the Brazilian fleet. UNICA estimates a likely product mix of sugar and ethanol to be 46:54 in 2011, compared to 45:55 in 2010.

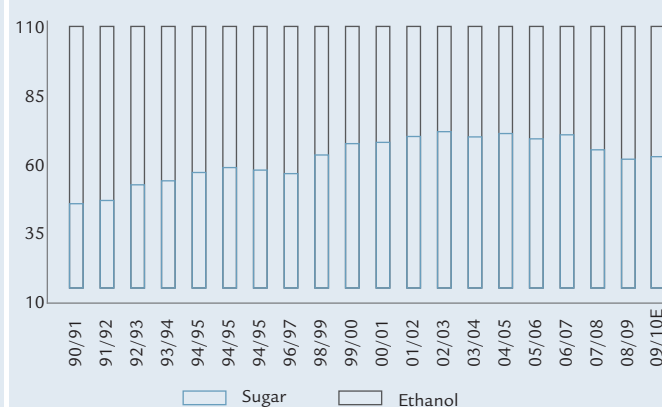


Share of sugarcane used to make sugar and ethanol



Source: UNICA

Sugar/ethanol break-up (%)



Brazil's sugar and ethanol industry is expected to witness a new wave of consolidation as producers and distributors diversify their businesses. Besides, many international energy majors are looking at Brazil's ethanol industry to establish a scalable and profitable position in sustainable bio-fuels by building competitive positions in the most efficient ethanol producing country in the world, and by exploring opportunities to produce and sell ethanol globally.

INDIAN SUGAR INDUSTRY

Quick facts

- ▶ India contributes about 12% of world sugar production with an expected annual sugar production of 25 Million tons (as per Indian Sugar Mills Association) in 2010-11
- ▶ Over 5 Million hectares of land is allocated for sugarcane cultivation with a productivity of 69 tons on each hectare
- ▶ There are 624 sugar factories, dispersed over UP, Maharashtra and other states, with average crushing capacity of approximately 3,500 TCD
- ▶ Second largest agro-based processing industry after the cotton textiles industry in country, involving more than 4.5 crore farmers in the sugarcane cultivation

Production and consumption

India's sugar industry has entered the strongest up-cycle (lowest stock to use ratio) in the last half-a-century after witnessing a supply shortfall in previous two consecutive sugar seasons in a row. The production reached an all-time low of 14.7 Million tons during SS 2008-09 owing to declining sugarcane acreage. In view of the adverse demand-supply scenario, the government revised the cane pricing system that encouraged farmers towards increasing the sugarcane plantation area. Moreover, good monsoons boosted cane productivity. As a result, the sugar output increased to 19 Million tones, and is further expected to reach 23-25 Million tons for the next season, thus providing export opportunity. However, sugar consumption continued to grow steadily on account of rising per capita income and government interventions to adjust stocks and facilitate trade to ensure adequate monthly availability. Despite rising prices, the sugar demand did not witness a decline among bulk consumers.

Million tones	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Production	14.00	12.69	19.27	28.3	26.3	14.5	18.8
Consumption	17.29	18.50	18.50	20.0	22.2	22.5	23.5

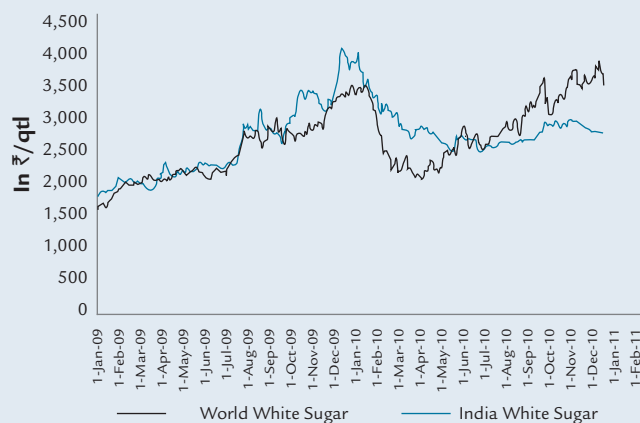
Source: ISMA



Sugar Price

Sugar prices in India have eased considerably from February 2010 on improved expectations of domestic production. At present, the Indian sugar prices are at a 25-27% discount to global prices.

Sugar price comparison



Ethanol and Cogeneration in India

The Cabinet Committee on Economic Affairs mandated 5 % blending of ethanol with petrol in November 2009. The ethanol blending programme is primarily based on indigenously produced ethanol from sugarcane molasses, which, besides augmenting fuel availability in the country, would also provide better returns for sugarcane farmers. The Ministry also recommended an interim ethanol price at ₹27 per litre for three years in December 2009, which came into effect from October 2010.

Bagasse enjoys a very strong demand in paper and biomass-based power projects. Currently, bagasse generation accounts for just 0.6% of the total power generated, but it has the potential to generate 6% of future power requirements in 2017. The State Electricity Regulatory Commission (SERCs) encouraged the cogeneration projects by increasing price and providing permission to sell a part of power produced through open access in the market (*Source: ICRA Research Report, June, 2010*).



Co-generation Plant, Usina Equipav



Consolidated year-on-year performance

(₹ in Million)

	2005-06	2006-07	2007-08	2008-09	2009-10
Total Income	11,111	9,635	21,295	28,225	78,516
EBITDA	1,664	1,449	2,678	4,721	13,575
PBT	1,388	1,066	1,608	2,968	8,741
PAT	1,198	830	1,339	2,235	7,034
Pro-forma EPS*	5.06	3.35	4.85	7.05	10.33
Net worth	2,944	4,217	8,320	15,274	23,370
Net block	1,194	5,623	7,516	14,149	64,387

* Pro-forma EPS calculated at ₹ 1 per share and paid up capital at the end of the year

Key ratios

(%)

	2005-06	2006-07	2007-08	2008-09	2009-10
EBITDA / Total income	14.98	15.03	12.57	16.73	17.29
PBT / Total income	12.49	11.06	7.55	10.52	11.13
PAT / Total income	10.78	8.61	6.28	7.92	8.96

DURING 2009-10

- ▶ Total income increased 178%
- ▶ EBITDA increased 188%
- ▶ PAT increased 215%
- ▶ EPS increased 37%



Segmental operational performance

Sugar plant

Manufacturing operations*

	India	
	2009-10	2008-09
Sugarcane crushed (Tons)	4,030,068	3,519,953
Raw sugar processed (Tons)	876,157	663,032
Sugar produced from cane (Tons)	449,263	377,705
Sugar produced from raw sugar (Tons)	829,000	637,089
Recovery (weighted average)(%)	11.15	10.73

* Including operational performance of Gokak Sugars Limited

DURING 2009-10

- ▶ Sugar contributed to 67% of the total revenues
- ▶ Sugar revenues and PBIT increased 97% and 127%, respectively
- ▶ Sugar assets increased 17%



Cogeneration plant

	India	
	2009-10	2008-09
Power generated (Million Kwh)	634	373
Captive consumption (Million Kwh)	237	141
Power exported (Million Kwh)	397	232
Average realisations per Kwh	4.78	6.45

DURING 2009-10

- ▶ Co-generation contributed to 7% of the total revenues
- ▶ Co-generation revenues increased 33% while PBIT declined 53%
- ▶ Co-generation assets increased 29%

Ethanol plant

	India	
	2009-10	2008-09
Total spirit produced (kilolitres)	76,738	77,508
Average realisations per litre	27.75	25.92

FINANCE REVIEW (STANDALONE)

Revenues

At SRS, our total turnover (including total revenues net of excise duty and including other income) increased 150% to ₹ 55,979 Million for the year ending September 30, 2010, compared to ₹ 22,398 Million in the previous year. The increment was the result of the following:

- ▶ Increase in sugar segmental sales to ₹ 36,683 Million from ₹ 18,616 Million in the previous year
- ▶ Enhanced segmental sale of power generation to ₹ 3,944 Million from ₹ 2,955 million in the previous year
- ▶ Decline in segment sales of Ethanol to ₹ 1,419 Million from ₹ 1,686 Million in the previous year
- ▶ Increase in revenues of Trading to ₹ 16,646 Million from ₹ 1,703 Million in the previous year

The segment sales of manufactured sugar increased 52% to 1,217,425 MT from 802,485 MT in the previous year with an average net realisation of ₹ 28,606 per MT for the year, compared to ₹ 21,398 per MT in the previous year. The manufactured sugar sales in Q4 2010 increased 36% from 285,271 MT in Q4 2009 to 384,591 MT of sugar with an average net realisation of ₹ 26,670 per MT for the quarter as compared to ₹ 24,762 per MT for corresponding quarter for the last year.

Cogeneration revenue stood at ₹ 1,894 Million, owing to a rise in power export to Grid by 71% from 232 million units to 397 million units. There has been a decrease in net realisation from ₹ 6.45 to ₹ 4.78 per unit export of power. Besides, there was an increase in export of power to Grid by 67% from 33 million units in Q4 2009 to 55 million units in Q4 2010.

Sales from Ethanol division during the year decreased 26% compared to previous

year due to declining sales from 65,025 KL to 51,149 KL. The average realization increased to Rs. 27,744 vis-à-vis Rs. 25,924 in the previous year. Sales from Ethanol plant in Q4 2010 have decreased by 44% from 16,950 KL to 9,551 KL as compared to the sales for Q4 2009 with average realization from Rs. 30,441 to Rs. 24,272, an 20% decrease.

Production

A total of 4,030,068 MT of cane was crushed across all the plants for the year ending September 30, 2010, as compared to 3,519,953 MT in the previous year. Sugar bagged increased 19% to 449,263 MT from 377,750 MT. Sugar yield (recovery) per ton of cane increased to 11.15% from 10.73% in the previous year.

Total sugar produced in the refineries from raw sugar increased from 637,089 MT to 829,000 MT. Total sugar produced for the year increased 26% to 1,278,263 MT vis-à-vis 1,014,794 MT in the previous year.



The closing sugar stock was recorded at 359,451 MT (including 244,153 MT of white sugar, 26,733 MT of imported white sugar and 88,565 MT of raw sugar) as on September 30 2010. Inventory of Ethanol and Molasses was 30,716 KL and 64,733 MT, respectively.

Expenditure

The total expenditure (excluding provisions for tax, interest and depreciation) increased by 160% to Rs. 48,733 million for year ending September 30, 2010 vis-à-vis Rs. 18,713 million in the previous year.

Raw materials

Cumulative raw material consumption touched ₹ 45,061 Million for the year ending September 30, 2010 vis-à-vis previous year's ₹ 16,035 million. This is owing to an increase in crushing and rise in cane price.

Interest

The interest cost as a percentage of total revenues increased marginally to 1.47% for year ending September 30, 2010 from 3.95% in the previous year. The interest cost declined 7% to Rs. 825 Million from Rs. 884 Million in the previous year, as a result of better working capital management and interest cost.

The long term debt outstanding as on September 30, 2010 is ₹ 12,924 million.

Profit before tax

The profit before tax increased 158% to ₹ 5,606 Million for the year ending September 30, 2010 from ₹ 2,176 Million in the previous year, due to changes in various revenue and cost items discussed above.

Provision for income tax

Income tax provision surged 103% to ₹ 1,504 Million for the year ending

September 30, 2009 from ₹ 741 Million in the previous year due to a rise in taxable income.

Profit after tax

Profit after tax increased 186% to ₹ 4,102 million for the year ending September 30, 2010 from ₹ 1,435 million in the previous year due to changes in various revenue and cost items discussed above.

INTERNAL CONTROL SYSTEM

The Internal Audit function has been outsourced to a firm of Independent Chartered Accountants who conduct audit on the basis of Annual Audit Plan, as approved by the Audit Committee of the Board, covering all the factories and locations of the Company. The objective of such audits is to ensure adequacy of internal control systems and processes, adherence to the Company's policies and guidelines and compliance with applicable statutes.

These audits also determine whether adequate controls are in place to mitigate risks. Internal Audit has a follow up process in place to verify the implementation of recommendations made. Special audits are also conducted as directed by the management/Audit Committee.

The Audit Committee of the Board of Directors inter-alia reviews the observations made by the internal auditors on the control mechanism and the adequacy of the internal control system, recommendations for corrective actions and implementation thereof, compliance related matters, operations of the Company, adherence to the laid down processes and guidelines.

The Company has implemented SAP at all its units to ensure effective IT security and systems thus ensuring real time availability of information at various locations.

RISKS AND CONCERNS

Risks are both internal and external, some of which could be largely anticipated, whereas others could not. Risks are an integral part of any business and the risk profile, to a great extent, depends on the economic and business conditions and the markets and customers we serve.

The Company has adopted a 'Risk management Policy' which is reviewed on a periodic basis in order to recognize and reduce exposure to risks wherever possible. The Company's Forex policy offers a natural hedge to currency exposure. The Company's risk management policies are based on the philosophy of achieving substantial growth while mitigating and managing risks involved. Few of the risks associated with our businesses are enumerated below :

- ▶ Fluctuations in demand and price for finished products viz. sugar, ethanol and power
- ▶ Fluctuations in the price and availability of key raw materials, including sugarcane, raw sugar, energy prices
- ▶ Increase in interest rates
- ▶ Adverse fluctuations in the exchange rate of the Rupee against major international currencies
- ▶ Increasing transportation costs
- ▶ Strikes or work stoppages
- ▶ Changes in government policies affecting the sugar industry in India or globally
- ▶ Accidents, natural disasters or outbreaks of diseases





Directors' Report

The Board of Directors is pleased to present the Fifteenth Annual Report of your Company together with the audited financial statements for the year ended September 30, 2010.

The Members of
Shree Renuka Sugars Ltd

The Board of Directors is pleased to present the Fifteenth Annual Report of your Company together with the audited financial statements for the year ended September 30, 2010.

FINANCIAL RESULTS

	(₹ in Million)	
Particulars	2009-10	2008-09
Revenues	55,979	22,398
Profit before financial expenses and depreciation	7,246	3,685
Financial expenses	825	884
Depreciation and amortisation	815	625
Profit before provision for tax	5,606	2,176
Provision for taxation :		
- Current	943	341
- Deferred tax	560	400
- Wealth Tax	1	-
Less: Prior period adjustments	1	-
Net Profit	4,101	1,435
Less: Brought forward loss on amalgamation of subsidiaries	39	-
Profit brought forward from the previous year	1,129	685
Profit available for appropriation	5,191	2,120
Transfer to General Reserves	1,000	500
Transfer to Debenture Redemption Reserve	120	120
Dividend on equity shares	671	317
Dividend tax	111	54
Retained in the Profit & Loss Account	3,289	1,129



OPERATING HIGHLIGHTS

The Company achieved turnover of ₹ 55,979 Million for the year ended September 30, 2010 as against ₹ 22,398 Million of the previous year, registering a growth of 150%. EBITDA for the year under review stood at ₹ 7,246 Million compared to ₹ 3,685 Million of the previous year, a strong growth of 97%. Net profit increased substantially by 186% to ₹ 4,101 Million from ₹ 1,435 Million of the previous year. Analysis of operating performance is covered under "Management Discussion and Analysis" which forms part of this Report.

AMALGAMATION

During the year under review two wholly owned subsidiaries of the Company viz. Godavari Biofuel Pvt Ltd and Ratnaprabha Sugars Ltd have been amalgamated with the Company (Shree Renuka Sugars Ltd). In terms of the above Scheme all assets, liabilities, rights, licences, permissions etc. of Godavari Biofuel Pvt Ltd and Ratnaprabha Sugars Ltd stands transferred to and vested in Shree Renuka Sugars Ltd from April 1, 2009 being the appointed date. As from December 10, 2010 being the effective date of the Scheme, Godavari Biofuel Pvt Ltd and Ratnaprabha Sugars Ltd stands dissolved without winding up.

DIVIDEND

The Board of Directors at its meeting held on September 28, 2010 declared 100% interim dividend i.e. ₹ 1/- per equity share having face value of ₹ 1/- each. The total dividend pay-out for the financial year 2009-10 (including dividend distribution tax) was ₹ 781,724,070/-. The said dividend was paid on October 11, 2010.

Your Directors have taken a decision to treat the interim dividend as final dividend for the financial year 2009-10.

TRANSFER TO RESERVES

The Company has transferred ₹ 1,000 Million to the General Reserves and an amount of ₹ 120 Million to the Debenture Redemption Reserve out of the amount available for appropriation. An amount of ₹ 3,289 Million is proposed to be retained in the Profit & Loss Account.

FIXED DEPOSITS

The Company has not accepted any deposits from the public within the meaning of provisions of Section 58A and 58AA of the Companies Act, 1956 ("the Act").

FURTHER ISSUE OF CAPITAL

During the year the Company had issued and allotted 18,000,000 fully paid-up equity shares of ₹ 1/- each at a price of ₹ 114.37, aggregating to ₹ 2,058.66 Million to Promoters, in accordance with SEBI guidelines, on preferential basis, consequent to the exercise of warrants issued to them.

BONUS ISSUE

The members at the last Annual General Meeting of the Company approved issue of Bonus shares in the ratio of 1:1. Accordingly, the Company issued and credited 334,900,000 equity shares to all those members whose names appeared as on March 17, 2010, being the Record Date fixed for ascertaining entitlement for Bonus Issue.

STRATEGIC ACQUISITIONS AND DEVELOPMENTS

In March 2010, the Company completed acquisition of Renuka Vale Do Ivaí S/A (VDI) formerly Vale Do Ivaí S/A Açúcar E Álcool, a Brazilian sugar and ethanol production company located in Parana state of Brazil. Pursuant to the above acquisition, VDI has become a wholly owned subsidiary of the Company. The acquisition includes two sugar and ethanol production facilities located in the Southern State of Parana with a combined crushing capacity of 3.1 Million tons per annum.

In July 2010, the Company completed its second Brazilian acquisition by acquiring a controlling stake of 50.34% in Equipav S.A. Açúcar e Álcool ("Equipav AA") which has been renamed as "Renuka do Brasil S/A (RdB)". RdB consists of two very large and modern sugar/ethanol mills with integrated co-generation facilities in Sao Paulo state in Southeast Brazil having a combined cane crushing capacity of 10.5 Million tons of cane per annum (44,400 TCD). In addition, RdB has a co-generation capacity of 203 MW. Cane supply comes from the cultivation of about 115,000 Ha of land of which nearly 2/3rd is cultivated by the RdB with very high level of mechanisation for both planting and harvesting. The mills have easy access to the main ports of Santos and Paranagua, which provides logistic benefits to RdB.

Above acquisition in Brazil has transformed your Company from a local player to a global player in sugar and ethanol sectors, having a substantial presence in the largest ethanol and sugar markets of the world and making it one of the largest sugar company in the world.

FROM LOCAL TO GLOBAL

The acquisitions in Brazil have transformed SRSL from a local player to a global player in sugar and ethanol sectors, having a substantial presence in the largest ethanol and sugar markets of the world and making it one of the largest sugar Company in the World.



During the year, the Company has received Letters of Intent for supply of 118 Million litres of Ethanol to the Oil Marketing Companies (Indian Oil Corporation, Hindustan Petroleum Corporation Ltd, Bharat Petroleum Corporation Ltd) for states of Karnataka, Andhra Pradesh, Kerala, Goa and Maharashtra for a period of one year

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

The Management Discussion and Analysis Report on the business and operations of the Company is attached to this report.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India on Consolidated Financial Statements, attached are the Consolidated Financial Statements, which form part of this Annual Report. These Consolidated Financial Statements provide financial information about your Company and its subsidiaries after elimination of minority interest, as a single entity.

The Company has been granted exemption under Section 212(8) of the Act for the year ended September 30, 2010 by the Ministry of Corporate Affairs from attaching to its Annual Report, copies of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and the Auditors and other documents required to be attached under Section 212(1) of the Act, of all its subsidiary companies. Accordingly, the said documents are not attached with the Balance Sheet of the Company. A statement containing brief financial details of each of the subsidiary companies is included in the Annual Report, in terms of the exemption letter. The Annual Accounts of the subsidiary companies and related detailed information will be made available to the members at any point of time for inspection at the registered office of the Company and at the registered office of the respective subsidiary companies. The Company will make available the Annual Report of the subsidiaries upon request by any member of the Company/Subsidiaries of the Company interested in obtaining the same.

OTHER SIGNIFICANT DEVELOPMENTS

During the year, the Company has received Letters of Intent for supply of 118 Million litres of Ethanol to the Oil Marketing Companies (Indian Oil Corporation, Hindustan Petroleum Corporation Ltd, Bharat Petroleum Corporation Ltd) for states of Karnataka, Andhra Pradesh, Kerala, Goa and Maharashtra for a period of one year.

A new standalone sugar refinery with refining capacity of 3,000 TPD at Kandla, West Coast of India is under implementation and expected to be operational in April 2011.

During the year, the Company has increased its stake in National Commodity & Derivatives Exchange Ltd (NCDEX) from 5% to 12.5%.

DIRECTORS

Mrs. Vidya Murkumbi, Mr. Sidram Kaluti and Mr. Nandan Yalgi, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

During the year Mr. Nitin Puranik, Whole-Time Director, resigned from the office of Director and Mr. G. K. Sood vacated the office of Director pursuant to the provisions of Section 260 of the Act. The Board place on record its appreciation for the valuable services and guidance rendered by them during their tenure as Directors of the Company.

Brief resume of the Directors seeking re-appointment, as stipulated under Clause 49 of the Listing Agreement with the stock exchanges are given in the Section on Corporate Governance, which forms part of this Annual Report.

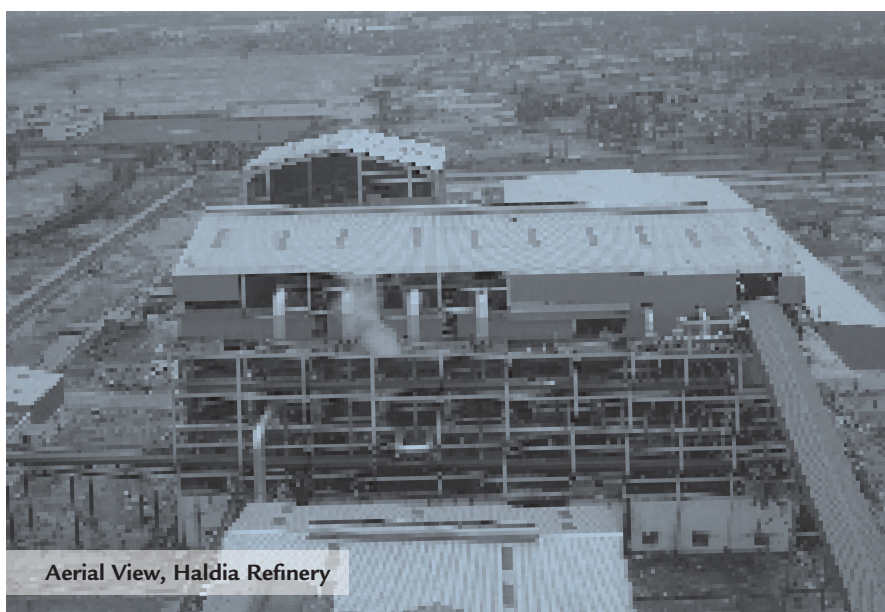
AUDITORS AND AUDITORS' REPORT

M/s Ashok Kumar, Prabhashankar and Co., Chartered Accountants, Bangalore, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended by the Board of Directors for re-appointment. Certificate from the said Auditors has been obtained to the effect that their re-appointment, if made, would be within the limits specified under Section 224 (1B) of the Act.

The Auditors' Report to the members on the Accounts of the Company for the year ended September 30, 2010 does not contain any qualification.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217 (2AA) of the Act, and based on the representations received from the management, the Directors confirm that:



Aerial View, Haldia Refinery

A new standalone sugar refinery with refining capacity of 3,000 TPD at Kandla, West Coast of India is under implementation

an opportunity to share the growth of the Company as also to foster long-term commitments, Stock Options are granted by the Company. The Company granted 9,523,840 options under the Company's Employee Stock Option Scheme - 2006 to eligible Employees/Directors. The necessary disclosures as stipulated under the SEBI Guidelines are given in Annexure to this Report. The Company intends to implement Employee Stock Option Plan - 2011 to its eligible Employees/Directors as well as that of its holding and subsidiaries for which approval of members is being sought at the ensuing Annual General Meeting.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation 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 their trust and confidence reposed on us and look forward to their continued support at all times. Your Directors wish to place on record their sincere appreciation for the significant contributions made by employees at all levels for their competence, perseverance and hard work that has enabled the Company to achieve new milestones on a continual basis.

On Behalf of the Board of Directors

Mumbai

February 11, 2011

Vidya Murkumbi

Executive Chairperson

- a) in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures from the same if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at September 30, 2010 and of the Profit & Loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a "going concern" basis.

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

Information as per the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy,

technology absorption, foreign exchange earnings and outgo are forming part of this Report and is annexed hereto.

CORPORATE GOVERNANCE

Your Company complies with all mandatory requirements as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges. The Report on Corporate Governance along with the Auditors' Certificate on its compliance, forms part of this Report and is annexed hereto.

PARTICULARS OF EMPLOYEES

Information as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in an Annexure forming part of this Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

HUMAN RESOURCES

The Company's HR policies and procedures are designed to recruit and retain the best talent to support the growth momentum of your Company to align the interest of employees with those of the Company and to provide them with



Annexure to Directors' Report

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken:

- ▶ Installed KVAR Capacitor Bank to improve the power factor and thereby to reduce the power loss and improve the life of equipments.
- ▶ Variable Frequency Drives (VFD) are installed to optimize the energy consumption in Boiler ID, FD, SA Fans, Feed Water Pumps, Bagasse and Coal Feeders, Mill Drives, Feeder Table, Clear Juice Pumps, Crystallizer Drives, Cane Carriers.
- ▶ Flash steam recovery system introduced in evaporators to reduce the steam consumption.
- ▶ HP Heater introduced in the high pressure steam boiler to minimise the station heat rate, thus reducing the fuel consumption.
- ▶ Pan condensor automation reduces the power consumption.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

In addition to the equipments installed as mentioned under (a) above, more VFDs are proposed to be installed to improve the energy efficiency.

c) Impact of the measures taken:

Reduction in energy consumption is observed

d) Total energy consumption and energy consumption per unit of production:

As per Form A annexed hereto

B. TECHNOLOGY ABSORPTION:

As per Form B annexed hereto.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

As the Company deals with regulated commodities there is limited scope for export promotion.

- b) Foreign exchange earnings and outgo:

Foreign Exchange earnings: ₹ 7,309.80 Million

Foreign Exchange outgo: ₹ 33,726.00 Million

FORM A

Disclosure of Particulars with respect to Conservation of Energy

Particulars	2009-10	2008-09
A. POWER AND FUEL CONSUMPTION		
ELECTRICITY		
Purchased units (Kwh)	37,778,300	12,591,100
Total Amount (₹)	264,963,851	63,421,811
Own Generation		
i) Through Diesel Generator (Units in Kwh)	374,608	363,756
Units per liter of diesel (Kwh/liter)	3.51	3.30
ii) Through steam turbine generation	613,969,204	386,111,042
Kg of bagasse required for one Kwh power	3.07	3.00
iii) Total units generated	614,343,812	386,474,798
Total/ cost in ₹/Units	3.47	3.75
B. CONSUMPTION PER UNIT OF SUGAR PRODUCTION		
Total generation of electricity Kwh	614,343,812	386,474,798
Less: Consumption of cogen plant Kwh	68,920,886	45,147,523
Less: Consumption of distillery plant Kwh	23,483,412	19,054,311
Less: Export to grid Kwh	429,708,320	231,914,843
Consumption for sugar plant Kwh	130,009,495	102,897,214
Electricity-Kwh/MT of Sugar	112	117

FORM B

Disclosure of particulars with respect to absorption

Research & Development (R&D):

1. Ethanol production from beet – The Company is in the process of installing a 3000 TPD beet processing plant, which will involve a diffuser to extract juice from the beet and send it to the distillery for fermentation.



2. Spent wash incineration in cement kiln – Successfully conducted trials to burn the spent wash (effluent from the distillery) in cement kilns.
3. Mechanized cane & plantation harvesting – The Company has introduced mechanised cane planter, while the mechanised cane harvester is being developed. For mechanized harvesting, company has adopted the wide row plantation system.
4. Reduction in dextran in sugar – The Company is developing a biological enzymes to reduce the dextran in refined sugar.

Benefits derived as a result of the above R&D—

1. Beet juice for ethanol production provides with another feedstock for ethanol production which will in turn support the government policy of ethanol blending with petrol.

2. Spent wash is a difficult effluent to treat. This trial of burning the spent wash in the cement kiln not only solves the problem of treating the effluent, but also reduces the quantity of coal used in the cement kilns.
3. Dependence on manual labour for the cane plantation and harvesting will be reduced with the introduction of mechanized plantation and harvesting.
4. Improvement in quality of refined sugar will be possible with the reduction in dextran.

Future plan of action

1. To develop sustainable system for the implementation of the above activities on a large scale.

Expenditure Incurred

1. Capital – ₹ 458 Million
2. Recurring – ₹ 22.4 Million

3. Total – ₹ 480.4 Million

Technology absorption, adaptation & innovation

1. Installation of the melt concentrator at our refineries.
2. Installation of steam transformer in our refinery.
3. Condenser automation.

Benefits derived from the above efforts

1. Reduction in steam consumption due to melt concentration.
2. Steam transformer ensures 100% pure condensate return to the boiler, thus saving steam required for heating make up water from 35° C to 110° C.
3. Reduction in power consumption by adopting the condenser automation, also steady vacuum in the pans station gives better efficiency in pan boiling.

The applicable disclosures as stipulated under the SEBI Guidelines as at September 30, 2010, pertaining to ESOP are as under :

Particulars	Scheme 1	Scheme 2	Scheme 3
a) Options granted*	4,238,000	4,000,000	2,829,840
b) Pricing Formula	Prevalant market price as on date of grant	Prevalant market price as on date of grant	Prevalant market price as on date of grant
c) Options Vested	2,119,000	0	0
d) Options exercised	582,000	0	0
e) Total number of shares arisen as a result of exercise of Options	582,000	0	0
f) Options lapsed	330,000	632,000	0
g) Variation in terms of options	Nil	Nil	Nil
h) Money realised by exercise of option	₹ 17,198,100	Nil	Nil
i) Total number of Options in force	3,326,000	3,368,000	2,829,840
j) Employee wise detail of Options granted to :			
(i) Any employee who received a grant in any one year of Options amounting to 5% or more of options granted during that year	Nil	Nil	Nil
(ii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% or more of the issued capital of the Company at the time of the grant.	Nil	Nil	Nil
k) Diluted Earnings per share (EPS) before exceptional items pursuant to issue of shares on exercise of options calculated in accordance with Accounting standard (AS) 20 'Earnings per share'	6.27	Not Applicable	Not Applicable

* The figures relating to Options have been adjusted for split & bonus Issue

The exercise price of the above schemes is the market price prevailing as on the date of grant and the taxes as may be applicable is borne by the respective employees of the Company. Hence the issuance of options does not and the consequent exercise of the options will not affect the Profit & Loss Account of the Company.

The Company has received a Certificate from the Auditors of the Company that the scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed at the Annual General Meeting held on December 28, 2006. The Certificate will be placed at the Annual General Meeting for inspection of members.





Corporate Governance Report

Shree Renuka Sugars Ltd is committed to good governance practices that create long term sustainable shareholder value.

1. COMPANY PHILOSOPHY

Shree Renuka Sugars Ltd 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.

2. BOARD OF DIRECTORS

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The strength of the Board of Directors as on September 30, 2010 was ten, three being Executive Directors including Executive Chairperson and Vice Chairman & Managing Director and seven being Non-Executive Directors, out of which six Directors are Independent Directors.

Seven Board Meetings were held during the financial year ended September 30, 2010, the dates of the Board Meetings are as follows:

- ▶ November 20, 2009 ▶ January 15, 2010 ▶ January 25, 2010 ▶ April 12, 2010
- ▶ April 27, 2010 ▶ August 12, 2010 ▶ September 28, 2010



Attendance of the members of the Board of Directors at the Board Meeting during 2009-10 and at the last Annual General Meeting and other Directorships and Memberships of the Committees of the Board as on September 30, 2010 are as follows:

Sr. No.	Name of Director	Nature of Directorship	No. of Board Meetings attended	Attendance at last AGM	Number of other Directorships*	Number of Committee positions held in other Public Companies	
						Member	Chairman
1	Mrs. Vidya Murkumbi	Executive Chairperson	4	Yes	3	-	-
2	Mr. Narendra Murkumbi	Vice Chairman & Managing Director	7	Yes	5	1	-
3	Mr. Sanjay Asher	Independent Director	6	Yes	14	8	2
4	Mr. S. K. Tuteja	Independent Director	7	No	13	9	5
5	Mr. Hrishikesh Parandekar	Independent Director	6	No	-	-	-
6	Mr. Robert Taylor	Independent Director	7	No	-	-	-
7	Mr. Jonathan Kingsman	Independent Director	3	No	-	-	-
8	Mr. J. J. Bhagat	Independent Director	4	No	1	-	-
9	Mr. Sidram Kaluti	Non-Executive Director	5	Yes	3	2	-
10	Mr. Nandan Yalgi	Whole Time Director	6	Yes	4	-	-
11	Mr. Nitin Puranik**	Whole Time Director	6	No	1	-	-
12	Mr. G. K. Sood**	Whole Time Director	2	-	1	-	-

*excludes Private/Foreign Companies

** part of the year

3. BOARD COMMITTEES

Currently, the Board has the following Committees, Audit Committee, Remuneration/Compensation Committee, Investors' Grievance Committee and Risk Management Committee. The Board is responsible for constituting, assigning, co-opting for Committee Members to various Committees.

The Vice Chairman & Managing Director, in consultation with the Executive Chairperson, determines the frequency of meetings and duration of the Committee.

The quorum for meetings is either two members or one-third of the members of the committees, whichever is higher.

4. AUDIT COMMITTEE

Composition:

The Audit Committee comprises of three Independent Directors. The Audit Committee met four times during the year on November 19, 2009, January 14, 2010, April 26, 2010 and August 11, 2010. Attendance of the members at the meeting was as under:

Sr. No.	Name	Status	No. of meetings attended
1	Mr. Sanjay Asher	Chairman	3
2	Mr. Robert Taylor	Member	3
3	Mr. Hrishikesh Parandekar	Member	4



The Chief Financial Officer, Executives and External & Internal Auditors are invitees to the meeting. The Company Secretary is the Secretary of the Committee.

Terms of Reference and Powers:

- ▶ Oversee Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ▶ Recommend the appointment and removal of external auditor, fixing audit fees and also approval for payment for any other service;
- ▶ Review with management the quarterly, half yearly and annual financial statements before submission to the Board;
- ▶ Review with the Management, External and Internal Auditors, adequacy of internal control system;
- ▶ Review 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;
- ▶ Discussion with the Internal Auditors, any significant findings and follow up thereon;
- ▶ Review the findings of any internal investigation by the Internal Auditors in to matters where there is suspected fraud;
- ▶ Discussion with External Auditors before the audit commences nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- ▶ Review Company's Financial Risk Management Policies and also to look into the reasons for substantial defaults in payments to shareholders and creditors;
- ▶ Review any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose shall have full access to information contained in the records of the Company and obtain external professional advice, if necessary.

5. REMUNERATION/COMPENSATION COMMITTEE

The Board has constituted a Remuneration/Compensation Committee, comprising of three Independent Directors. The Committee has been constituted to recommend/review remuneration of the managerial personnel, based on their performance and defined assessment criteria and to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders. The Committee also monitors and administers the implementation of Employees' Stock Option Schemes. During the year, the Committee met four times on November 20, 2009, January 15, 2010, August 12, 2010 and September 02, 2010. Attendance of the members at the meeting were as under:

Sr. No.	Name	Status	No. of meetings attended
1	Mr. S.K. Tuteja	Chairman	4
2	Mr. Sanjay Asher	Member	4
3	Mr. J. J. Bhagat	Member	2





Details of remuneration paid/payable to Executive Directors for the year ended September 30, 2010

(₹ in Million)

Sr. No.	Name	Salary/ Perquisites/ Ex-Gratia	Retirement benefits	Commission	Others
1	Mrs. Vidya Murkumbi	17.85	2.14	56.93	-
2	Mr. Narendra Murkumbi	12.00	1.44	56.93	-
3	Mr. Nandan Yalgi	4.26	0.29	-	-
4	Mr. Nitin Puranik#	3.66	0.27	-	0.91
5	Mr. G. K. Sood#	3.96	0.27	-	-

#part of the year

The details of sitting fees paid to Non-Executive Directors of the Company during the year are as under:

(₹ in Million)

Sr. No.	Name	Sitting Fees
1	Mr. J. J. Bhagat	0.12
2	Mr. Sanjay Asher	0.34
3	Mr. Robert Taylor	0.24
4	Mr. Jonathan Kingsman	0.07
5	Mr. S. K. Tuteja	0.30
6	Mr. Hrishikesh Parandekar	0.20

6. INVESTORS' GRIEVANCE COMMITTEE

Composition:

The Investors' Grievance Committee comprises of two Independent Directors and two Executive Directors. The Chairman of the Committee is an Independent Director. The Committee met four times during the year on November 20, 2009, January 15, 2010, April 27, 2010 and August 12, 2010. Attendances of the members at the meeting were as under:

Sr. No.	Name	Status	No. of meetings attended
1	Mr. Sanjay Asher	Chairman	4
2	Mr. S. K. Tuteja	Member	4
3	Mrs. Vidya Murkumbi	Member	3
4	Mr. Narendra Murkumbi	Member	4

Chief Financial Officer and Company Secretary are the invitees of the Committee.

Terms of Reference: Look into the redressing of shareholder/investor complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend, etc.

During the year, 231 investor complaints were received and resolved and there was no complaint pending unresolved at the end of the year September 30, 2010.

7. RISK MANAGEMENT COMMITTEE

The Risk Management Committee is headed by Mr. Robert Taylor, Independent Director, Mr. Narendra Murkumbi and Mr. Nandan Yalgi, Executive Directors as its members, having relevant experience. The Committee meets at regular intervals to monitor price fluctuation of commodities and review financial and risk management policies of the Company.



8. GENERAL BODY MEETING

A) Annual General Meeting

Location and time of last three Annual General Meetings:

Year	Location	Date & Time	Special Resolutions Passed
2006-07	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum - 590 006	January 5, 2008 9:30 a.m.	There were no items requiring the consent of members by special resolution.
2007-08	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum - 590 006	January 2, 2009 9:30 a.m.	There were no items requiring the consent of members by special resolution.
2008-09	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum - 590 006	March 4, 2010 9:30 a.m.	One Special Resolution was passed at the 14th Annual General Meeting.

B) Postal Ballot

The Company is seeking approval of the members by way of Postal Ballot, pursuant to the provisions of Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 for alteration of Object Clause of the Memorandum of Association of the Company by way of Special Resolution.

Date of Notice	Last date for Receipt of Postal Ballot Forms	Date of Result	Name of the Scrutiniser	Special Resolution Proposed
February 11, 2011	April 8, 2011	April 12, 2011	Mr. Gururaj Mutalik, Advocate	Alteration of Object Clause of Memorandum of Association of the Company.

9. SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON SEPTEMBER 30, 2010

Sr. No.	Name of the Director	No. of Shares held
1	Mr. Sidram Kaluti	340,000
2	Mr. J. J. Bhagat	2,230,000
3	Mr. Sanjay Asher	900,000
4	Mr. S. K. Tuteja	20,000

10. OTHER DISCLOSURES

- I. During the year there were no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- II. There were no instances of non-compliance on any matter related to capital markets, during the last three years.
- III. A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd, (NSDL) and Central Depository Services (India) Ltd, (CDSL) and the total issued and listed capital. The said Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

11. COMPLIANCE OFFICER

Mr. D. V. Iyer is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Listing Agreements with the Stock Exchanges in India.

12. MEANS OF COMMUNICATION

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



13. GENERAL SHAREHOLDER'S INFORMATION

- i. **Annual General Meeting (AGM)** 15th AGM of the Company has been convened to take place on Tuesday, March 29, 2011 at Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum – 590 006 at 9:30 a.m.
- ii. **Tentative Financial Calendar 2010-11**
- | | |
|-----------------------|-------------------------------|
| 1st Quarterly results | declared on February 11, 2011 |
| 2nd Quarterly results | on or before May 15, 2011 |
| 3rd Quarterly results | on or before August 14, 2011 |
| 4th Quarterly results | before end of November, 2011 |
- iii. **Date of Book Closure** From Monday, March 21, 2011 to Tuesday, March 29, 2011 (Both days inclusive) on account of Annual General Meeting

iv. **Unclaimed Shares**

As per the provisions of clause 5A.I(a) of Listing Agreement, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. Details of unclaimed equity shares of the Company are as follows:

Sr. No.	Particulars	Number of Shareholders	Number of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year October 1, 2009;	7	1760
	Add : Bonus issued during the year in the ratio of 1:1	7	1760
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	3	1440
3	Number of shareholders to whom shares were transferred from suspense account during the year;	3	1440
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e., September 30, 2010.	4	2080

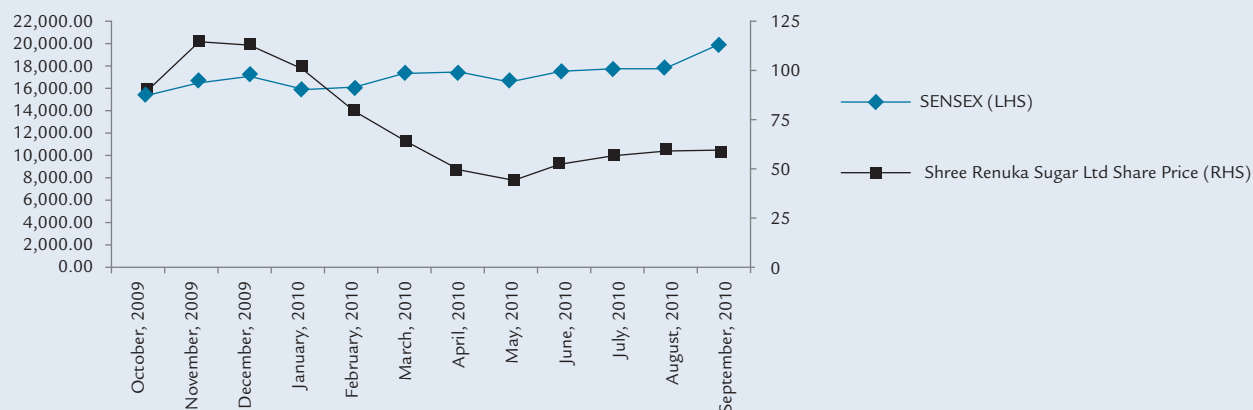
- v. **Listing on Stock Exchanges** The Company has paid listing fees for the year 2009-10 and the shares of the Company are listed on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE).
- vi. **Stock Code** BSE: 532670
NSE: RENUKA
- vii. **Market Price Data**

Month	NSE			BSE		
	High (₹)	Low (₹)	Closing (₹)	High (₹)	Low (₹)	Closing (₹)
October, 2009	109.98	90.83	93.28	110.00	90.75	92.88
November, 2009	120.25	89.13	112.38	120.23	89.15	112.33
December, 2009	121.00	101.98	111.08	117.48	102.20	110.98
January, 2010	123.50	98.50	101.95	123.60	98.50	101.85
February, 2010	105.90	82.55	83.35	105.90	82.53	83.33
March, 2010	93.28	71.10	71.30	93.38	71.05	71.30
April, 2010	72.00	56.40	61.60	72.00	59.80	61.65
May, 2010	62.10	51.40	59.50	62.15	51.50	59.50
June, 2010	70.30	59.15	67.85	70.70	59.40	67.85
July, 2010	72.50	62.45	63.35	72.50	62.55	63.35
August, 2010	71.65	63.05	63.75	71.60	63.00	63.75
September, 2010	88.40	64.00	87.95	88.30	63.05	87.95

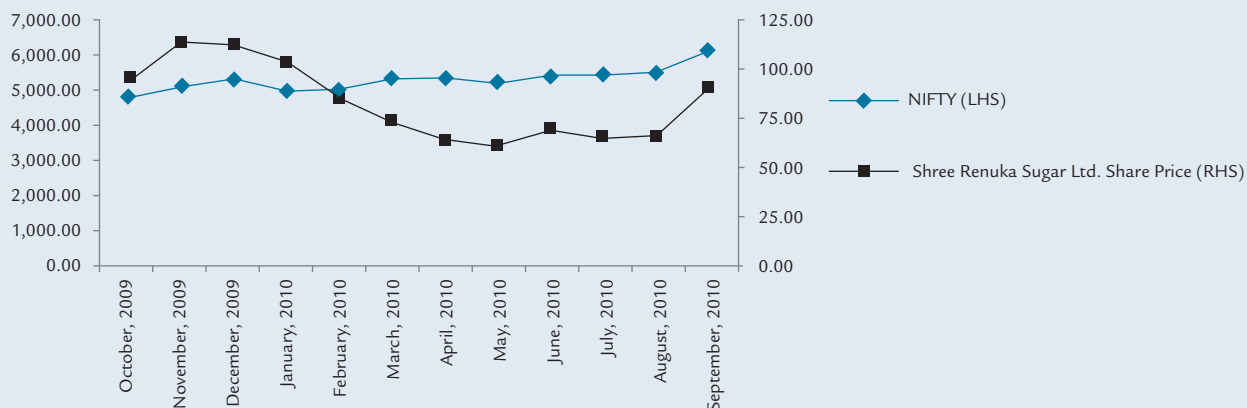
*Note : Share price adjusted for Bonus Issue from October 2009 to March 2010.



viii. Performance Comparison : SRSL v/s Sensex



SRSL v/s Nifty



ix. Registrar & Transfer Agents

Karvy Computershare Pvt Ltd
Unit: Shree Renuka Sugars Ltd
 Plot No. 17-24, Vittal Rao Nagar,
 Madhapur,
 Hyderabad - 500 081.
 Tel. No. +91 40 4465 5000
 Fax No. +91 40 2342 0814
 e-mail: einward.ris@karvy.com

x. Share Transfer System

The Company's shares are traded on the stock exchanges compulsorily in demat mode. Shares in physical mode, which are lodged for transfer are processed and returned within the stipulated time period.


xi. Distribution of Shareholding as on September 30, 2010

Category	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	98,132	97.26	32,098,880	32,098,880	4.79
5001 - 10000	1,671	1.66	14,421,064	14,421,064	2.15
10001 - 20000	448	0.44	6,842,179	6,842,179	1.02
20001 - 30000	143	0.14	3,676,250	3,676,250	0.55
30001 - 40000	73	0.07	2,607,192	2,607,192	0.39
40001 - 50000	75	0.07	3,623,890	3,623,890	0.54
50001 - 100000	110	0.11	8,129,321	8,129,321	1.21
100001 & Above	247	0.25	598,983,224	598,983,224	89.35
TOTAL	100,899	100	670,382,000	670,382,000	100

xii. Categories of shares as on September 30, 2010

Category	Shareholding	% of Shareholding
Promoters	254,403,860	37.95
Mutual Funds	34,358,387	5.12
Financial Institutions/Banks	20,414,295	3.05
Foreign Institutional Investors	169,908,826	25.35
Foreign Nationals	2,030,000	0.30
Private Corporate Bodies	61,744,217	9.21
NRIs	9,466,494	1.41
Trusts	26,130,220	3.90
Indian Public	91,925,701	13.71
Total	670,382,000	100

xiii. Dematerialisation of shares and liquidity

As on September 30, 2010, 11,242,707 equity shares of the Company (1.68% of the total issued capital) were held in physical form and 659,139,293 equity shares (98.32 % of the total issued capital) were held in dematerialised form. Presently, the share transfers which are received in physical form are processed by the Registrar and Transfer Agents

Under the Depository system the ISIN allotted to the Company's shares is INE087H01022.

xiv. Outstanding GDRs / ADRs / Warrants or any convertible instrument.

During the year 18 Million warrants were converted into 18 Million equity shares of ₹ 1/- each at a price of ₹ 114.37 determined in accordance with SEBI Guidelines were issued and allotted on March 4, 2010, to the promoters on preferential basis.

xv. Address for Correspondence

Shareholders correspondence for transfer/ Dematerialisation of shares, payment of dividend and any other query should be directed to

Karvy Computershare Pvt Ltd
Unit: Shree Renuka Sugars Ltd
 Plot No. 17-24, Vittal Rao Nagar,
 Madhapur,
 Hyderabad - 500 081
 Tel. No. +91 40 4465 5000
 Fax No. +91 40 2342 0814
 e-mail: einward.ris@karvy.com

All other queries on Annual Report should be Directed to :

Shree Renuka Sugars Ltd
 BC 105, Havelock Road,
 Camp,
 Belgaum - 590 001
 Tel No. +91 831 2404000
 Fax No. +91 831 2404961
 e-mail: iyer.dv@renukasugars.com



Auditors' Certificate on Corporate Governance

To the Members of
SHREE RENUKA SUGARS LTD

We have examined the compliance of conditions of Corporate Governance by Shree Renuka Sugars Ltd, for the year ended September 30, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 Clause 49 of the Listing Agreement.

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 Ashok Kumar, Prabhashankar & Co.
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Camp: Mumbai
Date: February 11, 2011

CEO/CFO Certification

We, Narendra Murkumbi, Vice Chairman & Managing Director and K. K. Kumbhat, Chief Financial Officer of SHREE RENUKA SUGARS LTD, to the best of our knowledge and belief, hereby certify that:

- (A) We have reviewed the Balance Sheet as at September 30, 2010, Profit & Loss Account for the year ended on that date along with all its schedules, notes to accounts and also the cash flow statement for the year and based on our knowledge and information, confirm that:-
 - (i) these statements do not contain any materially untrue statements or omit to state any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) Based on our knowledge and information, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (C) We along with Company's other certifying officers accept responsibility for establishing and maintaining internal controls and that we have:-
 - (i) evaluated the effectiveness of the internal control systems of the Company; and
 - (ii) disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We along with Company's other certifying officers, have indicated to the Auditors and the Audit Committee of the Company, the following:-
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Mumbai
Date: February 11, 2011

Narendra Murkumbi
Vice Chairman & Managing Director

K. K. Kumbhat
Chief Financial Officer



Details of the Directors seeking appointment / re-appointment at the Annual General Meeting (In pursuance of clause 49 of the Listing Agreement)

Name of the Director	Mrs. Vidya Murkumbi	Mr. Sidram Kaluti	Mr. Nandan Yalgi
Date of Birth	05-01-1948	06-07-1946	15-08-1969
Date of Appointment	25-10-1995	17-11-2005	24-09-2004
Qualification	B. Sc.	B.A., H.D.C., N.I.S.	B. E. (Electronics)
Expertise in specific functional Area	She is a graduate in Chemistry and spent 23 years in the trading business. She was initially involved in trading and distribution of various TATA and Parle products. Subsequently, she moved into manufacturing and marketing business by venturing into agro processing and chemical formulation business. She is the Promoter Director of the Company. She was recently conferred with Doctorate by Karnataka State Bijapur Woman's University.	Mr. Kaluti has served in various capacities as Government Officer i.e. Inspector of Police, Assistant Registrar of Co-Operative Societies, District Youth Services & Sports Officer, Deputy Registrar of Co-operative Societies, Managing Director of DCC Bank, Joint Registrar of Co-operative Societies, Land Development Officer, CADA, Managing Director of Shree Bhagyalaxmi Sahakari Sakkare Karkhana Ltd, Khanapur, Co-ordinator for newly established Sugar Factories. He was also a founder member of Karnataka Sugar Institute, Belgaum and Chandaragi Sports School, Chandaragi, Dist: Belgaum.	Mr. Yalgi has wide experience in Marketing, Exports, Customs, Excise, Human Resources, Manufacturing and Trade
Directorship held in other Companies	Shree Renuka Infraprojects Ltd Shree Renuka Energy Ltd	Shree Renuka Energy Ltd Shree Renuka Agriventures Ltd	Shree Renuka Infraprojects Ltd Shree Renuka Energy Ltd Shree Renuka Agri Ventures Ltd
Membership / Chairmanships of the Committees of other public Companies in which he / she is a Director on September 30, 2010 (includes only Audit and Shareholders/ Investors Grievance Committee)	NIL	Shree Renuka Energy Ltd <ul style="list-style-type: none"> • Member of Audit Committee • Member of Investors' Grievance Committee 	NIL
Number of shares held in the Company as on September 30, 2010	1,228,800	340,000	882,000



F Financial Statements

Standalone Financial Statements

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Consolidated Financials Statements

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Auditors' Report

To the Members of

SHREE RENUKA SUGARS LTD

We have audited the Balance Sheet of SHREE RENUKA SUGARS LTD as at September 30, 2010, the Profit and Loss Account and Cash Flow Statement for the year ended as on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by The Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on September 30, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956 in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at September 30, 2010.
 - (ii) in so far as it relates to the Profit and Loss Account of the Profit of the Company for the year ended on that date; and

- (iii) in so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Ashok Kumar, Prabhashankar & Co.
Chartered Accountants
Firm Regn No. 0049825

K. N. Prabhashankar
Partner

Membership No. 19575

Place: Mumbai

Date: February 11, 2011



Annexure to Auditors' Report

Referred to in Paragraph 2 of our report of even date

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, all fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a. As explained to us, inventories have been physically verified by the management at regular intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management is reasonable and is adequate in relation to the size of the Company and nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured granted or taken by the company to / from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956:
 - a. The company has not taken any loans during the year.
 - b. The Company has given loans to four subsidiary companies. In respect of the said loan, the maximum amount outstanding at any time during the year was ₹ 1,169.67 Million and the year-end balance is ₹ 927.86 Million.
- c. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions, are not prima facie prejudicial to the interest of the company.
- d. The principal amount is repayable on demand and there is no repayment schedule. The company is regular in payment and receipt of interest.
- e. In respect of the said loan, the same is repayable on demand and therefore the question of overdue amount does not arise. In respect of interest there is no over due amount.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us where such transaction is in excess of ₹ 5 Lakhs, the transaction has been made at prices which is prima facie reasonable having regard to the prevailing market prices at the relevant time and they are not prejudicial in the interest of the Company.
6. According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder. Hence clause (vi) of the order is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for some products of the company. We have broadly reviewed these records of the company and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records.
9. a. According to the records of the Company and as per the information and explanations given to us, the Company does not have any undisputed statutory dues including ESI, Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues which are outstanding for a period in excess of six months as on September 30, 2010. The Company is not having Investor Education and Protection Fund.
- b. According to the information and explanations given to us and as per the records examined by us, there were no disputed amounts due in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess as on September 30, 2010.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.



11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. The Company is trading in shares, securities and other investments. In our opinion proper records have been maintained of the transactions and contracts entered by the Company and timely entries have been made therein. These investments are held by the Company in its own name.
15. The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interests of the company.
16. The term loans borrowed during the year have been utilised for the purposes for which they were raised.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. a. The Company has made preferential allotment of shares to companies/parties covered in the register maintained under section 301 of the Companies Act, 1956.
b. As per the information and explanations given to us the price at which such preferential allotment of shares made is not prejudicial to the interest of the Company.
19. During the year covered by our Audit Report, the Company has not issued any Debentures.
20. The company has not raised any money by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially mis-stated.

For Ashok Kumar, Prabhashankar & Co.

Chartered Accountants

Firm Regn No. 004982S

K. N. Prabhashankar

Partner

Membership No. 19575

Place: Mumbai

Date: February 11, 2011



Balance Sheet

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	Schedule No	30-Sep-10	30-Sep-09
SOURCES OF FUNDS			
Shareholder's Funds			
Share capital	1	670.38	522.77
Reserves and surplus	2	17,124.54	12,119.16
		17,794.92	12,641.93
Loan Funds			
Secured loans	3	16,922.15	12,579.88
Unsecured loans	4	236.35	415.28
		17,158.50	12,995.16
Deferred Tax Liability	5	1,404.35	861.09
TOTAL		36,357.77	26,498.18
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross block	6	18,024.97	14,066.20
Less : Depreciation		2,314.45	1,497.64
Net Block		15,710.52	12,568.56
Capital work-in-progress including capital advances		4,104.61	2,423.13
Investments	7	16,392.80	1,059.88
Current Assets, Loans and Advances			
Inventory	8	11,359.50	10,023.21
Sundry debtors	9	3,159.40	1,042.65
Cash and bank balances	10	234.71	2,102.83
Other current assets	11	1,654.76	3,930.98
Loans and advances	12	4,966.48	2,769.61
Less: Current Liabilities and Provisions			
Current liabilities	13	19,028.20	8,435.26
Provisions	14	2,296.57	1,004.10
Net Current Assets		50.08	10,429.92
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	15		
Deferred revenue expenses		99.76	16.69
TOTAL		36,357.77	26,498.18
Significant Accounting Policies	26		
Notes on Accounts	27		

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn.No : 004982S

K. N. Prabhashankar
Partner
Membership No.19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Dated: February 11, 2011

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary



Profit and Loss Account

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	Schedule No	30-Sep-10	30-Sep-09
INCOME			
Revenue (net)	16	55,111.92	22,342.17
Other income	17	867.09	55.95
TOTAL		55,979.01	22,398.12
EXPENDITURE			
Raw materials consumed	18	32,550.77	18,369.20
Cost of traded goods	19	15,039.87	1,547.43
(Increase)/Decrease in inventory	20	(2,529.61)	(3,881.83)
Personnel expenses	21	575.47	459.44
Operating and administrative expenses*	22	2,611.77	1,899.19
Selling and distribution expenses*	23	484.25	319.65
Depreciation and amortisation	6	815.45	624.64
Financial expenses	24	824.59	883.93
Profit before tax		5,606.45	2,176.47
Provision for tax			
Current tax		943.48	340.43
Deferred tax		560.03	399.93
Wealth tax		0.92	-
Fringe benefit tax		-	1.00
Profit after tax and before prior period items		4,102.02	1,435.11
Less: Prior period adjustments		1.52	-
Net Profit		4,100.50	1,435.11
Brought forward Balance from previous year		1,129.41	685.06
Brought forward Loss due to Amalgamation		(38.96)	-
Profit available for appropriation		5,190.95	2,120.17
Interim dividend on equity shares		670.38	316.90
Corporate dividend tax		111.34	53.86
Transfer to debenture redemption reserve		120.00	120.00
Transfer to general reserve		1,000.00	500.00
Surplus carried to Balance Sheet		3,289.23	1,129.41
Basic and diluted earnings per share (in ₹)	25	6.27	4.99
[Nominal value of shares ₹ 1/- each]			
Significant Accounting Policies	26		
Notes on Accounts	27		

* Please refer point number xviii to Schedule 27.

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn.No : 004982S

K. N. Prabhashankar
Partner
Membership No.19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Dated: February 11, 2011

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary



Cash Flow Statement

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,606.45	2,176.47
Adjustments to reconcile profit before tax to net cash provided by operating activities		
Depreciation and Amortisation	815.45	624.64
Financial expenses	824.59	883.93
Purchase tax deferment	(172.69)	155.08
Loss/(Profit) on sale of fixed assets	(3.12)	(0.61)
Income from investments	(36.60)	(8.99)
Goodwill on Amalgamation	13.35	-
Miscellaneous and prior period expenses (net)	(82.90)	(0.70)
Operating profit before working capital changes	6,964.53	3,829.82
Changes in operating assets and liabilities:		
Trade receivables	(2,116.78)	(556.25)
Other receivables	1,070.18	(3,557.42)
Inventory	(1,301.07)	(8,154.13)
Trade and other payables	10,458.07	6,617.82
Cash generated from operations	15,074.93	(1,820.16)
Income-tax paid	(1,397.15)	(305.42)
Net Cash Flow From Operating Activities	13,677.78	(2,125.58)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(5,365.92)	(3,585.26)
Proceeds from sale of fixed assets	45.89	19.39
Purchase of investments	(15,334.85)	445.79
Income from investments	36.60	8.99
Net Cash Flow From Investing Activities	(20,618.28)	(3,111.09)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in capital	147.61	15.91
Share premium	2,060.46	5,162.25
Share premium utilised for Bonus issue	(326.40)	-
Capital redemption reserve utilised for Bonus issue	(8.50)	-
Dividend paid	(316.90)	(55.19)
Proceeds from long-term borrowings	4,527.32	3,053.46
Proceeds from short-term borrowings	485.23	1,113.67
Repayment of long-term borrowings	(682.77)	(1,200.53)
Interest paid	(824.59)	(883.93)
Net Cash Flow From Financing Activities	5,061.46	7,205.64
Net increase in cash and cash equivalents	(1,879.04)	1,968.97
Opening cash and cash equivalents	2,102.83	133.86
Opening cash and cash equivalents due to Amalgamation	10.92	-
Closing cash and cash equivalents	234.71	2,102.83

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn.No : 004982S

K. N. Prabhashankar
Partner
Membership No.19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Dated: February 11, 2011

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary



Schedules Forming Part of the Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
1. SHARE CAPITAL		
Authorised*		
25,000,000 Preference Shares of ₹ 10/- each	250.00	700.00
(Previous Year 70,000,000 Preference Shares of ₹ 10/- each)		
800,000,000 Equity Shares of ₹ 1/- each	800.00	350.00
(Previous Year 350,000,000 Equity Shares of ₹ 1/- each)		
*During the year, the Company restructured the Authorised Capital		
	1,050.00	1,050.00
Issued, Subscribed and Paid up		
670,382,000 Equity Shares of ₹ 1/- each fully paid	670.38	316.90
(Previous Year 316,900,000 Equity Shares of ₹ 1/- each fully paid)		
Equity Warrants :		
18,000,000 Warrants convertible into Equity Share of ₹ 1 each at a premium of ₹ 113.37 per share, having an option to exercise over a period of 18 months, were allotted on 11th September, 2008 on preferential basis to the promoters. The allottee had deposited 10% of the entire value including the amount of premium as per the terms of allotment.	-	205.87
	670.38	522.77
i) As per the terms 18,000,000 Equity Shares of ₹ 1/- each at a premium of ₹ 113.37 per share were allotted on March 4, 2010.		
ii) 334,900,000 Bonus shares were issued as on March 18, 2010 at the ratio of 1:1.		
iii) Allotment of 582,000 Equity Shares of ₹ 1/- each at a premium of ₹ 28.55 under ESOP on September 2, 2010.		
2. RESERVES AND SURPLUS		
Capital Reserve		
i) Subsidy received towards Co-generation		
As per last balance sheet	18.75	18.75
ii) Others		
As per last balance sheet	0.26	0.26
	19.01	19.01
Capital Redemption Reserve		
As per last balance sheet	8.50	8.50
Less: Utilised for bonus issue	8.50	-
	-	8.50
Share Premium		
As per last balance sheet	8,813.22	3,650.97
Addition during the year	2,060.46	5,162.25
Less: Utilised for bonus issue	326.40	-
	10,547.28	8,813.22
General Reserve		
As per last balance sheet	2,029.02	1,529.02
Add : Transfer from profit and loss account	1,000.00	500.00
	3,029.02	2,029.02



Schedules Forming Part of the Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
Debenture Redemption Reserve		
As per last balance sheet	120.00	-
Add : Transfer from profit and loss account	120.00	120.00
	240.00	120.00
	13,835.31	10,989.75
Surplus in profit and loss account	3,289.23	1,129.41
	17,124.54	12,119.16
3. SECURED LOANS		
600 Redeemable Non-Convertible Debentures (11.95%) of ₹ 1,000,000 each (Secured by the first pari passu charge on movable and immovable assets of the company redeemable at par on August 3, 2014)	600.00	600.00
Term loans from banks and financial institutions (Secured by the first pari passu charge on movable and immovable assets of the company)	10,900.83	7,918.95
Term loans from sugar development fund (Secured by the second charge on movable and immovable assets of the company)	1,407.59	536.60
Cash/ Export credit facilities from banks (Secured by hypothecation of stocks & book debts and a third charge on movable and immovable assets of the company)	3,955.01	3,463.54
Interest accrued but not due	58.72	60.79
	16,922.15	12,579.88
Interest accrued but not due represents interest on certain long-term borrowings, where the payment of interest has also been deferred for a period of time, and is therefore considered to be in the nature of a borrowing and included as a part of secured loans. Repayment due within one year in respect of term loans aggregate to ₹ 722.07 Million (Previous Year ₹ 561.72 Million).		
4. UNSECURED LOANS		
Sugar development fund	15.29	21.53
Deferred purchase tax	221.06	393.75
	236.35	415.28
5. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Depreciation	2,334.21	1,697.91
Others	1.20	1.20
Gross Deferred Tax Liability	2,335.41	1,699.11
Deferred Tax Asset		
Deferred interest on SDF loan	19.07	17.74
Others	911.99	820.28
Gross Deferred Tax Asset	931.06	838.02
Net Deferred Tax Liability	1,404.35	861.09



Schedules Forming Part of the Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	1-Oct-09	Additions	Deductions/ Adjustments	30-Sep-10
6. FIXED ASSETS				
Gross Block				
Land- freehold	246.97	164.26	-	411.23
Land- leasehold	125.92	-	-	125.92
Buildings	2,385.41	643.92	-	3,029.33
Plant and machinery	11,066.54	3,109.77	44.87	14,131.44
Furniture and fittings	158.38	63.70	0.51	221.57
Vehicles	82.98	24.55	2.05	105.48
TOTAL	14,066.20	4,006.20	47.43	18,024.97
Previous Year	7,788.73	6,301.64	24.17	14,066.20
Accumulated Depreciation				
Land- freehold	-	-	-	-
Land- leasehold	-	-	-	-
Buildings	166.80	94.97	-	261.77
Plant and machinery	1,268.92	697.65	3.70	1,962.87
Furniture and fittings	42.32	19.84	0.20	61.96
Vehicles	19.60	9.01	0.76	27.85
TOTAL	1,497.64	821.47	4.66	2,314.45
Less : Pre-operative & opening depreciation of Amalgamating Companies		6.02		
Depreciation charged to profit and loss		815.45		
Previous Year	877.17	625.86	5.39	1,497.64
Net Block				
Land- freehold	246.97			411.23
Land- leasehold	125.92			125.92
Buildings	2,218.61			2,767.56
Plant and machinery	9,797.62			12,168.57
Furniture and fittings	116.06			159.61
Vehicles	63.38			77.63
TOTAL	12,568.56			15,710.52
Capital Work-in-progress	2,423.13			4,104.61
Previous Year	6,911.56			12,568.56

The Capital Work-in-progress includes pre-operative expenses of the projects to the extent of ₹ 11.16 Million.
(Previous Year ₹ 187.98 Million)

Additions to Gross Block includes the value of Ratnaprabha Sugars Ltd. (RSL) ₹ 272. 23 Million and Godavari Biofuel Pvt. Ltd. (GBPL) of ₹ 1.26 Million totalling to ₹ 273.49 Million, Accumulated Depreciation includes ₹ 5.62 Million of RSL.
(Refer Note No. xvii Schedule 27)



Schedules Forming Part of the Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
7. INVESTMENTS		
LONG TERM INVESTMENTS (AT COST)		
Non -Trade		
Government Securities		
National Saving Certificate	0.05	0.02
Equity Shares fully paid-up (Unquoted)		
Esugar India Clearing Corporation Ltd.	0.05	0.05
5,000 Equity Shares of ₹ 10 each		
Pachhapur Urban Co-op Bank Ltd., Pachhapur	0.00	0.00
10 Equity Shares of ₹ 100 each (Nominal value of ₹ 1,000)		
Shree Renuka Infraprojects Ltd.	-	5.20
(Previous Year 520,000 Equity Shares of ₹ 10 each)		
Belgaum DCC Bank Ltd., Belgaum	0.50	0.50
5,000 Equity Shares of ₹ 100 each		
National Commodity & Derivatives Exchange Ltd.	786.87	365.00
4,500,000 Equity Shares of ₹ 10 each		
(Previous Year 1,500,000 Equity Shares of ₹ 10 each)		
Equity Shares fully paid-up (Quoted)		
Sakthi Sugars Ltd.	-	48.31
(Previous Year 900,000 Equity Shares of ₹ 10 each)		
Rajshree Sugars & Chemicals Ltd.	-	53.80
(Previous Year 761,313 Equity Shares of ₹ 10 each)		
Simbhaoli Sugar Mills Ltd.	-	3.90
(Previous Year 100,000 Equity Shares of ₹ 10 each)		
Ugar Sugar Works Ltd.	53.18	-
2,750,159 Equity Shares of ₹ 10 each		
In Subsidiary Companies fully paid-up		
Renuka Commodities DMCC, Dubai	4.97	4.97
40 Equity Shares of AED 10,000 each		
Shree Renuka Biofuels Holdings (FZE), Sharjah	1.67	1.67
1 Equity Share of AED 150,000		
Shree Renuka Agri Ventures Ltd.	2.50	2.50
250,000 Equity Shares of ₹ 10 each		
KBK Chem-Engineering Pvt. Ltd.	543.42	543.42
135,792 Equity Shares of ₹ 100 each		
Godavari Biofuels Pvt. Ltd.	-	17.14
(Previous Year 46,000 Equity Shares of ₹ 10 each)		
Ratnaprabha Sugars Ltd.	-	1.51
(Previous Year 150,000 Equity Shares of ₹ 10 each)		
SRSL Ethanol Ltd.	1.50	0.50
150,000 Equity Shares of ₹ 10 each		
(Previous Year 50,000 Equity Shares of ₹ 10 each)		



Schedules Forming Part of the Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
Gokak Sugars Ltd.	187.26	11.39
32,937,140 Equity Shares of ₹ 10 each		
(Previous Year 15,349,870 Equity Shares of ₹ 10 each)		
Monica Realators Private Ltd.	171.52	-
10,000 Equity Shares of ₹ 10 each		
Shree Renuka Global Ventures Ltd.	14,639.31	0.00
316,999,975 Equity Share of US\$ 1		
(Previous Year 1 Equity Shares of US\$ 1)		
	16,392.80	1,059.88
Aggregate value of the quoted investments	53.18	106.01
Aggregate value of the un-quoted investments	16,339.62	953.87
Market value of the quoted investments	50.05	157.08
8. INVENTORY		
Stores and spares	495.60	451.52
Raw materials and components	1,831.86	2,719.23
Intermediate product	91.54	159.42
Work-in-progress	-	87.61
Finished goods		
Manufactured	7,341.52	4,638.46
Others	1,598.98	1,966.97
	11,359.50	10,023.21
9. SUNDRY DEBTORS		
Unsecured		
Debts over six months		
Considered good	103.92	41.28
Considered doubtful	-	-
Others		
Considered good	3,055.48	1,001.37
	3,159.40	1,042.65
10. CASH AND BANK BALANCES		
Cash on hand	2.00	3.60
Cheques on hand	0.02	-
Balances with scheduled banks		
On current accounts	35.82	65.59
On deposit accounts	190.52	2,032.19
Balance with other banks		
On current accounts	6.35	1.45
	234.71	2,102.83

Balances with banks in deposit accounts include amounts that have been provided as margin money or those that have been pledged with government authorities towards guarantees, etc.



Schedules Forming Part of the Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
11. OTHER CURRENT ASSETS		
Export incentives accrued	255.02	312.98
Advances to Subsidiary Companies	927.87	3,263.62
Interest accrued	10.97	16.08
Others	460.90	338.30
	1,654.76	3,930.98
12. LOANS AND ADVANCES		
Unsecured and considered good		
Advances recoverable in cash or kind or for value to be received	1,238.25	521.41
Balances with customs, excise, etc.	1,095.60	1,016.94
Deposits	803.05	682.33
Advance income tax	1,829.58	548.93
	4,966.48	2,769.61
13. CURRENT LIABILITIES		
Sundry creditors		
Micro, small and medium enterprises (to the extent identified with available information)	7.85	1.37
Others	17,950.82	7,604.21
Advance from customers	153.91	136.49
Interest accrued but not due on loans	144.07	156.99
Other liabilities	771.55	536.20
	19,028.20	8,435.26
14. PROVISIONS		
Provision for taxation	1,494.24	615.53
Provision for gratuity	1.95	-
Provision for leave encashment	13.03	10.16
Provision for fringe benefit tax	5.63	7.65
Provision for interim dividend on equity shares	670.38	316.90
Provision for corporate dividend tax	111.34	53.86
	2,296.57	1,004.10
15. MISCELLANEOUS EXPENDITURE		
Deferred revenue expenditure to the extent not written off	82.09	12.29
Goodwill on amalgamation to the extent not written off	13.35	-
Debenture issue expenditure to the extent not written off	4.32	4.40
	99.76	16.69



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
16. REVENUE		
Sale of manufactured sugar	35,935.52	17,696.40
Sale of traded sugar and ethanol	16,646.07	1,702.99
Sale of power	3,941.44	2,955.01
Sale of ethanol and allied products	1,463.55	1,773.08
Sale of by-products and others	1,977.36	1,730.15
	59,963.94	25,857.63
Less : Excise duty	1,228.67	864.26
Inter-segment sales	3,623.35	2,651.20
	55,111.92	22,342.17
17. OTHER INCOME		
Dividend	55.78	44.53
Foreign exchange gain/(loss)	750.91	-
Profit on sale of investments	36.60	8.99
Profit on sale of assets	3.12	0.62
Others	20.68	1.81
	867.09	55.95
18. RAW MATERIALS CONSUMED		
Opening stock as on October 01, 2009	2,719.21	362.90
Add : Stock transfer for trial run	-	70.73
Add : Purchases and related expenses	33,239.12	21,854.88
Less : Inter-segment purchases	1,575.70	1,200.10
	34,382.63	21,088.41
Less: Closing stock as on September 30, 2010	1,831.86	2,719.21
	32,550.77	18,369.20
19. COST OF TRADED GOODS		
Opening stock as on October 01, 2009	1,966.97	33.75
Add : Purchases	14,671.88	3,480.65
	16,638.85	3,514.40
Less : Closing stock as on September 30, 2010	1,598.98	1,966.97
	15,039.87	1,547.43
20. (INCREASE)/DECREASE IN INVENTORY		
Opening stock as on October 01, 2009		
Work-in-progress	74.91	49.14
Finished goods and intermediate products *	4,770.71	467.50
Trial run stock of finished goods and intermediate products	57.83	429.19
	A 4,903.45	945.83
Less: Closing stock as on September 30, 2010		
Work-in-progress	-	74.91
Finished goods and intermediate products	7,433.06	4,752.75
	B 7,433.06	4,827.66
	(A-B) (2,529.61)	(3,881.83)

* Opening stock of finished goods and intermediate products includes ₹ 17.96 Million of Ratnaprabha Sugars Ltd.



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
21. PERSONNEL EXPENSES		
Salaries, wages and bonus	513.18	409.76
Contribution to provident fund and others	35.85	30.86
Contribution to gratuity	13.25	9.33
Contribution to leave encashment	13.19	9.49
	575.47	459.44
22. OPERATING AND ADMINISTRATIVE EXPENSES		
A. Manufacturing expenses		
Consumption of stores and spares	360.05	260.34
Processing charges	548.68	405.28
Packing material	456.69	301.33
Power and fuel	2,343.23	1,764.16
Lease rentals	97.69	130.45
Repairs and maintenance		
Plant and machinery	83.07	73.09
Buildings	25.29	18.38
Others	32.85	36.11
Less : Inter-segment expenses	(2,047.65)	(1,451.10)
A	1,899.90	1,538.04
B. Administrative expenses		
Rent, rates and taxes	78.62	55.46
Insurance	31.55	21.53
Travelling and conveyance	70.53	49.00
Printing and stationery	8.71	7.73
Communication expenses	19.68	20.04
Legal and professional fees	56.01	31.71
Remuneration to directors		
Remuneration	40.02	10.74
Commission	113.86	44.22
Directors' sitting fees	1.24	1.25
Auditor's remuneration	3.57	2.20
Donations and contributions	54.63	4.52
Loss on sale of fixed assets	0.59	-
Loss on sale of investments	8.40	-
Research and development	3.27	9.69
Others	221.19	103.06
B	711.87	361.15
(A + B)	2,611.77	1,899.19



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
23. SELLING AND DISTRIBUTION EXPENSES		
Freight and forwarding charges	323.41	221.97
Advertising and sales promotion	11.83	6.58
Warehousing expenses	38.40	43.05
Weighment charges	0.02	-
Brokerage and discounts	60.59	21.98
Commission and market development expenses	50.00	26.07
	484.25	319.65
24. FINANCIAL EXPENSES		
Interest		
on term loans	341.71	393.04
on working capital	356.49	373.54
others	71.70	67.82
Bank charges	54.69	49.53
	824.59	883.93
25. EARNINGS PER SHARE		
The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.		
Reconciliation of earnings		
Profit for the year ended September.	4,102.02	1,435.11
Net profit attributable to equity shareholders	4,102.02	1,435.11
Reconciliation of number of shares	Shares	Shares
Shares outstanding at the beginning of the period	316,900,000	275,963,160
Shares outstanding at the end of the period	670,382,000	316,900,000
Weighted average number of equity shares	654,657,200	287,462,482
Basic and Diluted Earnings Per Share (in ₹)	6.27	4.99
[Nominal value of shares ₹ 1/- each]		



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

26. SIGNIFICANT ACCOUNTING POLICIES

(All amounts in Million Indian Rupees, unless otherwise stated)

a. Basis of presentation

The accompanying financial statements have been presented for the year ended September 30, 2010 along with comparative information for the year ended September 30, 2009. The accompanying financial statements have been prepared on a going concern basis under the historical cost convention on the accrual basis of accounting in conformity with accounting principles generally accepted in India ("Indian GAAP"). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except as stated hereunder.

b. Use of estimates

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates.

c. Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar, power generation and ethanol units on a reasonable basis.

d. Borrowing costs

Financing cost incurred upto the date of completion of construction or installation of qualifying assets, on funds borrowed are capitalised as a part of the cost of the asset.

e. Depreciation

Depreciation is provided at the rates and in the manner prescribed in Schedule XIV of the Indian Companies Act, 1956. The Companies' assets are depreciated using the straight-line method. As per estimates of the management, these rates are representative of the economic useful life of these assets. No depreciation is provided on assets held for sale.

f. Leases

Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term. In case of long term leases, the expenditure to the profit and loss account is recognised on the basis of equated lease rentals arrived at by allocating the total outflow of lease rentals on the entire contractual period over the period of the lease.

g. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value/ market value, determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Profit/loss on sale of investments is computed with reference to their average cost.

h. Amalgamation

Accounting for Amalgamation is as per AS-14 of the Indian Accounting Standards as prescribed by The Institute of Chartered Accountants of India. The Goodwill arising on Amalgamation is amortised on the basis over its useful life but shall not exceed five years.

i. Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First In First Out ('FIFO') basis.

Finished goods

Lower of cost or net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods excludes excise duty.



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

26. SIGNIFICANT ACCOUNTING POLICIES

(All amounts in Million Indian Rupees, unless otherwise stated)

Work-in-process

Lower of cost upto estimated stage of process or net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

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

By-products

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

Inter-segment

The inter-segment transfers of inventories are valued at cost.

j. Revenue recognition

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

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

k. Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate at the date of the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise, except for loans denominated in foreign currencies utilised for acquisition of fixed assets until the date of capitalisation where the exchange gains/losses are adjusted to the cost of such assets.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the profit and loss account in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.

l. Retirement benefits

Contributions in respect of provident fund and gratuity are made to the appropriate authorities/trust set up by the Company for the purpose and charged to profit and loss account. Provisions for liabilities in respect of leave encashment benefits are made based on actuarial valuation made by an independent actuary as at the balance sheet date.

m. Income tax

Tax expenses comprise both current and deferred taxes.

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

n. Miscellaneous expenditure

Preliminary expenses are written-off over a period of five years from the year of commencement of commercial production.

The Deferred Revenue Expenditure comprises of debenture issue expenses which is written off over a period of five years & expenses incurred on the lease units upto the date of production which is written off in proportion to the period of lease unexpired or 1/5th in case of long lease period.



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

26. SIGNIFICANT ACCOUNTING POLICIES

(All amounts in Million Indian Rupees, unless otherwise stated)

o. Government grants

Government grants in the nature of promoter's contribution are credited to capital reserve and treated as a part of Shareholder's funds.

p. Financial derivatives and commodity futures

Transactions in financial derivatives and commodity futures are accounted based on the mode of final settlement. Transactions, which are ultimately settled net, without taking delivery, are recorded net with the gains/losses being recognised as income/expenses in the financial statements. Transactions, which stipulate physical delivery of the goods and where the company intends to take delivery, are recorded at gross, as purchases and sales as a part of the Company's sugar manufacturing activities.

q. Provisions, contingent liabilities and contingent assets

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

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

Contingent Liability is disclosed in the case of

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

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

Contingent Assets are neither recognised nor disclosed.

r. Earnings per share

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

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

s. Segment reporting

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

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

t. Impairment of assets

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

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

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



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Million Indian Rupees, unless otherwise stated)

i. Excise Duty on Finished Goods

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

ii. Leases

The Company has entered into various operating leases for office, residential and factory premises. These are generally short-term leases and cancelable by serving adequate notice. The minimum amount of lease rentals payable on non-cancelable leases is as follows:

- ▶ Within a period of one year – ₹ 83.63 Million (Previous Year ₹ 55.50 Million)
- ▶ Period from one year to five years – ₹ 251.63 Million (Previous Year ₹ 97.53 Million)

iii. Outstanding Commitments

As at September 30, 2010, the Company had the following outstanding commitments:

- ▶ Bank Guarantees outstanding – ₹ 320.48 Million (Previous Year ₹ 246 Million)
- ▶ Corporate Guarantees outstanding – ₹ 8,137.80 Million (Previous Year ₹ 1,981 Million)
- ▶ Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for – ₹ 4,109 Million (Previous Year ₹ 1,909 Million)

iv. Balances appearing under the head sundry creditors, sundry debtors, loans and advances and secured loans are subject to confirmation, adjustments, if any, on the receipt/reconciliation of such accounts.

v. In terms of accounting standard AS 28 on impairment of assets there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.

vi. List of Small Scale Industrial undertakings to whom the Company is due to the extent such parties that have been identified from available information as at September 30, 2010

- 1 Group Engineers, Miraj
- 2 Inteltech Engineers, Belgaum
- 3 Kamaxi Engg, Belgaum
- 4 Kamaxi Sales Corporation, Belgaum
- 5 Patil Thermoplastics, Laus-Sangli
- 6 Satish Steel Works, Jalandhar
- 7 Siddha Engineering, Belgaum
- 8 Spechem Industries Pvt. Ltd., Chennai
- 9 Techno Trade Links, Belgaum
- 10 The Kolhapur Auto Works, Kolhapur
- 11 Unique Alloys, Belgaum
- 12 Yashaswi Engineers, Belgaum



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

vii. Additional information pursuant to Paragraphs 3 and 4 of Part-II of Schedule VI to the Companies Act, 1956

A. Installed Capacities

I. Manufacturing :

Plants	Owned/ Leased	Crushing Capacity	
		Installed (TCD)	Sugar Production * (MT)
Munoli	Owned	7,500	115,710
Arag	Leased	4,000	45,083
Athani	Owned	8,000	139,665
Havalga	Owned	8,000	79,500
Raibag	Leased	2,500	14,973
Pathri-Parabhani	Owned	2,500	26,551

* includes Raw Sugar Production

II. Refining :

Plants	Owned/ Leased	Processing Capacity	
		Installed (TCD)	Refined Sugar Production (MT)
Munoli	Owned	1,500	131,543
Athani	Owned	2,000	161,085
Haldia	Owned	2,500	512,831
Havalga	Owned	1,000	23,460

B. Turnover

Particulars	September 30, 2010			September 30, 2009		
	Qty	Unit	(₹ in Million)	Qty	Unit	(₹ in Million)
1. MANUFACTURING						
Sugar	1,217,425	MT	35,936	802,485	MT	17,696
Ethanol	51,149	K Ltr	1,464	65,025	K Ltr	1,773
Power	397	Mn Kwh	1,894	232	Mn Kwh	1,504
Others			401			531
2. TRADING						
White / Raw Sugar	551,480	MT	15,809	87,385	MT	1,611
Alcohol Trading	26,168	MT	810	3,800	MT	92
Molasses Trading	5,309	MT	27	-		-
GROSS TURNOVER			56,341			23,207
Less : Excise duty			1,229			865
NET TURNOVER			55,112			22,342



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

C. Captive consumption of power and steam

Particulars	September 30, 2010			September 30, 2009		
	Qty	Unit	(₹ in Million)	Qty	Unit	(₹ in Million)
1. POWER						
Captive consumption						
Sugar plant	139	Mn Kwh	660	86	Mn Kwh	483
Distillery plant	23	Mn Kwh	115	19	Mn Kwh	108
2. STEAM						
Captive consumption						
Sugar plant	2,561,660	MT	1,097	2,102,092	MT	722
Distillery plant	243,575	MT	176	237,138	MT	138

D. Raw materials consumed

Particulars	September 30, 2010			September 30, 2009		
	Qty	Unit	(₹ in Million)	Qty	Unit	(₹ in Million)
Sugarcane	3,760,818	MT	10,650	3,365,805	MT	6,232
Raw Sugar	863,947	MT	19,319	640,781	MT	10,827
Bagasse	1,021,040	MT	1,252	769,699	MT	850
Coal	442,468	MT	1,575	275,659	MT	696
Molasses	216,327	MT	843	217,007	MT	693
Denatured Spirit	21,986	MT	482	12,437	MT	240
Others			6			31
			34,127			19,569
Less: Inter-segment			1,576			1,200
			32,551			18,369

viii. Consumption of Raw Material, Stores and Spares

Particulars	FY 2009-10		FY 2008-09	
	(₹ in Million)	% of total consumption	(₹ in Million)	% of total consumption
RAW MATERIAL				
Imported	18,949	58%	11,164	61%
Domestic	13,602	42%	7,205	39%
TOTAL	32,551	100%	18,369	100%
STORES & SPARES				
Imported	18	5%	13	5%
Domestic	342	95%	247	95%
TOTAL	360	100%	260	100%



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

ix. Expenditure in Foreign Currency

	FY 2009-10	FY 2008-09
a) Raw materials	33,165	11,164
b) Interest	536	534
c) Travelling expenses	4	3
d) Others	21	22
TOTAL	33,726	11,723

x. Dividends remitted in Foreign Currency

	FY 2009-10	FY 2008-09
Dividends remitted in Foreign Currency	0.60	0.79
Year to which dividend relates	FY 2008-09	FY 2007-08
Number of non-resident shareholders	1	3
Number of shares held by them	600,000	3,955,000
Face value of the share	₹ 1	₹ 1

xi. Earnings in Foreign Currency

	FY 2009-10	FY 2008-09
Exports	7,309.80	1,525.00

xii. Auditors Remuneration

	FY 2009-10	FY 2008-09
Audit Fee	3.07	2.00
Tax audit services	0.50	0.20
Reimbursement of expenses	0.49	0.39

xiii. Managerial Remuneration

	FY 2009-10	FY 2008-09
1. EXECUTIVE DIRECTORS REMUNERATION		
Salary	41.56	8.15
Ex-gratia	0.18	0.33
Commission *	113.86	44.22
Contribution to provident fund	4.41	0.97
Others including perquisites	0.91	2.26
2. DIRECTORS SITTING FEES	1.24	1.25
* COMPUTATION OF MANAGERIAL COMMISSION		
Profit before tax & managerial commission	5,721	2,221
Less : Profit on sale of assets	3	1
Add: Loss on sale of assets/Goodwill amortisation	4	-
Less : Profit on sale of investments	37	9
Add : Loss on sale of investments	8	-
Net Profit as per Section 349 of the Companies Act, 1956	5,693	2,211
Maximum Permissible remuneration to Whole Time Directors under section 198 of the Companies Act, 1956	10%	10%
Restricted to 2% as per service contracts	113.86	44.22



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

xiv. Details of balances with Non Scheduled Banks

Name of the Bank	Balance 30-Sep-10	Maximum Balance	Balance 30-Sep-09	Maximum Balance
The Belgaum District Central Co-op Bank Ltd.	1.20	65.88	0.76	46.95
The Bagalkot District Central Co-op Bank Ltd.	-	-	-	0.02
Kanakadas Urban Co-op Society Ltd.	-	-	-	0.07
Kolhapur District Central Co-op Bank Ltd.	0.18	65.12	0.27	189.22
Latur District Central Co-op Bank	0.38	7.86	0.01	12.86
Raddi Sahakar Bank Niyamit	0.02	0.02	0.02	0.02
Sangli District Co-op Credit Bank	4.25	203.74	0.39	7.75
The Mudalgi Co-op Bank Ltd.	-	-	-	-
The Yargatti Urban Co-op Credit Bank Ltd.	-	-	-	-
Parabhani District Central Co-op Bank Ltd.	0.32	20.96	-	-
TOTAL	6.35	363.58	1.45	256.89

These bank accounts are used to make Cane payments to the farmers.

xv. Related Party Disclosures

Related parties

(A) SUBSIDIARY COMPANIES

- i. Renuka Commodities DMCC, Dubai
- ii. Shree Renuka Biofuels Holdings (FZE), Sharjah
- iii. Shree Renuka Agri Ventures Limited
- iv. KBK Chem-Engineering Private Limited
- v. Gokak Sugars Limited
- vi. SRSL Ethanol Limited
- vii. Shree Renuka Global Ventures Limited, Mauritius
- viii. Monika Realators Private Limited

(B) ASSOCIATE COMPANIES

- i. Khandepar Investments Private Limited
- ii. Shree Renuka Infraprojects Limited
- iii. Murkumbi Investments Private Limited
- iv. Shree Renuka Energy Limited
- v. Renuka Energy Resource Holdings (FZE), Sharjah
- vi. Damodar Resource Holdings (FZE), Sharjah

(C) KEY MANAGERIAL PERSONS

- i. Mrs. Vidya Murkumbi
- ii. Mr. Narendra Murkumbi
- iii. Mr. Nandan Yalgi
- iv. Mr. Nitin Puranik (till August 30, 2010)
- v. Mr. G.K. Sood (till March 4, 2010)



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

A) Transactions with related parties

i) Renuka Commodities DMCC, Dubai.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Advances Paid	Advances Paid
Volume of transactions during the year	1,947.86	1,947.86
Outstanding as at the end of the year	-	1,947.86
2 NATURE OF TRANSACTION	Interest Received	Interest Received
Volume of transactions during the year	158.64	94.62
Outstanding as at the end of the year	-	-
3 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	-	-
Investment in subsidiary	4.97	4.97

ii) Renuka Bio-fuels Holdings FZE, Sharjah.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Advances Paid	Advances Paid
Volume of transactions during the year	23.31	0.01
Outstanding as at the end of the year	24.44	1.13
2 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	-	-
Investment in subsidiary	1.67	1.67

iii) Shree Renuka Agri Ventures Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	-	2.00
Investment in subsidiary	2.50	2.50
2 NATURE OF TRANSACTION	Advances Paid	Advances Paid
Volume of transactions during the year	5.79	49.04
Outstanding as at the end of the year	55.83	50.04

iv) KBK Chem Engineering Pvt. Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	-	160.03
Investment in subsidiary	543.42	543.42
2 NATURE OF TRANSACTION	Purchases	Purchases
Volume of transactions during the year	466.71	328.75
Outstanding as at the end of the year	40.24	26.10
Purchase of Plant & Machinery	400.44	328.75
3 NATURE OF TRANSACTION	Interest Received	Interest Received
Volume of transactions during the year	1.17	-
Outstanding as at the end of the year	-	-



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

v) Godavari Biofuels Pvt. Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	-*	-
Investment in subsidiary	-*	17.14
2 NATURE OF TRANSACTION	Advances Paid	Advances Paid
Volume of transactions during the year	-*	0.02
Outstanding as at the end of the year	-*	0.02

*Note: Amalgamated with Shree Renuka Sugars Ltd. See Note No. xvii(a)

vi) Ratnaprabha Sugars Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	-	-
Investment in subsidiary	-	1.50
2 NATURE OF TRANSACTION	Purchases, Sales & Advances Paid	Purchases, Sales & Advances Paid
Volume of transactions during the year	-*	131.81
Outstanding as at the end of the year	-*	417.98
Purchases	-*	1.89
Sales	-*	20.07
3 NATURE OF TRANSACTION	Interest Received	Interest Received
Volume of transactions during the year	-	-
Outstanding as at the end of the year	-*	-

*Note: Amalgamated with Shree Renuka Sugars Ltd. See Note No. xvii(a)

vii) Gokak Sugars Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	175.87	11.39
Investment in subsidiary	187.26	11.39
2 NATURE OF TRANSACTION	Purchases, Sales & Advances Paid	Purchases, Sales & Advances Paid
Volume of transactions during the year	513.90	817.26
Outstanding as at the end of the year	799.24	808.78
Purchase of Molasses & others	87.23	20.45
Sales & Others	7.25	30.80
3 NATURE OF TRANSACTION	Interest Received	Interest Received
Volume of transactions during the year	95.52	44.65
Outstanding as at the end of the year	21.26	32.68



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

viii) SRSL Ethanol Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	1.00	0.50
Investment in Subsidiary	1.50	0.50
2 NATURE OF TRANSACTION	Advances Paid	Advances Paid
Volume of transactions during the year	9,748.51	0.31
Outstanding as at the end of the year	-	0.31

ix) Shree Renuka Global Ventures Ltd., Mauritius.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	14,639.31	.*
Outstanding as at the end of the year	14,639.31	.*
*(Nominal value of ₹ 48.18)		
2 NATURE OF TRANSACTION	Advances Paid	Advances Paid
Volume of transactions during the year	4.80	4.80
Outstanding as at the end of the year	-	4.80

x) Monika Realators Pvt. Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	171.52	-
Outstanding as at the end of the year	171.52	-
2 NATURE OF TRANSACTION	Advances Paid	Advances Paid
Volume of transactions during the year	219.88	-
Outstanding as at the end of the year	48.36	-
3 NATURE OF TRANSACTION	Rent Payable	Rent Payable
Volume of transactions during the year	2.88	-
Outstanding as at the end of the year	2.88	-

B) Transactions with associate companies:

i) Shree Renuka Infraprojects Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	5.20	2.60
Investment in associate company	-	5.20
2 NATURE OF TRANSACTION	Advances Paid	Advances Paid
Volume of transactions during the year	0.03	0.03
Outstanding as at the end of the year	-	0.03



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

ii Khandepar Investments Pvt. Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Sale of Shares	Sale of Shares
Volume of transactions during the year	-	564.94
Outstanding as at the end of the year	-	-

iii Murkumbi Investments Pvt. Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Sale of Shares	Sale of Shares
Volume of transactions during the year	-	240.00
Outstanding as at the end of the year	-	-

iv Shree Renuka Energy Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	-	-
Investment in subsidiary	-	-
2 NATURE OF TRANSACTION	Interest Paid	Interest Paid
Volume of transactions during the year	-	56.42
Outstanding as at the end of the year	-	-
3 NATURE OF TRANSACTION	Inter-Corporate Deposit	Inter-Corporate Deposit
Volume of transactions during the year	-	2,141.69
Outstanding as at the end of the year	-	-
Inter-Corporate Deposit	-	-
4 NATURE OF TRANSACTION	Purchases	Purchases
Volume of transactions during the year	0.02	879.75
Outstanding as at the end of the year	-	-
Purchase of Project & others	0.02	879.75

v Renuka Energy Resource Holding (FZE).

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Purchases, Sales & Advances Paid	Purchases, Sales & Advances Paid
Volume of transactions during the year	174.08	-
Outstanding as at the end of the year	59.97	-
Purchase of Coal	174.08	-
Advance paid	160.00	-



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

C) Transactions with key management personnel

	FY 2009-10	FY 2008-09
Remuneration including contributions to PF	160.92	55.94
Outstanding Remuneration Payable	-	0.97
Outstanding Commission Payable	113.86	44.22
Outstanding Ex-gratia Payable	-	0.33
NATURE OF TRANSACTION	RENT PAID	RENT PAID
Volume of transactions during the year	1.98	1.98
Outstanding as at the end of the year	1.74	-

xvi. During the year, units of the following mutual funds were purchased and switched/re-deemed

Particulars of Investments	Purchased during the year		Switched/re-deemed during the year	
	No. of units	(₹ in Million)	No. of units	(₹ in Million)
1 ICICI Prudential Institutional Liquid Plan & Flexible Income plan	294,600,094	17,350.00	294,600,094	17,404.04

xvii. Amalgamation

- The Company entered into Scheme of Amalgamation with Godavari Biofuel Pvt Ltd. (which is into Manufacture/Production of Bio Chemical Products) and Ratnaprabha Sugars Ltd. (which is into Manufacture of Sugar) and the appointed date for amalgamation was April 1, 2009. The High Court of Karnataka approved the Scheme of Amalgamation with effect from the appointed date April 1, 2009. The effective date of this Amalgamation is December 10, 2010 and the court order was received on November 12, 2010. Consequently, the standalone Audited Statements of Shree Renuka Sugars Ltd. as on September 30, 2010 are after giving the effect of Amalgamation. Whereas the corresponding figures of previous year are of Standalone Company. At the Board Meeting held on November 15, 2010, the Board approved Pre-amalgamated Standalone Unaudited Results for the Quarter / Year ended on September 30, 2010.
- Purchase (Absorption) Method of Accounting is used in the Process of Amalgamation.
- The Consideration for Amalgamation: Ratnaprabha Sugars Ltd. - ₹ 1,510,300 and Godavari Biofuel Pvt. Ltd. - ₹ 17,142,810.
- The Goodwill arising due to the Amalgamation - ₹ 16,693,110 (Ratnaprabha Sugars Ltd. - ₹ 10,300 and Godavari Biofuel Pvt. Ltd. - ₹ 16,682,810) is being written off 1/5th every year commencing from September 30, 2010 for a period of five years.

xviii. Previous year's figures

Previous year's figures have been regrouped/rearranged wherever considered necessary.



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

xix. Segment Reporting for the year ended September 30, 2010

Particulars	(₹ in Million)									
	SUGAR		TRADING		CO-GENERATION		ETHANOL		OTHER	
	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09
REVENUE										
External sales	35,106.76	17,415.79	16,646.09	1,702.99	1,896.59	1,504.25	1,418.90	1,685.73	43.58	33.41
Inter-segment sales	1,575.70	1,200.10	-	-	2,047.65	1,451.10	-	-	-	(3,623.35)
TOTAL REVENUE	36,682.46	18,615.89	16,646.09	1,702.99	3,944.24	2,955.35	1,418.90	1,685.73	43.58	33.41
Results	4,070.86	1,793.64	1,552.61	150.16	503.07	1,062.17	225.73	459.79	16.17	6.30
Unallocated corporate expenses										
Operating profit										
Interest expenses										
Other income										
Profit from ordinary activities										
Extra-ordinary items										
Net Profit										
OTHER INFORMATION										
Segment assets	24,201.60	20,723.58	4,585.66	2,046.78	5,956.63	4,614.30	3,526.58	3,235.29	24.51	22.89
Unallocated corporate assets										
TOTAL ASSETS	24,201.60	20,723.58	4,585.66	2,046.78	5,956.63	4,614.30	3,526.58	3,235.29	24.51	22.89
Segment liabilities	6,481.44	6,325.71	11,401.80	1,705.83	923.81	266.80	20.76	46.86	-	-
Unallocated corporate liabilities										
TOTAL LIABILITIES	6,481.44	6,325.71	11,401.80	1,705.83	923.81	266.80	20.76	46.86	-	-
Capital expenditure	12,099.11	8,717.95	-	-	5,585.54	4,630.38	2,686.98	2,112.76	9.28	9.28
Unallocated corporate capital expenditure										
TOTAL CAPITAL EXPENDITURE	12,099.11	8,717.95	-	-	5,585.54	4,630.38	2,686.98	2,112.76	9.28	9.28
Depreciation	1,323.98	883.33	-	-	627.13	395.86	271.13	154.64	2.41	1.92
Unallocated corporate depreciation										
TOTAL DEPRECIATION	1,323.98	883.33	-	-	627.13	395.86	271.13	154.64	2.41	1.92



Schedules Forming Part of the Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE FINANCIAL STATEMENTS contd.

xx. Balance Sheet Abstract and Company's General Business Profile

The Companies Act (1 of 1956) SCHEDULE VI - PART IV

1 REGISTRATION DETAILS

Registration No. State Code (Refer Code List)

Balance Sheet Date
Date Month Year

2 CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ THOUSANDS)

Public Issue Right Issue

Bonus Issue Private Placements

3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ THOUSANDS)

Total Liabilities Total Assets

Sources of Funds

Paid - up Capital Reserves & Surplus

Secured Loans Unsecured loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments

Net current assets Misc. Expenditure

Accumulated Losses

4 PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSANDS)

Total Income Total Expenditure

Profit/(Loss) Before Tax Profit/(Loss) After Tax

Earning per Share in (₹) Dividend Rate (%)

5 GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code) Product Description

Item Code No. (ITC Code) Product Description

Item Code No. (ITC Code) Product Description

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn.No : 004982S

K. N. Prabhashankar
Partner
Membership No.19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Dated: February 11, 2011

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary



Statement Pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

Sr. No.	Name of the Subsidiary	Reporting Currency	Capital	Reserves	Total Assets*	Total Liabilities**	Investment other than investment in subsidiary	Turnover (including other income)	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend
(₹ in Million)												
1	Renuka Commodities DMCC	AED	4.97	4,809.37	5,139.76	5,139.76	-	11,209.75	2,498.33	-	2,498.33	-
2	Shree Renuka Biofuels Holdings (FZE)	AED	1.67	-	26.11	26.11	-	-	(0.88)	-	(0.88)	-
3	Shree Renuka Sothorn Africa Holdings(FZC)	AED	1.77	0.07	1.84	1.84	-	-	(0.57)	-	(0.57)	-
4	Shree Renuka Agriventures Ltd.	INR	2.50	-	58.33	58.33	-	-	(3.57)	-	(3.57)	-
5	KBK Chem-Engineering Pvt. Ltd.	INR	16.91	524.05	791.74	791.74	-	2,234.28	58.85	20.01	38.84	-
6	Gokak Sugars Ltd.	INR	351.75	128.70	1,495.87	1,495.87	-	1,020.31	(53.00)	-	(53.00)	-
7	SRSL Ethanol Ltd.	INR	1.50	-	1.50	1.50	-	-	(0.02)	-	(0.02)	-
8	Shree Renuka Global Ventures Ltd.	USD	14,639.31	(13.97)	14,625.34	14,625.34	-	-	(1.50)	-	(1.50)	-
9	Monika Realators Private Ltd.	INR	0.10	1.33	49.79	49.79	-	3.31	(3.02)	-	(3.02)	-
10	Renuka Vale do Ivaí S/A	BRL	3,712.15	(1,817.13)	9,825.55	9,825.55	348.33	2,675.07	618.01	161.73	456.29	-
11	Shree Renuka Participações Ltda.	BRL	3,580.71	(4.58)	3,576.13	3,576.13	-	1.03	(4.54)	-	(4.54)	-
12	Shree Renuka do Brasil Participações Ltda.	BRL	14,317.31	(356.03)	13,961.28	13,961.28	-	7.60	(352.26)	-	(352.26)	-
13	Shree Renuka São Paulo Participações Ltda.	BRL	10,542.98	-	10,542.98	10,542.98	-	-	-	-	-	-
14	Renuka do Brasil S/A	BRL	27,585.17	(42,647.89)	28,346.46	28,346.46	-	4,468.27	430.04	40.94	470.98	-
15	Biopav S.A- Açúcar e Alcool	BRL	2,649.62	(4,430.10)	8,552.22	8,552.22	-	2,263.72	132.88	-	132.88	-
16	Equipav Geradora de Energia Elétrica Ltda.	BRL	684.04	312.91	5,098.90	5,098.90	-	282.77	71.77	-	71.77	-
17	Barreirinha Agropecuaria Ltda.	BRL	601.31	(1,581.76)	771.86	771.86	-	431.04	392.00	-	392.00	-
18	Canapav Agropecuaria Ltda.	BRL	1,834.87	(3,793.73)	810.82	810.82	-	193.42	260.32	-	260.32	-
19	Novaagropav Agropecuaria Ltda.	BRL	393.53	350.22	956.27	956.27	-	326.40	13.33	-	13.33	-
20	Agropav Agropecuaria Ltda.	BRL	2,077.35	(1,926.59)	9,737.00	9,737.00	-	-	9.84	-	9.84	-



Statement Pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

Sr. No.	Name of the Subsidiary	Reporting Currency	Capital	Reserves	Total Assets*	Total Liabilities**	Investment other than in subsidiary	Turnover (including other income)	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend
21	Fertipav Fertilizantes Agrícolas Ltda.	BRL	275.88	(0.48)	530.26	530.26	-	80.00	(9.52)	-	(9.52)	-
22	Transpav Prestacao de Servicos Ltda.	BRL	135.52	(45.80)	150.15	150.15	-	-	3.04	-	3.04	-
23	Florapav Agropecuaria Ltda.	BRL	0.26	-	0.26	0.26	-	-	-	-	-	-
24	Biopav Ltda.	BRL	0.26	-	0.26	0.26	-	-	-	-	-	-
25	Bioenergia Geradora Elétrica Ltda.	BRL	0.26	(0.05)	0.21	0.21	-	-	0.02	-	0.02	-
26	Equipav Trading Limited	BRL	230.38	-	230.38	230.38	-	-	-	-	-	-
27	Chapadao Agroenergia Ltda.	BRL	0.26	-	0.26	0.26	-	-	-	-	-	-
28	Ivaicana Agropecuaria Ltda.	BRL	764.35	(2,900.00)	(178.62)	(178.62)	-	697.35	(454.92)	-	(454.92)	-
29	Biovale Comercio de Leveduras Ltda.	BRL	369.00	60.78	448.93	448.93	-	468.66	79.77	14.86	64.91	-
30	Ivai Logistica Ltda.	BRL	0.40	-	0.40	0.40	-	-	-	-	-	-

Assets and liabilities have been converted from reporting currency UAE Dirham (AED) into Rupees (₹) @ 12.13 as on September 30, 2010.

Assets and liabilities have been converted from reporting currency US Dollar (USD) into Rupees (₹) @ 44.92 as on September 30, 2010.

Assets and liabilities have been converted from reporting currency Brazilian Reais (BRL) into Rupees (₹) @ 26.36 as on September 30, 2010.

* Total assets are net of current liabilities.

** Total liabilities does not include current liabilities.



Auditors' Report

on the Consolidated Financial Statements

To

The Board of Directors of

Shree Renuka Sugars Limited

1. We have examined the attached Consolidated Balance Sheet of SHREE RENUKA SUGARS LIMITED ("the Company") and its Subsidiaries as at September 30, 2010, Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended as on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. a) The accounts include total assets of ₹ 7,050.63 Million and total revenue of ₹ 12,230.06 Million and cash flow amounting to ₹ (2,627.94) Million relating to three subsidiary companies which have been audited by us and consolidated on the basis of audited accounts.
- b) We did not audit the financial statements of five subsidiaries, which were audited by other Auditors whose reports have been furnished to us, reflect total assets of ₹ 97,142.12 Million as at September 30, 2010, total revenue of ₹ 12,457.89 Million and cash flow amounting to ₹ 3,536.59 Million for the year ended as on that date. These financials are included solely on the reports of other Auditors.
4. Our opinion, in so far as it relates to the amounts included in respect of subsidiaries referred to in para 3(b) above is based solely on the reports of the other Auditors.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), and other applicable Accounting Standards issued by Institute of Chartered Accountants of India.
6. Based on our audit as aforesaid and on consideration of reports of other Auditors on separate financial statements, **subject to Note No. (ix) of Schedule 27- Notes to the Consolidated Financial Statements with regard to excess Interest accounted by Renuka do Brasil S/A, an indirect subsidiary**, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet of the consolidated state of affairs of the Company and its subsidiaries as at September 30, 2010.
 - b) in the case of the Consolidated Profit & Loss Account of the consolidated results of the operations of the Company and its subsidiaries for the year ended on that date; and
 - c) in the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

For Ashok Kumar, Prabhashankar & Co.

Chartered Accountants
Firm Regn No. 004982S

K. N. Prabhashankar
Partner

Membership No. 19575

Place: Mumbai

Date: February 11, 2011



Consolidated Balance Sheet

as at September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	Schedule No	30-Sep-10	30-Sep-09
SOURCES OF FUNDS			
Shareholder's Funds			
Share capital	1	670.38	522.77
Reserves and surplus	2	22,808.31	14,779.13
		23,478.69	15,301.90
Minority interest		151.46	147.17
Loan Funds			
Secured loans	3	62,302.14	13,006.10
Unsecured loans	4	2,777.62	421.36
		65,079.76	13,427.46
Deferred Tax Liability	5	1,382.23	820.97
TOTAL		90,092.14	29,697.50
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross block	6	82,465.90	15,704.22
Less : Depreciation		17,628.90	1,555.14
Net Block		64,837.00	14,149.08
Capital work-in-progress including capital advances		7,027.13	2,584.90
Goodwill		7,983.55	-
Investments	7	1,189.09	476.84
Current Assets, Loans and Advances			
Inventory*	8	17,710.82	10,721.10
Sundry debtors	9	5,225.90	1,762.27
Cash and bank balances	10	6,019.10	4,911.58
Other current assets	11	881.21	717.51
Loans and advances	12	17,342.38	4,518.16
Less: Current Liabilities and Provisions			
Current liabilities	13	34,954.08	9,157.08
Provisions	14	3,278.40	1,014.46
Net Current Assets		8,946.93	12,459.08
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	15		
Deferred revenue expenses		108.44	27.60
TOTAL		90,092.14	29,697.50
Significant Accounting Policies	26		
Notes on Accounts	27		

* Please refer point number x to Schedule 27.

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn.No : 004982S

K. N. Prabhashankar
Partner
Membership No.19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Dated: February 11, 2011

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary



Consolidated Profit and Loss Account

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	Schedule No	30-Sep-10	30-Sep-09
INCOME			
Revenue (net)	16	76,694.41	28,159.89
Other income	17	1,822.07	64.40
TOTAL		78,516.48	28,224.29
EXPENDITURE			
Raw materials consumed	18	39,875.22	20,439.37
Cost of traded goods	19	21,323.40	3,928.08
(Increase)/Decrease in inventory	20	(2,591.91)	(4,163.28)
Personnel expenses	21	1,067.10	571.35
Operating and administrative expenses*	22	3,838.80	2,367.86
Selling and distribution expenses*	23	1,428.44	360.87
Depreciation and amortisation	6	2,457.26	675.27
Financial expenses	24	2,377.27	1,076.84
Profit before tax		8,740.90	2,967.93
Provision for tax			
Current tax		1,151.12	363.98
Deferred tax		548.98	353.98
Wealth tax		0.92	-
Fringe benefit tax		-	2.17
Profit after tax and before minority interest & prior period items		7,039.88	2,247.80
Less : Minority interest		4.29	4.93
Prior period items			
Add : Excess provision of depreciation written back		-	0.22
Less: Prior period expenses		1.52	7.54
Net Profit		7,034.07	2,235.55
Balance brought forward from previous year		3,422.51	2,177.72
Profit available for appropriation		10,456.58	4,413.27
Interim dividend on equity shares		670.38	316.90
Corporate dividend tax		111.34	53.86
Transfer to debenture redemption reserve		120.00	120.00
Transfer to general reserve		1,000.00	500.00
Surplus carried to Balance Sheet		8,554.86	3,422.51
Basic and diluted earnings per share (in ₹)	25	10.75	7.80
[Nominal value of shares ₹ 1/- each]			
Significant Accounting Policies	26		
Notes on Accounts	27		

* Please refer point number x to Schedule 27.

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhaskar & Co.,
Chartered Accountants
Firm Regn.No : 004982S

K. N. Prabhaskar
Partner
Membership No.19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Dated: February 11, 2011

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary



Consolidated Cash Flow Statement

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8,740.90	2,967.93
Adjustments to reconcile profit before tax to net cash provided by operating activities		
Depreciation	2,457.26	675.27
Minority interest	(4.29)	(4.93)
Financial expenses	2,377.27	1,076.84
Purchase tax deferment	(178.77)	155.08
Loss/(Profit) on sale of fixed assets	(100.12)	(0.34)
Foreign exchange fluctuation reserve	51.27	-
Income from investments	(36.60)	(8.99)
Miscellaneous and prior period expenses (net)	(82.36)	(18.77)
Operating profit before working capital changes	13,224.56	4,842.09
Changes in operating assets and liabilities		
Trade receivables	(3,463.63)	(158.98)
Other receivables	(11,542.05)	(1,349.66)
Inventory	(6,989.72)	(8,468.99)
Trade and other payables	26,456.36	6,704.12
Cash generated from operations	17,685.52	1,568.58
Income-tax paid	(1,445.87)	(305.42)
Net Cash Flow From Operating Activities	16,239.65	1,263.16
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets(including goodwill)	(65,609.92)	(4,705.03)
Proceeds from sale of fixed assets	139.08	24.23
Purchase of investments	(712.25)	(167.23)
Income from investments	36.60	8.99
Net Cash Flow From Investing Activities	(66,146.49)	(4,839.04)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in capital	147.61	15.91
Share premium	2,060.46	5,162.25
Share premium utilised for Bonus issue	(326.40)	-
Capital redemption reserve utilised for Bonus issue	(8.50)	-
Minority interest	4.29	(386.15)
Reserves arising on consolidation	-	(77.29)
Dividend paid	(316.90)	(55.19)
Proceeds from long-term borrowings	53,336.21	4,792.49
Proceeds from short-term borrowings	(669.58)	1,087.98
Repayment of long-term borrowings	(835.56)	(1,202.64)
Interest paid	(2,377.27)	(1,076.84)
Net Cash Flow From Financing Activities	51,014.36	8,260.52
Net increase in cash and cash equivalents	1,107.52	4,684.64
Opening cash and cash equivalents	4,911.58	226.94
Closing cash and cash equivalents	6,019.10	4,911.58

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn.No : 004982S

K. N. Prabhashankar
Partner
Membership No.19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Dated: February 11, 2011

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary



Schedules Forming Part of the Consolidated Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
1. SHARE CAPITAL		
Authorised*		
25,000,000 Preference Shares of ₹ 10/- each	250.00	700.00
(Previous Year 70,000,000 Preference Shares of ₹ 10/- each)		
800,000,000 Equity Shares of ₹ 1/- each	800.00	350.00
(Previous Year 350,000,000 Equity Shares of ₹ 1/- each)		
*During the year, the Company restructured the Authorised Capital	1,050.00	1,050.00
Issued, Subscribed and Paid up		
670,382,000 Equity Shares of ₹ 1/- each fully paid	670.38	316.90
(Previous Year 316,900,000 Equity Shares of ₹ 1/- each fully paid)		
Equity Warrants :		
18,000,000 Warrants convertible into Equity Share of ₹ 1 each at a premium of ₹ 113.37 per share, having an option to exercise over a period of 18 months, were allotted on September 11, 2008 on preferential basis to the promoters. The allottee had deposited 10% of the entire value including the amount of premium as per the terms of allotment.	-	205.87
	670.38	522.77
i) As per the terms 18,000,000 Equity Shares of ₹ 1/- each at a premium of ₹ 113.37 per share have been allotted on March 4, 2010 to the promoters on exercise of options available through equity warrants.		
ii) 334,900,000 Bonus shares were issued as on March 18, 2010 at the ratio of 1:1.		
iii) Allotment of 582,000 Equity Shares of ₹ 1/- each at a premium of ₹ 28.55 under ESOP on September 2, 2010.		
2. RESERVES AND SURPLUS		
Capital Reserve		
i) Subsidy received towards Co-generation		
As per last balance sheet	18.75	18.75
ii) Others		
As per last balance sheet	0.26	0.26
	19.01	19.01
Capital Redemption Reserve		
As per last balance sheet	8.50	8.50
Less: Utilised for bonus issue	8.50	-
	-	8.50
Share Premium		
As per last balance sheet	8,813.22	3,650.97
Addition during the year	2,060.46	5,162.25
Less: Utilised for bonus issue	326.40	-
	10,547.28	8,813.22
Reserves on Consolidation		
As per last balance sheet	366.87	444.16
Addition during the year	-	(77.29)
	366.87	366.87
General Reserve		
As per last balance sheet	2,029.02	1,529.02
Add : Transfer from profit and loss account	1,000.00	500.00
	3,029.02	2,029.02



Schedules Forming Part of the Consolidated Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
Foreign Exchange Fluctuation Reserve		
As per last balance sheet	-	-
Addition during the year	51.27	-
	51.27	-
Debenture Redemption Reserve		
As per last balance sheet	120.00	-
Add : Transfer from profit and loss account	120.00	120.00
	240.00	120.00
	14,253.45	11,356.62
Surplus in profit and loss account	8,554.86	3,422.51
	22,808.31	14,779.13

3. SECURED LOANS

600 Redeemable Non-Convertible Debentures (11.95%) of ₹ 1,000,000 each (Secured by the first pari passu charge on movable and immovable assets of the company, redeemable at par on August 3, 2014)	600.00	600.00
Term loans from banks and financial institutions (Secured by the first pari passu charge on movable and immovable assets of the company)	43,792.86	8,287.92
Term loans from sugar development fund (Secured by the second charge on movable and immovable assets of the company)	1,407.59	536.60
Cash/ Export credit facilities from banks (Secured by hypothecation of stocks & book debts and a third charge on movable and immovable assets of the company)	16,442.97	3,520.79
Interest accrued but not due	58.72	60.79
	62,302.14	13,006.10

Interest accrued but not due represents interest on certain long-term borrowings, where the payment of interest has also been deferred for a period of time, and is therefore considered to be in the nature of a borrowing and included as a part of secured loans.
Repayment due within one year in respect of term loans aggregate to ₹ 770.07 Million (Previous Year ₹ 627.27 Million).

4. UNSECURED LOANS

Sugar development fund	15.29	21.53
Deferred purchase tax	221.06	399.83
Others	2,541.27	-
	2,777.62	421.36

5. DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability		
Depreciation	2,343.39	1,705.86
Others	1.20	1.20
Gross Deferred Tax Liability	2,344.59	1,707.06
Deferred Tax Asset		
Deferred interest on SDF loan	19.07	17.74
Others	943.29	868.35
Gross Deferred Tax Asset	962.36	886.09
Net Deferred Tax Liability	1,382.23	820.97



Schedules Forming Part of the Consolidated Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	1-Oct-09	Additions	Deductions/ Adjustments	30-Sep-10
6. FIXED ASSETS				
Gross Block				
Goodwill on consolidation	357.68	154.01	-	511.69
Land- freehold	293.28	1,733.51	-	2,026.79
Land- leasehold	125.92	-	-	125.92
Sugarcane Plantation Costs	-	10,170.67	-	10,170.67
Buildings	2,765.58	5,279.37	-	8,044.95
Plant and machinery	11,877.30	29,052.89	45.82	40,884.37
Furniture and fittings	194.86	12,530.67	2.03	12,723.50
Vehicles	89.60	7,891.38	2.97	7,978.01
TOTAL	15,704.22	66,812.50	50.82	82,465.90
Previous Year	8,400.79	7,333.33	29.90	15,704.22
Accumulated Depreciation				
Goodwill on consolidation	-	-	-	-
Land- freehold	-	-	-	-
Land- leasehold	-	-	-	-
Sugarcane Plantation Costs	-	4,576.70	-	4,576.70
Buildings	180.71	808.29	2.89	986.11
Plant and machinery	1,304.29	5,335.70	6.75	6,633.24
Furniture and fittings	49.26	3,140.84	1.08	3,189.02
Vehicles	20.88	2,224.09	1.14	2,243.83
TOTAL	1,555.14	16,085.62	11.86	17,628.90
Less : Pre-operative & opening depreciation of subsidiaries		13,628.36		
Depreciation charged to profit and loss		2,457.26		
Previous Year	884.31	676.67	5.84	1,555.14
Net Block				
Goodwill on consolidation	357.68			511.69
Land- freehold	293.28			2,026.79
Land- leasehold	125.92			125.92
Sugarcane Plantation Costs	-			5,593.97
Buildings	2,584.87			7,058.84
Plant and machinery	10,573.01			34,251.13
Furniture and fittings	145.60			9,534.48
Vehicles	68.72			5,734.18
TOTAL	14,149.08			64,837.00
Capital Work-in-progress	2,584.90			7,027.13
Previous Year	7,516.48			14,149.08

The Capital Work-in-progress includes pre-operative expenses of the projects to the extent of ₹ 11.16 Million.
(Previous Year ₹ 187.98 Million)



Schedules Forming Part of the Consolidated Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
7. INVESTMENTS		
LONG TERM INVESTMENTS (AT COST)		
Non -Trade		
Government Securities		
National Saving Certificate	0.05	0.05
Equity Shares fully paid-up (Unquoted)		
Esugar India Clearing Corporation Ltd.	0.05	0.05
5,000 Equity Shares of ₹ 10 each		
Pachhapur Urban Co-op Bank Ltd., Pachhapur	0.00	0.00
10 Equity Shares of ₹ 100 each (Nominal value of ₹ 1,000)		
Shree Renuka Infraprojects Ltd.	-	5.20
(Previous Year 520,000 Equity Shares of ₹ 10 each)		
Belgaum DCC Bank Ltd., Belgaum	0.50	0.50
5,000 Equity Shares of ₹ 100 each		
Saraswat Co-op Bank Ltd.	-	0.03
(Previous Year 250 Equity Shares of ₹ 100 each)		
National Commodity & Derivatives Exchange Ltd.	786.87	365.00
4,500,000 Equity Shares of ₹ 10 each		
(Previous Year 1,500,000 Equity Shares of ₹ 10 each)		
Equity Shares fully paid-up (Quoted)		
Sakthi Sugars Ltd.	-	48.31
(Previous Year 900,000 Equity Shares of ₹ 10 each)		
Rajshree Sugars & Chemicals Ltd.	-	53.80
(Previous Year 761,313 Equity Shares of ₹ 10 each)		
Simbhaoli Sugar Mills Ltd.	-	3.90
(Previous Year 100,000 Equity Shares of ₹ 10 each)		
Ugar Sugar Works Ltd.	53.18	-
2,750,159 Equity Shares of ₹ 10 each		
In Associates Companies		
PASA Terminais Portuarios	175.76	-
CPA Trading	141.96	-
Alcool do Parana Terminais Portuarios	24.93	-
Others	5.79	-
	1,189.09	476.84
Aggregate value of the quoted investments	53.18	106.01
Aggregate value of the un-quoted investments	1,135.91	370.83
Market value of the quoted investments	50.05	157.08



Schedules Forming Part of the Consolidated Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
8. INVENTORY		
Stores and spares	567.31	480.29
Raw materials and components	4,209.47	3,047.11
Intermediate product	132.69	161.36
Work-in-progress	170.63	98.41
Finished goods		
Manufactured	11,031.74	4,966.96
Others	1,598.98	1,966.97
	17,710.82	10,721.10
9. SUNDRY DEBTORS		
Unsecured		
Debts over six months		
Considered good	241.14	187.54
Considered doubtful	-	-
Others		
Considered good	4,984.76	1,574.73
	5,225.90	1,762.27
10. CASH AND BANK BALANCES		
Cash on hand	30.20	6.49
Cheques on hand	0.02	-
Balances with scheduled banks		
On current accounts	4,899.48	2,839.55
On deposit accounts	1,045.95	2,062.61
Balance with other banks		
On current accounts	43.45	2.93
	6,019.10	4,911.58
Balances with banks in deposit accounts include amounts that have been provided as margin money or those that have been pledged with government authorities towards guarantees, etc.		
11. OTHER CURRENT ASSETS		
Export incentives accrued	255.02	312.98
Interest accrued	10.97	16.08
Others	615.22	388.45
	881.21	717.51
12. LOANS AND ADVANCES		
Unsecured and considered good		
Advances recoverable in cash or kind or for value to be received	10,407.31	2,195.93
Balances with customs, excise, etc.	1,126.53	1,072.71
Deposits	1,168.23	686.92
Advance income tax	4,640.31	562.60
	17,342.38	4,518.16



Schedules Forming Part of the Consolidated Financial Statements

as on September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
13. CURRENT LIABILITIES		
Sundry creditors		
Micro, small and medium enterprises (to the extent identified with available information)	8.34	1.64
Others	27,310.55	8,302.80
Advance from customers	994.54	136.49
Interest accrued but not due on loans	1,282.79	156.99
Other liabilities	5,357.86	559.16
	34,954.08	9,157.08
14. PROVISIONS		
Provision for taxation	2,468.03	624.13
Provision for gratuity	5.28	1.04
Provision for leave encashment	17.67	10.77
Provision for fringe benefit tax	5.70	7.76
Provision for interim dividend on equity shares	670.38	316.90
Provision for corporate dividend tax	111.34	53.86
	3,278.40	1,014.46
15. MISCELLANEOUS EXPENDITURE		
Deferred revenue expenditure to the extent not written off	90.77	23.20
Goodwill on amalgamation to the extent not written off	13.35	-
Debenture issue expenditure to the extent not written off	4.32	4.40
	108.44	27.60



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
16. REVENUE		
Sale of manufactured sugar	41,064.32	17,696.40
Sale of traded sugar and ethanol	26,161.09	5,094.90
Sale of power	3,941.44	2,955.01
Sale of ethanol and allied products	4,337.07	1,773.08
Sale from engineering division	2,245.28	2,488.28
Sale of by-products and others	3,988.40	1,730.15
	81,737.60	31,737.82
Less : Excise duty	1,307.22	926.73
Inter-segment sales	3,735.97	2,651.20
	76,694.41	28,159.89
17. OTHER INCOME		
Dividend	55.78	44.53
Foreign exchange gain/(loss)	1,321.47	-
Profit on sale of investments	36.60	8.99
Profit on sale of assets	100.12	0.62
Others	308.10	10.26
	1,822.07	64.40
18. RAW MATERIALS CONSUMED		
Opening stock as on October 01, 2009	2,719.21	362.90
Opening stock of Subsidiaries	637.89	319.38
Add : Stock transfer for trial run	-	70.73
Add : Purchases and related expenses	40,467.02	23,933.57
Less : Inter-segment purchases	1,688.32	1,200.10
	42,135.80	23,486.48
Less: Closing stock as on September 30, 2010	2,260.58	3,047.11
	39,875.22	20,439.37
19. COST OF TRADED GOODS		
Opening stock as on October 01, 2009	1,966.97	33.75
Add : Purchases	20,955.41	5,861.30
	22,922.38	5,895.05
Less: Closing stock as on September 30, 2010	1,598.98	1,966.97
	21,323.40	3,928.08



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
20. (INCREASE)/DECREASE IN INVENTORY		
Opening stock as on October 01, 2009		
Work-in-progress	74.91	49.14
Work-in-progress of subsidiaries	10.80	63.65
Finished goods and intermediate products	5,087.38	467.83
Trial run stock of finished goods and intermediate products	57.83	429.19
A	5,230.92	1,009.81
Less: Closing stock as on September 30, 2010		
Work-in-progress	163.04	85.71
Finished goods and intermediate products	7,659.79	5,087.38
B	7,822.83	5,173.09
(A-B)	(2,591.91)	(4,163.28)
21. PERSONNEL EXPENSES		
Salaries, wages and bonus	995.64	510.81
Contribution to provident fund and others	42.68	38.98
Contribution to gratuity	15.44	11.28
Contribution to leave encashment	13.34	10.28
	1,067.10	571.35
22. OPERATING AND ADMINISTRATIVE EXPENSES		
A. Manufacturing expenses		
Consumption of stores and spares	391.40	310.10
Processing charges	703.74	605.06
Packing material	456.69	301.33
Direct expenses (engineering)	36.53	39.38
Power and fuel	2,387.28	1,772.11
Lease rentals	100.82	130.45
Repairs and maintenance		
Plant and machinery	95.63	81.47
Buildings	25.55	19.42
Others	49.95	37.75
Less : Inter-segment expenses	(2,047.65)	(1,451.10)
A	2,199.94	1,845.97
B. Administrative expenses		
Rent, rates and taxes	264.06	71.45
Insurance	46.34	24.14
Travelling and conveyance	108.48	68.77
Printing and stationery	10.33	10.11
Communication expenses	44.45	23.31
Legal and professional fees	413.36	117.41
Remuneration to directors		
Remuneration	50.49	25.35
Commission	113.86	44.22
Directors' sitting fees	1.24	1.25



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

(All amounts in Million Indian Rupees, unless otherwise stated)

	30-Sep-10	30-Sep-09
Auditor's remuneration	25.17	3.64
Donations and contributions	58.92	4.52
Loss on sale of fixed assets	8.31	0.45
Loss on sale of investments	8.40	-
Research and development	3.27	9.69
Others	482.18	117.58
B	1,638.86	521.89
(A + B)	3,838.80	2,367.86
23. SELLING AND DISTRIBUTION EXPENSES		
Freight and forwarding charges	1,211.57	221.97
Advertising and sales promotion	15.60	8.11
Warehousing expenses	41.08	43.05
Weighment charges	0.02	-
Brokerage and discounts	60.59	21.98
Commission and market development expenses	99.58	65.76
	1,428.44	360.87
24. FINANCIAL EXPENSES		
Interest		
on term loans	1,571.72	468.09
on working capital	464.01	378.66
others	176.54	164.03
Bank charges	165.00	66.06
	2,377.27	1,076.84
25. EARNINGS PER SHARE		
The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.		
Reconciliation of earnings		
Profit for the year ended September (net of minority interest)	7,035.59	2,242.87
Net profit attributable to equity shareholders	7,035.59	2,242.87
Reconciliation of number of shares		
	Shares	Shares
Shares outstanding at the beginning of the period	316,900,000	275,963,160
Shares outstanding at the end of the period	670,382,000	316,900,000
Weighted average number of equity shares	654,657,200	287,462,482
Basic and Diluted Earnings Per Share (in ₹)	10.75	7.80
[Nominal value of shares ₹ 1/- each]		



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

26. SIGNIFICANT ACCOUNTING POLICIES

(All amounts in Million Indian Rupees, unless otherwise stated)

a. Basis of presentation

The accompanying financial statements have been presented for the year ended September 30, 2010, along with comparative information for the year ended September 30, 2009. The accompanying financial statements have been prepared on a going concern basis under the historical cost convention on the accrual basis of accounting in conformity with accounting principles generally accepted in India ("Indian GAAP"). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except as stated hereunder.

b. Consolidation

The accompanying Consolidated Financial Statements comprise the accounts of Shree Renuka Sugars Ltd. and its direct and indirect subsidiaries after eliminating all material inter-company accounts, transactions, profits and losses. A subsidiary is an entity in which the Group has either direct or indirect majority ownership interest and has the power to control the financial and operating policies of that entity.

c. Use of estimates

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, actual results could differ from those estimates.

d. Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar, power generation and ethanol units on a reasonable basis.

e. Borrowing costs

Financing cost incurred upto the date of completion of construction or installation of qualifying assets, on funds borrowed are capitalised as a part of the cost of the asset.

f. Depreciation

Depreciation is provided at the rates and in the manner prescribed in Schedule XIV of the Indian Companies Act, 1956. The Companies' assets are depreciated using the straight line method. As per estimates of the management, these rates are representative of the economic useful life of these assets. However depreciation for subsidiary Renuka Commodities DMCC, Dubai and assets held by Shree Renuka Do Brasil Participacoes Ltda. in Brazil are computed based on the useful life of the asset. No depreciation is provided on assets held for sale. Depreciation on revaluation of Assets is adjusted against the Revaluation Reserve.

g. Leases

Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. In case of long term leases, the expenditure to the profit and loss account is recognised on the basis of equated lease rentals arrived at by allocating the total outflow of lease rentals on the entire contractual period over the period of the lease.

h. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value / market value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Profit/loss on sale of investments is computed with reference to their average cost.

i. Amalgamation

Accounting for Amalgamation is as per AS-14 of the Indian Accounting Standards as prescribed by The Institute of Chartered Accountants of India. The Goodwill arising on Amalgamation is amortised on the basis over its useful life but shall not exceed five years.



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

26. SIGNIFICANT ACCOUNTING POLICIES contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

j. Inventories

Inventory is valued as follows:

Raw materials, stores and spares and packing materials

Lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First In First Out ('FIFO') basis.

Finished goods

Lower of cost or net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods excludes excise duty.

Work-in-process

Lower of cost upto estimated stage of process or net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

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

By-products

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

Inter-segment

The inter-segment transfers of inventories are valued at cost.

k. Revenue recognition

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

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

l. Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate at the date of the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

Exchange Differences

Exchange Differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise, except for loans denominated in foreign currencies utilised for acquisition of fixed assets until the date of capitalisation where the exchange gains/losses are adjusted to the cost of such assets.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the profit and loss account in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

26. SIGNIFICANT ACCOUNTING POLICIES *contd.*

(All amounts in Million Indian Rupees, unless otherwise stated)

Translation of financial statements of foreign subsidiaries

The consolidated financial statements are presented in Indian Rupees, which is the functional currency of the parent company, being the currency of the primary economic environment in which it operates.

In the consolidated financial statements, the separate financial statements of the subsidiary, originally presented in a currency different from the Group's presentation currency, have been converted into Indian Rupees. Assets and liabilities have been translated into Indian Rupees at the closing rate at the balance sheet date. Income and expenses have been converted into the Group's presentation currency at the average rates over the reporting period. The resulting translation adjustments are recorded under the currency translation reserve in equity.

The functional currency of subsidiaries Renuka Commodities DMCC, Dubai, Shree Renuka Bio-Fuels Holdings (FZE), Sharjah is UAE Dirham ('AED') and Shree Renuka Global Ventures Ltd., Mauritius, is USD.

m. Retirement benefits

Contributions in respect of provident fund and gratuity are made to the appropriate authorities/trust set up by the Company for the purpose and charged to Profit and Loss Account. Provisions for liabilities in respect of leave encashment benefits are made based on actuarial valuation made by an independent actuary as at the Balance Sheet date.

n. Income tax

Tax expenses comprise both current and deferred taxes.

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

o. Miscellaneous expenditure.

Preliminary expenses are written-off over a period of five years from the year of commencement of commercial production.

The Deferred Revenue Expenditure comprises of debenture issue expenses which is written off over a period of five years and expenses incurred on the lease units upto the date of production which is written off in proportion to the period of lease unexpired or 1/5th in case of long lease period.

p. Government grants

Government grants in the nature of promoter's contribution are credited to capital reserve and treated as a part of Shareholder's funds.

q. Financial derivatives and commodity futures

Transactions in financial derivatives and commodity futures are accounted based on the mode of ultimate settlement.

Transactions, which are ultimately settled net, without taking delivery, are recorded net with the gains /losses being recognised as income/expenses in the financial statements. Transactions, which stipulate physical delivery of the goods and where the company intends to take such delivery, are recorded at gross, as purchases and sales as part of the Company's sugar manufacturing activities.

r. Provisions, contingent liabilities and contingent assets

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

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

Contingent Liability is disclosed in the case of

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



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

26. SIGNIFICANT ACCOUNTING POLICIES contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

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

Contingent Assets are neither recognised nor disclosed.

s. Earnings per share

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

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

t. Segment reporting

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

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

u. Impairment of assets

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

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

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



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Million Indian Rupees, unless otherwise stated)

i. Excise Duty on Finished Goods

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

ii. Leases

The Company has entered into various operating leases for office, residential and factory premises. These are generally short-term leases and cancelable by serving adequate notice. The minimum amount of lease rentals payable on non-cancelable leases is as follows:

- ▶ Within a period of one year – ₹ 83.63 Million (Previous Year ₹ 55.50 Million)
- ▶ Period from one year to five years – ₹ 251.63 Million (Previous Year ₹ 97.53 Million)

iii. Outstanding Commitments

As at September 30, 2010, the Company had the following outstanding commitments:

- ▶ Bank Guarantees outstanding - ₹ 804.76 Million (Previous Year ₹ 460 Million)
- ▶ Corporate Guarantees outstanding ₹ 7,653.52 Million (Previous Year ₹ 1,981 Million)
- ▶ Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for – ₹ 4,112 Million (Previous Year ₹ 1,928 Million)

iv. Balances appearing under the head sundry creditors, sundry debtors, loans and advances and secured loans are subject to confirmation, adjustments, if any, on the receipt/reconciliation of such accounts.

v. In terms of accounting standard AS 28 on impairment of assets there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.

vi. Managerial Remuneration

	FY 2009-10	FY 2008-09
1. EXECUTIVE DIRECTORS REMUNERATION		
Salary	52.03	18.21
Ex-gratia	0.82	4.88
Commission	113.86	44.22
Contribution to provident fund	5.29	1.94
Others including perquisites	0.91	2.26
2. DIRECTORS SITTING FEES	1.24	1.25
COMPUTATION OF MANAGERIAL COMMISSION		
Profit before tax & managerial commission	8,855	3,012
Less : Profit on sale of assets	100	-
Less : Profit on sale of investments	37	9
Add : Loss on sale of investments	8	-
Add: Loss on sale of assets/Goodwill amortisation	4	-
Net Profit as per Section 349 of the Companies Act, 1956	8,730	3,003
Maximum Permissible remuneration to Whole-Time Directors under section 198 of the Companies Act, 1956.	10%	10%
Restricted to 2% as per service contracts	113.86	44.22

vii. Related Party Disclosures

Related parties

(A) ASSOCIATE COMPANIES

- i. Khandepar Investments Private Limited
- ii. Shree Renuka InfraProjects Limited
- iii. Murkumbi Investments Private Limited
- iv. Shree Renuka Energy Limited
- v. Renuka Energy Resource Holdings (FZE), Sharjah
- vi. Damodar Resource Holdings (FZE), Sharjah



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

(B) KEY MANAGERIAL PERSONS

- i. Mrs. Vidya Murkumbi
- ii. Mr. Narendra Murkumbi
- iii. Mr. Nandan Yalgi
- iv. Mr. Nitin Puranik (till August 30, 2010)
- v. Mr. G.K. Sood (till March 4, 2010)

A) Transactions with associate companies:

i) Shree Renuka Infraprojects Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Investments	Investments
Volume of transactions during the year	5.20	2.60
Investment in associate company	-	5.20
2 NATURE OF TRANSACTION	Advances Paid	Advances Paid
Volume of transactions during the year	0.03	0.03
Outstanding as at the end of the year	-	0.03

ii) Khandepar Investments Pvt. Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Sale of Shares	Sale of Shares
Volume of transactions during the year	-	564.94
Outstanding as at the end of the year	-	-

iii) Murkumbi Investments Pvt. Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Sale of Shares	Sale of Shares
Volume of transactions during the year	-	240.00
Outstanding as at the end of the year	-	-

iv) Shree Renuka Energy Ltd.

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Purchases	Purchases
Volume of transactions during the year	0.02	879.75
Outstanding as at the end of the year	-	-
Purchase of Project & others	0.02	879.75

v) Renuka Energy Resource Holding (FZE), Sharjah

	FY 2009-10	FY 2008-09
1 NATURE OF TRANSACTION	Purchases, Sales & Advances Paid	Purchases, Sales & Advances Paid
Volume of transactions during the year	174.08	-
Outstanding as at the end of the year	59.97	-
Purchase of Coal	174.08	-
Advance paid	160.00	-



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

B) Transactions with key management personnel

	FY 2009-10	FY 2008-09
Remuneration including contributions to PF	172.91	71.51
Outstanding Remuneration Payable	-	0.97
Outstanding Commission Payable	113.86	44.22
Outstanding Ex-gratia Payable	-	0.33
NATURE OF TRANSACTION	Rent Paid	Rent Paid
Volume of transactions during the year	1.98	1.98
Outstanding as at the end of the year	1.74	-

viii. Details of balances with Non Scheduled Banks

Name of the Bank	Balance 30-Sep-10	Maximum Balance	Balance 30-Sep-09	Maximum Balance
The Belgaum District Central Co-op Bank Ltd.	1.20	65.88	0.83	47.02
The Bagalkot District Central Co-op Bank Ltd.	-	-	-	0.02
Bijapur Grameena Bank	-	-	-	0.00
Kanakadas Urban Co-op Society Ltd.	0.00	0.00	0.00	0.07
Kolhapur District Central Co-op Bank Ltd.	0.18	65.12	0.27	189.22
Karnataka Vikas Grameen Bank	0.17	0.17	-	-
Latur District Co-op Bank	0.38	7.86	0.01	12.86
Raddi Sahakar Bank Niyamit	0.02	0.02	0.02	0.02
Sangli District Co-op Credit Bank	4.25	203.74	0.39	7.75
The Mudalgi Co-op Bank Ltd.	-	-	0.00	0.00
The Yargatti Urban Co-op Credit Bank Ltd.	0.00	0.00	0.00	0.00
Banco De Oro Universal Bank	35.30	39.88	0.48	39.36
Commercial Bank Of Ethiopia-Birr Account	1.63	21.88	-	-
Parbhani People's Bank Ltd.	-	-	0.00	0.00
Parbhani District Central Co-op Bank	0.32	20.96	0.93	5.99
Sangli Urban Co-op Credit Bank	-	-	0.00	0.00
TOTAL	43.45	425.51	2.93	302.31

- ix. The Company acquired through its subsidiary 'Shree Renuka Global Ventures Limited', 50.34% of equity holding of 'Renuka do Brasil S/A' on July 08, 2010. Consequent to this acquisition, Renuka do Brasil S/A has become an indirect subsidiary of Shree Renuka Sugars Limited. After the acquisition, the company is negotiating with its lenders for certain benefits to be passed on to the company against interest.

Except for R\$ 140.26 million (Rs. 3,696.75 million) Renuka do Brasil S/A obtained confirmations from all the lenders. Consequent to the reconciliation carried out during January 2011, it is found that Renuka do Brasil S/A has accounted for net excess interest of R\$ 5.94 million (Rs. 159.02 million). This has resulted in the understatement of profits of the company to this extent in the Consolidated Financial Statements. However, the booking of excess interest and other adjustments, as may be required against unconfirmed balances, will be carried out during the accounting year 2010-11.



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS contd.

Particulars	SUGAR		TRADING		CO-GENERATION		ETHANOL		ENGINEERING		OTHER		ELIMINATIONS		TOTAL	
	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09	FY 2009-10	FY 2008-09
REVENUE																
External sales	45,218.24	17,415.79	25,890.18	5,094.90	1,896.59	1,504.25	1,418.90	1,685.73	2,223.72	2,425.81	46.78	33.41	-	-	76,694.41	28,159.89
Inter-segment sales	1,688.32	1,200.10	-	-	2,047.65	1,451.10	-	-	-	-	-	-	(3,735.97)	(2,651.20)	-	-
TOTAL REVENUE	46,906.56	18,615.89	25,890.18	5,094.90	3,944.24	2,955.35	1,418.90	1,685.73	2,223.72	2,425.81	46.78	33.41	(3,735.97)	(2,651.20)	76,694.41	28,159.89
Results	4,924.41	1,728.46	4,350.43	1,086.60	503.07	1,062.17	225.72	459.79	86.60	104.66	10.36	6.30	-	-	10,100.59	4,447.98
Unallocated corporate expenses															804.49	467.61
Operating profit																
Interest expenses															9,296.10	3,980.37
Other income															2,377.27	1,076.84
Profit from ordinary activities															1,822.07	64.40
Extra-ordinary items															8,740.90	2,967.93
															-	-
Net Profit															8,740.90	2,967.93
OTHER INFORMATION																
Segment assets	95,157.75	21,317.00	9,749.35	4,345.78	5,956.63	4,614.30	3,527.22	3,235.29	1,572.72	1,577.63	24.51	22.89	-	-	115,988.18	35,112.89
Unallocated corporate assets															12,336.44	4,756.15
TOTAL ASSETS	95,157.75	21,317.00	9,749.35	4,345.78	5,956.63	4,614.30	3,527.22	3,235.29	1,572.72	1,577.63	24.51	22.89	-	-	128,324.62	39,869.04
Segment liabilities	70,281.26	6,765.79	11,751.15	1,706.37	923.81	266.80	20.77	46.86	678.35	723.36	-	-	-	-	83,655.34	9,509.18
Unallocated corporate liabilities															44,669.28	30,359.86
TOTAL LIABILITIES	70,281.26	6,765.79	11,751.15	1,706.37	923.81	266.80	20.77	46.86	678.35	723.36	-	-	-	-	128,324.62	39,869.04
Capital Expenditure																
Capital Expenditure	78,802.82	10,024.36	20.48	17.67	5,585.54	4,630.38	2,686.98	2,112.76	426.23	447.51	9.28	9.28	-	-	87,531.33	17,241.96
Unallocated corporate capital expenditure																
Unallocated corporate capital expenditure															1,961.70	1,047.16
TOTAL CAPITAL EXPENDITURE	78,802.82	10,024.36	20.48	17.67	5,585.54	4,630.38	2,686.98	2,112.76	426.23	447.51	9.28	9.28	-	-	89,493.03	18,289.12
Depreciation	16,617.93	927.23	0.72	0.11	627.13	395.86	271.13	154.64	19.40	13.49	2.41	1.92	-	-	17,538.72	1,493.25
Unallocated corporate depreciation															90.18	61.89
TOTAL DEPRECIATION	16,617.93	927.23	0.72	0.11	627.13	395.86	271.13	154.64	19.40	13.49	2.41	1.92	-	-	17,628.90	1,555.14

x. Segment Reporting for the year ended September 30, 2010



Schedules Forming Part of the Consolidated Financial Statements

for the year ended September 30, 2010

27. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS contd.

(All amounts in Million Indian Rupees, unless otherwise stated)

xi. Previous year's figures

Previous year's figures have been regrouped/rearranged wherever considered necessary.

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn.No : 004982S

K. N. Prabhashankar
Partner
Membership No.19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Dated: February 11, 2011

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary



NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of Shree Renuka Sugars Ltd will be held on Tuesday, March 29, 2011 at Maratha Mandir Hall, Near Railway Over Bridge, Khanapur Road, Belgaum – 590 006 at 9:30 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at September 30, 2010 and the Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors' and Auditors' thereon.
2. To confirm the payment of Interim Dividend on equity shares for the year 2009-10 as dividend for the year.
3. To appoint a Director in place of Mrs. Vidya Murkumbi who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Mr. Sidram Kaluti who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Nandan Yalgi who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the provisions of the Articles of Association of the Company and the regulations/guidelines, prescribed by Securities and Exchange Board of India or any other relevant authorities, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, as may be required, and subject to such conditions as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee constituted and /or to

be constituted or reconstituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board of the Company to create, offer, issue and allot, to or for the benefit of such person(s) as are in the permanent employment of the Company, including Directors, whether Whole-Time or otherwise of the Company, whether in India or out of India, at any time, such number of options not exceeding 10,613,000 under “SRSL Employees Stock Option Plan-2011” (hereinafter referred to as the “ESOP-2011” or “the Scheme” or “the Plan”), which could give rise to the issue of equity shares not exceeding 10,613,000 equity shares of ₹ 1/- each (together with the equity shares created / offered / issued /allotted or proposed to be created / offered / issued / allotted for the benefit of such persons who are in permanent employment of the Company's subsidiary companies in terms of ESOP-2011), or such other adjusted number of equity shares for any bonus, stock split, consolidation or other reorganisation of the capital structure of the Company, as may be applicable from time to time, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions as the Board may decide prior to the issue and offer thereof, for or which upon exercise or conversion could give rise to the issue of number of equity shares of the Company, from time to time, on the date(s) of the grant of option(s) under ESOP-2011, as placed at the Meeting.

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares issued and allotted pursuant to the aforesaid resolution shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT ESOP-2011 may be operated by the Trustees of any ESOP Trust(s) established/to be established by the Company and containing such terms as the Board while establishing the trust(s), deem appropriate.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment of equity shares or securities or instruments representing the same, as described above, or for the purpose of settling any ESOP Trust(s), the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with power on behalf, of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) (including to amend or modify any of the terms of such

issue or allotment), as it may, in its absolute discretion, deem fit, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary or modify the terms of ESOP-2011 in accordance with the guidelines or regulations that may be issued, from time to time, by any appropriate authority unless such variation, modification and alteration is detrimental to the interest of the Employees/Directors (including the Whole-Time Directors).

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps for listing of the equity shares allotted under the Scheme(s) on the stock exchanges where the equity shares of the Company are listed as per the provisions of the Listing Agreement(s) with the concerned stock exchanges, the guidelines and any other applicable laws and regulations.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the provisions of the Articles of Association of the Company and the regulations/guidelines, prescribed by Securities and Exchange Board of India or any other relevant authorities, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, as may be required, and subject to such conditions as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee constituted and / or to be constituted or reconstituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board of the Company to create, offer, issue and allot, to or for the benefit of such person(s) as are in the permanent employment of the Company’s subsidiary companies, including Directors, whether Whole-Time or otherwise of the Company, whether in India or out of India), at any time, such number of options not exceeding 10,613,000 under “SRSL Employees Stock Option Plan-2011” (hereinafter referred to as the “ESOP-2011” or “the Scheme” or “the Plan”), which could give rise to the issue of equity shares not exceeding 10,613,000 equity shares of ₹ 1/- each (together with the equity shares created / offered / issued / allotted or proposed to be created / offered / issued / allotted for the benefit of such persons who are in permanent employment of the Company in terms of ESOP-2011), or such other adjusted number of equity shares for any bonus, stock split, consolidation or other reorganisation of the capital structure of the Company

as may be applicable from time to time, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions as the Board may decide prior to the issue and offer thereof, for or which upon exercise or conversion could give rise to the issue of number of equity shares of the Company, from time to time, on the date(s) of the grant of option(s) under ESOP-2011, as placed at the Meeting.

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares issued and allotted pursuant to the aforesaid Resolution shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT ESOP-2011 may be operated by the Trustees of any ESOP Trust(s) established/to be established by the Company and containing such terms as the Board while establishing the trust(s), deem appropriate.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment of equity shares or securities of instruments representing the same, as described above, or for the purpose of settling any ESOP Trust(s), the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with power on behalf, of the Company to settle all questions, difficulties or doubts that may arise in regards to such issue(s) (including to amend or modify any of the terms of such issue or allotment), as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary or modify the terms of ESOP-2011 in accordance with the guidelines or regulations that may be issued, from time to time, by any appropriate authorities unless such variation, modification and alteration is detrimental to the interest of the Employees/Directors (including the Whole-Time Directors).

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps for listing of the equity shares allotted under the Scheme(s) on the stock exchanges where the equity shares of the Company are listed as per the provisions of the Listing Agreement(s) with the concerned stock exchanges, the guidelines and any other applicable laws and regulations.”

The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, setting out material facts is annexed hereto.

By Order of the Board of Directors
for **Shree Renuka Sugars Ltd**

Place: Mumbai
Date: February 11, 2011

D. V. Iyer
Company Secretary

Notes

1. **A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company.** In order to proxies to be effective duly completed proxy form must reach the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 7 & 8 is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. up to the date of Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, March 21, 2011 to Tuesday, March 29, 2011 (both days inclusive).
5. Members holding shares in physical form are requested to advise about change of address to Karvy Computershare Pvt. Ltd. (Registrar and Transfer Agents). Members holding shares in electronic form are requested to intimate their respective Depository Participants (DP) about any change of address or bank mandate and NOT to the Company or Registrar and Transfer Agents.
6. Member / proxies should bring their attendance slip duly completed for attending the meeting.
7. Members who have not yet encashed their dividend warrants for the previous years are advised to forward such warrants to Registrar and Transfer Agents for revalidation. During the year under review, no amount was required to be transferred to the Investor Education and Protection Fund (IEPF) pursuant to Section 205A (5) of the Companies Act, 1956
8. Report on Corporate Governance, as required under clause 49 VI(i) of the listing agreement, is enclosed separately forming part of the Annual Report.
9. As required under Clause 49 IV(G) of the listing agreement, the relevant information in respect of the Directors seeking appointment or re-appointment at the Annual General Meeting is provided in the Report on Corporate Governance forming part of the Annual Report.
10. Corporate members intending to send their authorised representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

The following Explanatory Statement sets out all material facts relating to the business under items 7 & 8 mentioned in the accompanying notice of the Fifteenth Annual General Meeting to be held on Tuesday, March 29, 2011.

Item No. 7 & 8

The Company launched “Shree Renuka Sugars Employees Stock Option Scheme-2006” in the year 2006 to retain, motivate and further to align the interests of employees of the Company with those of shareholders.

Based on the experience, the management of the Company has gained and with the objective of securing greater employee participation and further to motivate the employees to contribute and participate in the long term growth and financial success of the Company, the Board of Directors have approved “SRSL Employees Stock Option Plan-2011” in accordance with Securities and Exchange Board (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 under which the maximum number of equity shares of the Company that could be created, offered, issued and allotted under the scheme should not exceed 10,613,000 to the eligible Employees/Directors of the Company and/or its subsidiary companies under such Scheme. This would not only enable the Company to reward past loyalty and performance, but also to attract and retain the best talent besides enabling the employees to develop a greater sense of ownership with the Company. The Board has accordingly decided to seek the approval of the Members for the same.

The salient features of the ESOP-2011 are set out below:

Total number of options/shares that could be granted / issued under ESOP-2011:

Options not exceeding 10,613,000 number, will be available for being granted to the eligible employees of the Company and its subsidiary companies under SRSL Employees Stock Option Plan-2011. Each option (after it is vested) will be exercisable for one fully paid up equity share of ₹ 1/- each. In the event of any corporate action(s), viz. bonus, consolidation or reorganisation of the capital structure of the Company, number of options to be issued shall undergo fair, reasonable and appropriate adjustments pursuant to the guidelines.

The options which lapse/expire or are forfeited will be available for grant to other Eligible Employee(s).

Grant Date:

The date of the Meeting of the Board/Committee approving the grant of option(s).

Eligibility for grant of options:

- a) Persons who are in the permanent employment of the Company and its subsidiary companies in such grade and with such experience/association with the Company, as may be decided by the Board/Committee.
- b) Directors (including Whole-Time Directors) of the Company and its subsidiary companies at any time.

Employees not eligible for grant of options:

An employee who is a promoter or belong to the promoters group; and a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company or such other percentage as prescribed under the SEBI Guidelines and/or under such other applicable law, at the time of granting of options, shall not be eligible to participate in ESOP-2011.

Vesting, requirements of vesting and maximum period of vesting:

The vesting period shall commence on the expiry of one year from the Grant Date and may extend upto five years or such further or other period as the Board/Committee may determine, from the Grant Date.

The options may vest in tranches subject to the terms and conditions as may be stipulated by the Board/Committee, which may include satisfactory performance of the Employees/Directors and their continued employment with the Company, as the case may be, unless such employment is discontinued on account of death, permanent /total disability or on retirement.

If the Employees/Directors (including Whole-Time Directors) voluntarily terminates employment, the options to the extent not vested shall lapse/expire and be forfeited forthwith. However, this shall not be applicable to the Employee/Director(including Whole-Time Director) of the Company who has resigned or who may resign from time to time to join companies, approved by

the Board/Committee, that have been established or promoted or set up (whether solely or jointly with any other entity) by the Company.

Exercise Price:

The exercise price for the purpose of grant of Options shall be as decided by the Board /Committee.

Exercise Period and the process of Exercise:

The exercise period would commence from the date of vesting and will expire on completion of such period as may be decided by the Board but shall not exceed 5 years from the date of grant of options. The options will be exercisable by the eligible employees by a written application to the Company/its present and future subsidiaries to exercise the options in such manner, and on execution of such documents subject to the payment of exercise price in the manner prescribed by the Remuneration/ Compensation Committee from time to time. The options will lapse, if not exercised within the specified exercise period.

Appraisal process for determining the eligibility of the employees to ESOP:

The appraisal process for determining the eligibility of the employee will be specified by the Remuneration/Compensation Committee, and will be based on criteria such as seniority of employee, length of service, past performance record, merit of the employee, future potential contribution by the employee and/or such other criteria that may be determined by the Remuneration/Compensation Committee at its sole discretion.

Maximum number of options to be issued per employee and in aggregate:

The maximum number of options that may be granted to any eligible employee under ESOP-2011 shall be determined by the Board from time to time. However, grant of options to an employee, during any one year shall not exceed 1% of the issued capital of the Company at the time of grant of options.

Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed by concerned Authorities from time to time.

Method of option valuation:

To calculate the stock-based compensation, the Company may

use the Fair Value Method for valuation of the options granted. If the Company calculates the employee compensation cost using the Intrinsic Value of the Stock Options, the difference between the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall be disclosed in such manner as may be prescribed under applicable laws/guidelines.

Approval of the shareholders is being sought for ESOP-2011, for all the eligible employees of the Company and its present and future subsidiaries, by way of separate special resolutions pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. As ESOP-2011 provides for issue of equity shares of the Company to be offered to any persons (whether or not those persons are existing shareholders of the Company), consent of the shareholders is sought pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and as per the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the options/ securities that may be offered to them under the Scheme.

The Board commends the resolution for approval of the members.

By Order of the Board of Directors
for **Shree Renuka Sugars Ltd**

Place: Mumbai
Date: February 11, 2011

D. V. Iyer
Company Secretary

Regd. Office:
BC 105, Havelock Road
Camp, Belgaum – 590 001.

Shree Renuka Sugars Ltd

Regd Off.: BC 105, Havelock Road, Camp, Belgaum-590 001.

FORM OF PROXY

DP Id No.

Folio No.

Client Id.

No. of Shares.

I/We of being a member/members of Shree Renuka Sugars Ltd, hereby appoint of or failing him/her in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, March 29, 2011 at 9:30 a.m. at Maratha Mandir Hall (Near Railway Over Bridge), Khanapur Road, Belgaum – 590 006 and any adjournment thereof.

Signed thisday of 2011

.....
Signed by the said Shareholder

₹ 1/-
Revenue
Stamp

Note: The Proxy Form duly signed and completed must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. The proxy need not be a member of the Company.

Shree Renuka Sugars Ltd

Regd Off.: BC 105, Havelock Road, Camp, Belgaum-590 001.

ATTENDANCE SLIP

DP Id No.

Regd.Folio.

Client Id.

No. of Shares.

Name of the Shareholder..... holding shares of the Company, hereby record my/our presence at the Annual General Meeting of the Company held at Maratha Mandir Hall (Near Railway Over Bridge), Khanapur Road, Belgaum – 590 006 on Tuesday, March 29, 2011 at 9:30 a.m.

.....
Signature of the Shareholder/Proxy

Proxy's Full Name

Note:

1. Please fill this Attendance Slip and hand over at the entrance of the Meeting Hall.
2. Duplicate slips will not be issued at the entrance of the Hall.
3. Shareholders are requested to bring their copy of the Annual Report.

The sweet taste of purity.



Madhur

Pure and Hygienic Sugar

Shree Renuka Sugars Ltd., the company that set new standards in the sugar industry, is now a trusted name in every Indian household, with the launch of its sugar brand "Madhur".

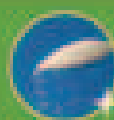
Madhur sugar is made from superior quality sugarcane. Special care is taken during cultivation, harvesting and

onward processing, to ensure a good quality product. Advanced sulphur-free manufacturing technology and mechanised processes guarantee purity, while giving the sugar crystals its optimum size.

Madhur sugar is available in convenient packs of 1kg and 5kg.



Pure white
crystal sugar



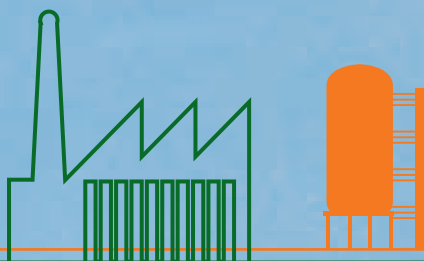
More sweetness
per spoon



Natural
sweetness



Advanced
technology



Shree Renuka Sugars Limited

Registered Office

BC 105, Havelock Road, Camp, Belgaum-590 001.
Tel.: 91-831-2404000/2424961 Fax: 91-831-2469891

www.renukasugars.com