



13th February 2023

Listing Department, Wholesale Debt Market

BSE Limited

P.J. Towers

Dalal Street

Mumbai – 400 001

ISIN: INE087H07078

ISIN: INE087H07060

Security Code: 949156

Security Code: 948103

Sub: Security Cover Certificate as on 31st December 2022 - Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulations 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Security Cover Certificate as on 31st December 2022, certified by M/s. S R B C & CO LLP, Chartered Accountants, Statutory Auditors of the Company.

Please take the above information on your record.

Thanking you,

Yours faithfully,

For **Shree Renuka Sugars Limited**

Deepak Manerikar
Company Secretary

Shree Renuka Sugars Limited

Corporate Office: 7th Floor • Devchand House • Shiv Sagar Estate • Dr. Annie Besant Road • Worli Mumbai 400 018 • Maharashtra • India

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Registered Office: 2nd / 3rd Floor, Kanakshree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Po: Belagavi- 590 010 • Karnataka • India

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Independent Auditor's Report on book values of the assets and compliance with respect to financial covenants as at December 31, 2022 for submission to Debenture Trustee

To
The Board of Directors
Shree Renuka Sugars Limited
7th Floor, Devchand House,
Shiv Sagar Estate, Dr. Annie Besant Road,
Worli, Mumbai - 400 018

1. This Report is issued in accordance with the terms of the service scope letter agreement dated February 10, 2023 and master engagement agreement dated October 31, 2022, as amended with Shree Renuka Sugars Limited (hereinafter the "Company").
2. We S R B C & CO LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement on book value of assets and compliance status of financial covenants for 1,500, 11.70% Secured Redeemable Non-Convertible Debentures and 1,000 11.30%, Secured Redeemable Non-Convertible Debentures of the Company, as at December 31, 2022 (hereinafter the "Statement") which has been prepared by the Company from the Board approved unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended December 31, 2022 pursuant to the requirements of the SEBI circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Circular"), and has been initialed by us for identification purposes only.

This Report is required by the Company for the purpose of submission with IDBI Trusteeship Services (hereinafter the "Debenture Trustee") of the Company to ensure compliance with the SEBI Circular in respect of its 1,500, 11.70% Secured Redeemable Non-Convertible Debentures and 1,000 11.30%, Secured Redeemable Non-Convertible Debentures having face value of Rs. 1 million and Rs. 1 million respectively ("Debentures"). The Company has entered into an agreement with the Debenture Trustee vide agreement dated June 30, 2012 (amended on March 24, 2017) and March 16, 2013 (amended on March 24, 2017) respectively (together referred to as "Debenture Trust Deeds") in respect of such Debentures.

Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI circular and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including providing all relevant information to the Debenture Trustee.

Auditor's Responsibility

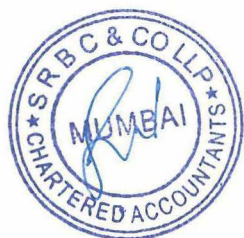
5. It is our responsibility to provide a limited assurance and conclude as to whether the:
 - (a) Book values of assets as included in columns C to column J in the Annexure to the Statement are in agreement with the books of account underlying the unaudited standalone financial results of the company as at December 31, 2022.
 - (b) Company is in compliance with financial covenants as mentioned in the Debenture Trust Deed as on December 31, 2022.



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SEBI Circular requires the statutory auditor to only report on the book values of the assets provided in columns C to column J in the Annexure to the Statement, accordingly, it is not our responsibility to report on the values stated in columns K to column O in the Annexure to the Statement.

6. We have performed a limited review of the unaudited standalone financial results of the Company for the period ended December 31, 2022, prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated February 13, 2023. Our review of those financial results was conducted in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI").
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:
 - a) Obtained and read the Debenture Trust Deeds and noted that as per the debenture trust deeds, the Company is required to maintain 100 percent security cover.
 - b) Obtained the Board approved financial results of the Company for the period ended December 31, 2022.
 - c) Traced the book value of assets, as stated in columns C to column H in the Annexure to the Statement, with the books of accounts of the company underlying the unaudited standalone financial results as at December 31, 2022.
 - d) Traced and agreed the principal amount and the interest thereon of 1,500, 11.70% Secured Redeemable non-convertible debentures and 1,000, 11.30% Secured Redeemable non-convertible debentures outstanding as on December 31, 2022 to the books of accounts underlying the Board approved unaudited standalone financial results of the Company for the nine months ended December 31, 2022.
 - e) Obtained and read the security cover in respect of Debentures outstanding as per the Statement. Traced the value of assets from the books of accounts and records of the Company underlying the Board approved unaudited financial results as on December 31, 2022.

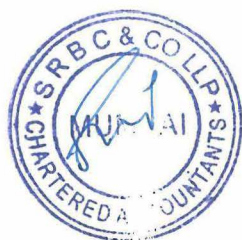


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- f) Obtained the list of security created in the register of charges maintained by the Company in respect of the Debentures. Traced the assets over which the charge has been created to the assets that has been considered in Column F of the Annexure to the Statement.
- g) As represented by Management, the Company has received a letter of intent dated October 21, 2022 from Life Insurance Corporation of India ('debenture holders') to restructure the Debentures including amendments to the assets offered as security. However, there is no agreement that has been entered into between the Company and the Debenture Holders pursuant to the said letter of Intent. Further, as represented by the Management, since the agreement has not been executed and the exclusive charge on immovable/movable assets of Haldia and Panchganga Plants has not been created as at December 31, 2022, the amendments have not considered while disclosing the amounts in column F of the Annexure to the Statement.

We have relied on management's representation in respect to the above and have not performed any further procedures on the same.

- h) Examined and verified the arithmetical accuracy of the computation of Security Cover in the accompanying Statement.
- i) Obtained the list and value of charge created on assets for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of the Debentures.
- j) Obtained the working of assets and liabilities presented in the column C to column G in the Annexure to the Statement and verified the same from the books of accounts and relevant records and documents underlying the books of account maintained by the Company as on December 31, 2022.
- k) The amounts appearing in the total column (column J of the Annexure to the Statement) have been traced, after considering necessary adjustments, from the books of accounts underlying the Board approved unaudited financial results for the quarter and nine months ended December 31, 2022.
- l) The management has represented that since the Debenture Trust Deeds do not prescribe any financial covenants to be complied with by the Company, no such covenant is applicable and needs to be disclosed in the accompanying Statement. We have relied on the same and not performed any independent procedure in this regard.
- m) With respect to covenants other than those mentioned in paragraph 10(l) above, the management has represented and confirmed that the Company has complied with all the other covenants including affirmative, informative, and negative covenants, as prescribed in the Debenture Trust Deed, as at December 31, 2022. We have relied on the same and have not performed any independent procedure in this regard.
- n) As stated in para 5 above, SEBI circular does not require us to comment on amounts appearing in columns K to column O of the Annexure to the Statement. Accordingly, we have not performed any procedures on the amounts disclosed in these columns.
- o) Performed necessary inquiries with the management and obtained necessary representations.



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Conclusion

11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that:
- Company is not in compliance with financial covenants as mentioned in the Debenture Trust Deed as on December 31, 2022; and
 - Book values of assets as included in columns C to column J of the Annexure to the Statement are not in agreement with the books of account underlying the unaudited standalone financial results of the company as at December 31, 2022.

Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

For **SRBC & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per **Shyamsundar Pachisia**
Partner
Membership Number: 049237
UDIN: 23049237BGXHNI6442



Place of Signature: Mumbai
Date: February 13, 2023



**Statement of Security Cover Ratio and other financial covenants as at December 31, 2022
(the 'Statement')**

(a) Security Cover Ratio

Sr. No.	Particulars	As at December 31, 2022	Requirement as per Trust Deed	Applicable for
1	Pari passu charge (Refer Annexure)	1.51	>1.00	NCD 1 & NCD 2

Notes:

- NCD 1: 1,500 Secured Redeemable Non-Convertible Debentures of a nominal value of INR 1,000,000 each, aggregating to INR 1,500 million (hereinafter "NCD1")
- NCD 2: 1,000 Secured Redeemable Non-Convertible Debentures of a nominal value of INR 1,000,000 each, aggregating to INR 1,000 million (hereinafter "NCD2")
- Fixed Asset Cover Ratio requirement specified in the debenture trust deed dated June 30, 2012 (amended on March 24, 2017) and debenture trust deed dated March 16, 2013 (amended on March 24, 2017) for NCD1 and NCD2 respectively

(b) Other Financial Covenants

There are no financial covenants defined in the debenture trust deed dated June 30, 2012 (amended on March 24, 2017) and March 16, 2013 (amended on March 24, 2017).

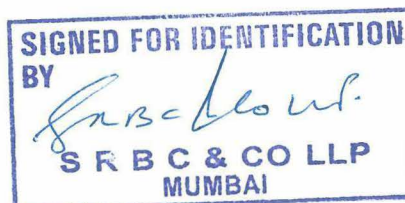
(c) List of debentures issued by the Company and outstanding as at December 31, 2022

Sr. No.	Particulars	Rate of Interest	Debenture Trust Deed Date	Amount Outstanding (In INR million)*
1.	11.70%, 1,500 Secured Redeemable Non-Convertible Debentures of INR 1,000,000 each	11.70%	June 30, 2012 (amended on March 24, 2017)	1,221
2.	11.30%, 1,000 Secured Redeemable Non-Convertible Debentures of INR 1,000,000 each	11.30%	March 16, 2013 (amended on March 24, 2017)	814

*Amount mentioned above does not include interest accrued as at December 31, 2022 of INR 618 million.

For and on behalf of Shree Renuka Sugars Limited

Mr. Sunil Ranka
Chief Financial Officer
Date: 13th February, 2023



Shree Renuka Sugars Limited

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