Dalmia
Bharat Sugar

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ANNUAL REPORT 2012-13 ● DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

Content

Forward-looking statements

In this annual report we have disclosed forward-looking information to offer investors a perspective on our planned growth trajectory, intrinsic value creation and broader prospects. This should help take informed investment decisions. The forward-looking statements contained in this report set out anticipated results based on the management's plans and informed assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar import, in context of any discussion on future performance. While we have exercised the greatest caution and responsibility, have satisfied ourselves on due diligence, we cannot guarantee that these forward-looking statements will be realized in part or in full measure.

Sustained Value Creation

Creating and enhancing sustainable value has been our focus.

We have concentrated on building integrated capacities and achieving economies of scale through optimal resource utilisation. Our focus is centered on adding scale through geographical diversification, strengthening the bond with growers and furthering our policy of truly inclusive growth.

Growth

Efficiency

Scale

Inclusion

Growth

Harnessing Market Dynamics, Enhancing Capabilities to Self-Actualize.

The much awaited reforms of abolition of levy sugar, sugar quota release mechanism and also the mandatory 5% blending of ethanol with petrol, has finally become a reality. Further steps towards de-control of sugar will boost the sector.

Market driven ethanol pricing formula has also gone on stream, Uttar Pradesh Government has accepted tenders from mills, witnessing a 30% growth, which is significantly higher from the earlier mode of Government determined basic price.

Going forward, we are focused on maximising our efficiencies through downstream higher profitable product lines like distillery and co-generation. We are increasing our Kolhapur crushing capacity to 4,800 TCD, setting up a co-generation and a distillery unit. These capacities will come on stream in two planned phases.

Power Plant, Jawaharpur, U.P.

> We are expanding our Kolhapur crushing capacity to 4,800 TCD and also setting up a co-generation and a distillery unit.

Operational Efficiencies

Business Agility; Best-in-class Product; Customer Delight.

Our recovery improvement program *'Unnati'* is helping farmers grow superior cane. We help farmers by providing them with better quality seeds at highly subsidized rates and impart training on modern farming techniques towards improving yield.

We are improving our manufacturing processes towards minimising redundancy, maximising productivity and undertaking stringent quality control measures by continuously reducing the ICCUMSA levels in our sugar. These measures are securing an increasing number of marquee customers.

Consistently improving cane quality, your Company recorded an improved overall recovery of 9.9%, where in it also recorded a recovery of 13.7% at its newly acquired unit at Kolhapur.

On the cogeneration front, we successfully installed steam saving devices at Jawaharpur and Nigohi, this step will have a measurable impact on production efficiencies. At our distillery unit, we are in the process of installing evaporators, which would use the waste heat of condenser water and result in steam power saving.

Sugar Process House, Jawaharpur, U.P.

"Our efforts led to record recovery levels of 13.7% at our newly acquired unit at Kolhapur, Maharashtra."

Scale

Business Width through Expansion; Depth through Enhanced Capacities.

Operational depth is essential for any business. It offers scale, ensures business continuity, and mitigates production risk. Over time, it acts as a vector of growth and renders competitive advantage.

Your Company entered the state of Maharashtra by acquisition of a Sugar Mill with a capacity of 2,500 TCD in Kolhapur. We integrated and resumed the operations of this unit within a span of 3 months. It has recorded the highest ever recovery of 13.7% in the country which has further sweetened the taste of our first ever inorganic expansion.

Boiler, Nigohi, U.P.

Acquisition of a Sugar Mill with a capacity of 2500 TCD in Kolhapur, Maharashtra and resumption of the operations of this unit within a short span of time of three months.

Inclusion

Creating Value for each Stakeholder.

At Dalmia we believe that an enterprise becomes a sustainable success in the true sense of the word only when it cares to address the interest of all its stakeholders including the community, farmers, employees, lenders, environment and investors among others.

As a responsible corporate citizen, Dalmia respects the interest of the community, in which it operates and is constantly seeking out opportunities to reach out to them and contribute to their well-being. Our effort is to make quality of life a right for everyone living in vicinity of the plants, by providing them with healthcare services, education and livelihood opportunities. Farmers are an integral part of our community and we have been working closely with them to help improve their farming techniques and productivity. We provide them with practical solutions for achieving high yield crop by teaching them methods related to soil testing, plantation of the crop, timely cultivation etc.

We firmly believe that engaged employees are the growth and progress propellers of the organisation.

As an environmentally committed organisation, we invest to protect, preserve and enhance green covers in the vicinity of our plants. To further strengthen our green initiatives, we have completed the Clean Development Mechanism (CDM) registration under the Renewable Energy Certification (REC) mechanism.

Through incisive and detailed planning, robust operations, cost efficiencies and sustainable business practices we constantly enhance stakeholders value.

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About Dalmia Bharat Sugar

About Us

Dalmia Bharat Sugar and Industries Limited (DBSIL), with a total operating revenue of ₹1,033 crore, is engaged in manufacturing of Sugar and its downstream products – Co-generation power and Industrial Alcohol. It is one of the leading integrated sugar manufacturers of the country with a capacity of 25,000 TCD.

Manufacturing Facilities

Our presence lies in the sugarcane rich regions of Ramgarh, Jawaharpur and Nigohi in Uttar Pradesh (7500 TCD each) and Kolhapur in Maharashtra (2,500 TCD). The Kolhapur plant was acquired during the year under review. All the UP mills are fully-integrated with co-generation facilities of 27 MW each and the Jawaharpur unit has a distillery facility of 80 KLPD. Other than sugar co-generation, your Company has presence in renewable sources of energy with a wind farm capacity of 16.5 MW at Muppandal in Tamil Nadu.

Quality Certifications

Our Sugar producing units have received EMS, OHSAS and FSQ certifications and have a robust quality system which practices the 5S and TPM initiatives. All three units in UP have completed the Clean Development Mechanism (CDM) registration and the three co-generation plants are registered by New and Renewable Energy Development Agency (NEDA) under the Renewable Energy Certification (REC) mechanism.

Sugar Plant, Ramgarh, U.P.

Installed Capacities

Location	Existing capacities		
	Cane crushing (TCD)	Cogeneration (MW)	Distillery (KLPD)
Ramgarh, UP	7,500	25	-
Jawaharpur, UP	7,500	27	80
Nigohi, UP	7,500	27	-
Kolhapur, Maharashtra	2,500	-	-
Total	**25,000**	**79**	**80**

Other Units

Location	Facility	Capacity
Muppandal, Kerala	Wind farm	16.5 MW
Salem, TN	Magnesite mines	72,000 Tonnes Per Annum

Dalmia
Bharat Sugar

Practicing Values

Learning

Fire represents Learning. Fire within, is the source of curiosity, which spurs learning. The creative application of learning in turn, fosters innovation.

Teamwork

Water is representative of Teamwork. As a natural, free flowing, pleasant solvent, water embodies the qualities of trust, mutual respect and collaboration.

Speed

Air denotes Speed. It empowers and evokes passion, nurtures growth.

Excellence

Earth represents Excellence. Its ability to withstand extreme heat and pressure is essential for taking on big challenges.

enduring ***values*** *new* ***think***

Achievements

First ever inorganic expansion through acquisition of sugar mill in Kolhapur, Maharashtra, with a capacity of 2500 TCD

Higher cane crushed at 27.9 lakh MnT, an increase of 18%

Achieved recovery of 13.7% in Kolhapur unit, highest in the industry in the season

Higher recovery at U.P. units at 9.4% vs 9.1% in the previous year leading to improved overall recovery of 9.9%

Higher distillery sales volume at 23,508 KL, registering a growth of over two times

Improved power export of 16%, leading to improved profitability from downstream products

Highest EBITDA of ₹152 crore

To unleash the potential of
everyone we touch

2012-13 at a Glance

Operations

- Improved cane crushing by 18% from 23.6 lakh tonnes, to 27.9 lakh tonnes in FY13
- Registered a growth of 33% in sugar production, 15% in power generation and 94% in distillery production
- Entitled to receive REC benefits from National Load Dispatch Center (NLDC), which is the designated central agency for REC mechanism
- Completed the installation of steam saving devices at Jawaharpur and Nigohi
- Received QMS (Quality Management System), FSMS (Food Safety Management System), EMS (Environmental Management System) and OHSAS (Occupational Health and Safety Assessment Series) certification for all the three units of U.P.

Expansion

- Expanding the Kolhapur capacity by 2,300 TCD, along with a co-generation plant and a distillery unit for manufacturing industrial alcohol

Integration

- Acquired, integrated and turned around the non-operational Kolhapur plant in a record time of three months
- Implemented ERP and integrated the HR team at Kolhapur within demanding timelines

Outcome

- Achieved sales volume growth of 22% in sugar, 16% in power and 249% in ethanol
- Improved revenues from operations by 36% from ₹762 crore to ₹1,033 crore
- Reported the highest ever EBITDA at ₹152 crore as compared to ₹85 crore in the previous year, an increase of 79%

Recognition

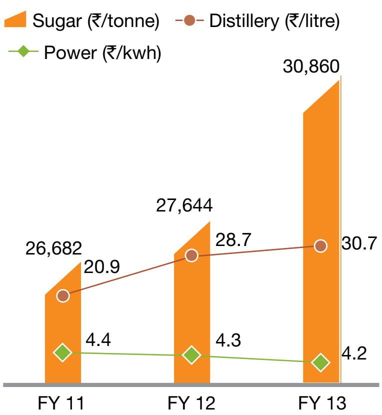
- Bagged the Global PRCI Award for "Khushaal Kissan Ganna Abhiyaan", a documentary film on improving sugarcane yield
- Received the Best Annual Report award in the Global PRCI award
- Placed in the top 25 rankings in the Great Place to Work survey.

Financial Highlights

Particulars		2012-13	2011-12	2010-11
Total Operating Revenue	₹ Crore	1,033	762	694
Operating Profit (EBITDA)	₹ Crore	152	85	65
Cash Profits	₹ Crore	92	42	41
Profits Before Tax (PBT)	₹ Crore	19	1	1
Profit After Tax (PAT)	₹ Crore	18	1	4
Share Capital	₹ Crore	16	16	16
Reserves & Surplus	₹ Crore	443	425	425
Loan Funds	₹ Crore	786	710	659
Net Block	₹ Crore	652	579	606
Net Current Assets	₹ Crore	92	193	188
Operating Profit Margin	%	15	12	12
EPS (fully diluted)	₹	2.3	0.1	0.5
Cash EPS (fully diluted)	₹	11.3	5.5	4.9
Net Debt Equity Ratio	x	1.6	1.4	1.3
Interest Coverage	x	1.3	1.0	1.0
Current Ratio	x	1.1	1.3	1.4
Dividend Rate	%	11	-	13
Dividend Payout Ratio	%	13	-	53
Share Price	₹	14	14	24
Market Capitalization	₹ Crore	114	112	197

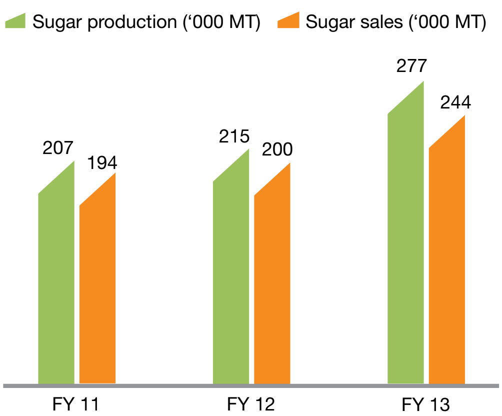
Segmental Overview		2012-13	2011-12	2010-11
Sugar				
Sales Realisations	₹/MnT	30,860	27,644	26,682
Production	'000 MnT	277	215	207
Sales	'000 MnT	244	200	194
Co-generation				
Power Realisation	₹/MnT	4.18	4.27	4.36
Power Generation	lakh Kwh units	3,644	3,203	2,806
Power Export	lac units	2,603	2,247	1,973
Distillery				
Sales Realisations	₹/Litre	30.68	28.65	20.89
Ethanol Production	Kilo litres	20,684	10,500	-
Ethanol Sales (Kilo litres)	Kilo litres	23,508	6,744	1,207

Sugar, Distillery and Power Realisations

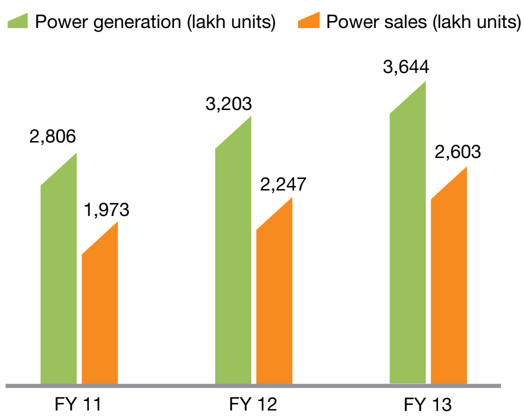


Significant contribution to EBITDA witnessed from downstream product lines

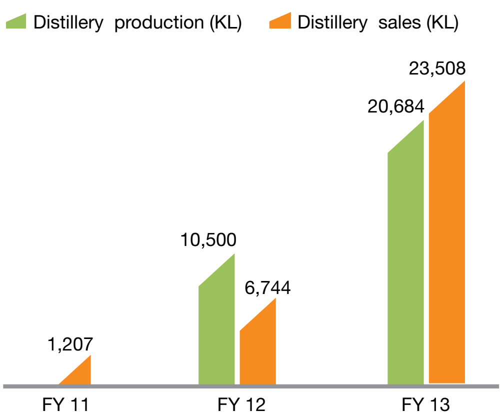
Sugar Production and Sales



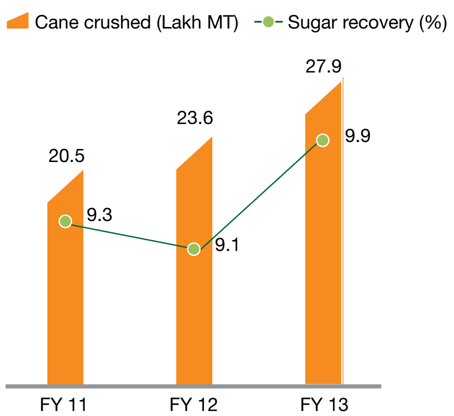
Power Generation and Sales



Distillery Production and Sales



Cane Crushed and Sugar Recovery



Letter to Shareholders

Puneet Yadu Dalmia, *Managing Director* **Gautam Dalmia,** *Managing Director*

"The Company has achieved a commendable 36% growth in total operating revenues, on account of increase in sugar volumes and improved sales realisation."

Dear Shareholders,

We are pleased to address you in a year where your company has been able to deliver significant growth and performance despite numerous macro-economic and industry challenges.

With an intent to reduce the business risk through geographical diversification, your company successfully established its footprint in western India by acquiring a sugar mill, with a cane crushing capacity of 2,500 TCD, in Kolhapur, Maharashtra.

After scaling up its operations over the last five years, your company has decided to grow inorganically, which has led to increased cane crushing capacity to 25,000 TCD. The strategy also involves comprehensive integrated operations supported by co-generation power plant and coupled with a distillery unit. Building scale with self-sustained integrated model would continue to remain an integral part of our strategy going forward.

The Company is also expanding its cane crushing capacity in its Kolhapur Unit to 4,800 TCD from existing 2,500 TCD, along with a co-generation and a distillery unit. With the completion of all the capacity expansions, your company will have a total cane crushing capacity of 27,300 TCD.

A continuous commitment of timely delivery and quality as per the specifications to the end users has enabled us to become the preferred quality sugar supplier to various multinational food and beverages companies across the country.

The Company has achieved a commendable 36% growth in total operating revenue at ₹1,033 crore. This was driven by increase in sugar volumes by 22% and improved average sales realisation by 12%. The company earned an operating profit of ₹152 crore, as against ₹85 crore, an increase of 79%, due to all round efficiencies. Similarly the net profit was also higher at ₹18 crore as against ₹1 crore. We would continue to work towards achieving higher operational efficiencies.

We would like to thank each and every one of our employees, our prime asset, for their continuous dedication and commitment. We would also like to thank all our vendors, business associates, partners, lenders and stakeholders for their continued faith and support.

Gautam Dalmia

Puneet Yadu Dalmia

Management Discussion and Analysis

Economy

During the year in review, India's macroeconomics stood at the crossroads. Slowing GDP growth at 5% and a huge fiscal deficit at 5.75% of GDP were major worries. The average annual inflation rate was at 7.8%, while industrial growth was a mere 3.1%. Industrial growth has declined significantly in the last two years owing to monetary tightening. This has caused borrowing costs to rise and investments to fall. The capital expenditure growth for FY13 as per the revised estimates is at 7% while the projected capex growth as per budgeted estimates for FY14, is at 36.6%, forecasting robust economic growth.

Trade deficit during FY13 was at $188 billion, a slight 0.7% lower than FY12. Current Account Deficit for FY13 is estimated at $70 billion, 3.7% of GDP. There was a slump in exports by 6% and in import by 4%. The decline of growth in exports in the last few months of the previous year had continued through FY13 mainly due to global slowdown.

The overall growth rate of GDP is expected to be over 6% in 2013-14. The Union Budget has targeted a lower fiscal deficit of 4.8% of GDP for FY14 based on certain assumptions made in the budget:

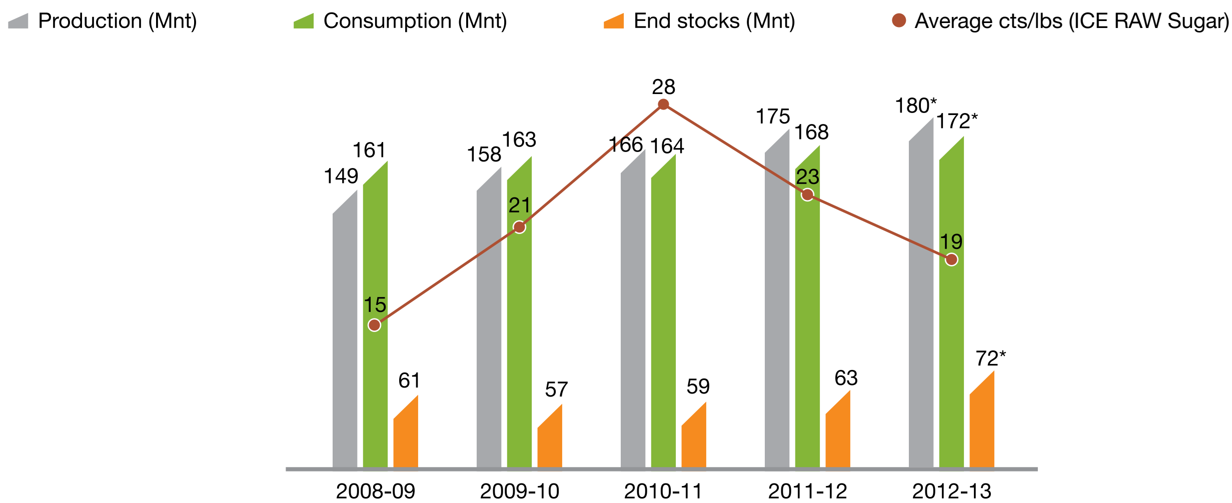
> Sugar capacity of 25,000 Tones of Cane Crush Per Day, Cogeneration capacity of 79 MW, Distillery capacity of 80 Kilo litres Per Day.

high GDP growth rate, receipts from disinvestment and telecom spectrum sale. Demand compression and easing of supply-side constraints are likely to lower inflation, which might result in lowering of interest rates by Central Bank, to boost investments and growth. The central bank has already eased the policy rates with a 125-bps cut in the repo rate and a 200-bps cut in the CRR since January'12. WPI inflation in April'13 eased to a 41-month low of 4.9% led by a sharp softening in manufactured products inflation. Core inflation slipped to 2.8%.

Sugar Industry Overview

Global Sugar Scenario

World Production, Consumption, Stock & ICE raw sugar prices



Source: International Sugar Organisation (ISO)

** ISO in its May forecast has revised its world surplus to 9.98 MnT on the back of expected higher production particularly in Brazil, Mexico and Thailand in particular.*

According to the International Sugar Organisation, in the period from October 2012 to September 2013 world production will stand at a new record of 180.4 MnT, up 5.5 MnT, or 3.2% compared to the previous season. World consumption is expected to grow to 171.8* MnT by a healthy 2.07%, which is generally in line with the long term average.

Due to the expectations of surplus sugar availability in the world market, international sugar prices followed a downward trend. After declining to USD 488.60/tonne (22.2 cents/lb) during February'13, white sugar prices further dropped down to USD 339.3/tonne (16.8 cents/lb) in May'13.

Indian Sugar Scenario

Production

Indian Sugar Balance (MnT)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13 (E)
Opening Stock as on 1st Oct.	10.0	4.4	5.0	5.5	6.5
Production during the Season	14.8	18.9	24.4	26.3	25.0
Imports	2.5	4.1	-	-	0.5
Total Availability Off-take:	**27.3**	**27.4**	**29.4**	**31.8**	**32.0**
i) Internal Consumption	22.7	21.3	20.8	22.0	23.0
ii) Exports	0.2	0.2	2.6	3.3	0.0
Total Off-take	**22.9**	**21.6**	**23.4**	**25.3**	**23.0**
Closing Stock as on 30th Sept.	**4.4**	**5.8**	**6.0**	**6.5**	**9.0**
Stock as % of Off-take	**19%**	**27%**	**29%**	**30%**	**39%**
Sugar Prices ₹/Kg (Ex-Mill)	**21**	**29**	**28**	**30**	**31**
International Sugar Prices ₹/Kg C&F Indian Port	**20**	**27**	**33**	**31**	**31**

Source : Indian Sugar Mills Association (ISMA)

The country's total sugar production is expected to decrease by 5% in SY13 to 25 MnT compared to 26.3 MnT in SY12.

The key sugar producing state of Uttar Pradesh exhibited a growth of 7.6% from 6.97 MnT to 7.5 MnT in SY13, other states like Karnataka and Tamil Nadu recorded lower sugar production due to insufficient rainfall. Karnataka recorded 3.2 MnT in SY13 against 3.72 MnT in SY12 and Tamil Nadu witnessed 1.45 MnT in SY13 against 1.65 MnT in SY12.

With an average recovery of 12% in Maharashtra (one of the major sugar producing states) contributed 7.95 MnT in SY13, a decrease of 12% from 8.95 MnT in SY12.

Consumption

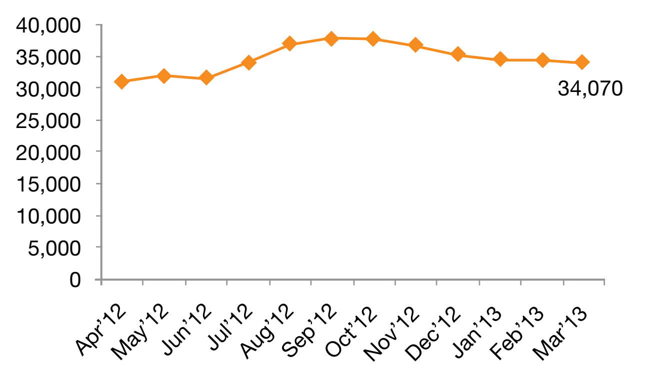
According to Indian Sugar Mills Association the total sugar consumption for SY13 is estimated to be 23 MnT, which is up by 4.5% from the total consumption of 22 MnT in SY12.

Considering lower global sugar prices, sugar exports from India are expected to be marginal.

Prices

Due to the concern of lower production in Maharashtra and Karnataka, the financial year started with extreme buoyancy in the sugar prices, in April'12 prices of M grade sugar in Kanpur Market traded at ₹30,400/tonne and touched the high of ₹38,900/tonne during September'12. However, with the start of crushing season and carry forward of surplus sugar stock of 1 MnT from the last season, coupled with the anticipation of dispensing of sugar release mechanism, due to which the sugar prices further retracted with a downward trend and ended the financial year at ₹34,000/tonne.

M-Grade Sugar, Spot Prices Kanpur Market (₹/Tonne)



Juice Heater

Regulatory Environment

There were some positive signs from the Government as The Prime Minister formed the Rangarajan Committee to give recommendations on decontrol of sugar industry. Recommendations of the committee were as follows:

1. Abolition of levy on sugar.
2. Abolition of release mechanism.
3. Stable trade policy with appropriate tariff on imports and exports.
4. Discontinuation of compulsory jute packaging guidelines.
5. Market determined pricing of by-products. Revenue sharing model under which 70% of sugar value and each of its three major by-products would be paid to farmers.
6. Condition for minimum distance between two sugar mills at 15 kms/25 kms to be dispensed with.
7. Freedom to farmers to sell cane to any mill irrespective of distance in some states.
8. Determination of sugarcane price by linking it to the revenue realised by sugar mills from sale of sugar and first stage by-products.

Complete abolition of release mechanism has increased expectations of positive hopes towards the sector being deregulated.

On the recommendation of Cabinet Committee of Economic Affairs (CCEA), the Government has abolished the levy quota mechanism where sugar mills were obligated to sell 10% of their total sugar production at fixed price to the government for Public Distribution System (PDS). This has been made applicable for sugar production from SY13 onwards. Hence, with this the Central Government has directed states to buy sugar at market prices for fulfilling their PDS requirements. The Centre, in turn, would compensate states for the difference between the market price and the regulated price. However, the Government has fixed a ceiling of two years for such payments. The dropping of levy obligation will boost the profit margins of sugar mills marginally.

The CCEA decided the mandatory limit of compulsory packing of sugar in jute bags to be 40%, effective from Sugar Season 2012-13.

The Central Government has also directed various State Governments to take further decisions on cane pricing mechanism and distance criteria for further progress.

Sugar Plant, Ramgarh, U.P.

Higher Cane Costs Impacted Profitability

Yet again higher cane prices in U.P. during SY13 impacted the earnings adversely for U.P. sugar mill owners.

In SY13, the U.P. Government announced state advisory price (SAP) for Sugarcane at ₹275-290 per quintal, which were substantially higher by over 20% from the previous season price of ₹240 per quintal. Whereas, ₹290 per quintal was fixed for early variety crop, while ₹280 per quintal was for the normal variety. For rejected variety, the farmers were entitled for ₹275 a quintal.

The effective sugarcane prices in Maharashtra were at par with U.P. as the prevalent market determined prices paid by the sugar mills were ₹250/quintal, wherein, harvesting and transportation charges of approximately ₹47.5-50.0/quintal were levied over and above this.

Outlook- Sugar Season 2013-14

Sugar production is expected to drop due to drought conditions in Karnataka, Maharashtra and up to a certain extent in Tamil Nadu. A marginal increase in sugar production is expected in Uttar Pradesh and other northern states. With a carry forward stock surplus of 1 MnT in SY12-13, sugar availability in India will be healthy.

Sugar prices are expected to be subdued and remain range bound for the coming season also, unless increase of import duty from existing 10% to 30% is not mandated by the Government.

As foreseen last year we have seen increased cane production this sugar year. Considering farmers being paid high remuneration for cane this season year also, we again expect better cane crop going forward in the next sugar season, especially in U.P. and other northern states.

Business Overview

Your Company is one of the leading producers of sugar in Uttar Pradesh, the second largest sugar producing state in the country. It has four integrated sugar plants, with a total cane crushing capacity of 25,000 TCD (tonnes crushed per day), located at Ramgarh, Jawaharpur, Nigohi in U.P. and Kolhapur in Maharashtra. The Company has distillery capacity of 80 KLPD at Jawaharpur. The Company also have a co-generation capacity of 79 MW, out of which two third is exportable.

All the three units in U.P. are certified under Environmental Management System (EMS), Quality Management System (QMS), Food Safety Management System (FSMS) and Occupational Health and Safety Assessment Series (OHSAS).

The Company also has a wind farm capacity of 16.5 MW, located at Muppandal, Tamil Nadu, taking the total renewable energy capacity to 96 MW.

Sugar - Business Overview

Breakthrough Acquisition

During FY13, your Company acquired a sugar mill, Shree Datta SSK Co-Operative, located in the district of Kolhapur, Maharashtra with a cane crushing capacity of 2,500 TCD. The geographical location of Maharashtra is extremely favorable for cane production and higher sugar recovery. This acquisition has enabled your company to mark its entry into a newer geography. This acquisition also reinforces the aspiration of your Company to become a pan-India sugar producer.

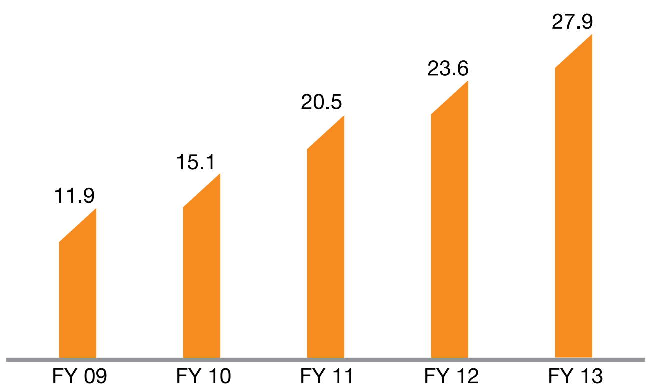
The operations of this sugar mill were re-commenced in a very short period of time after its acquisition; we crushed 3.45 lakh tonnes of sugar cane during the year and produced 47,160 tonnes with an above industry average recovery of 13.7%, which is recorded as highest in the industry during the current sugar season.

Your Company is also planning to expand the newly acquired unit, by increasing its sugar crushing capacity to 4,800 TCD, installing a co-generation unit and an industrial Alcohol distillery unit. This expansion is expected to be operational in two phases.

Engineering consultants for the expansion have been appointed and preliminary site activities have commenced. Pollution clearances are under progress. Orders for major equipment have already been placed. Civil work for the project has commenced in December 2012.

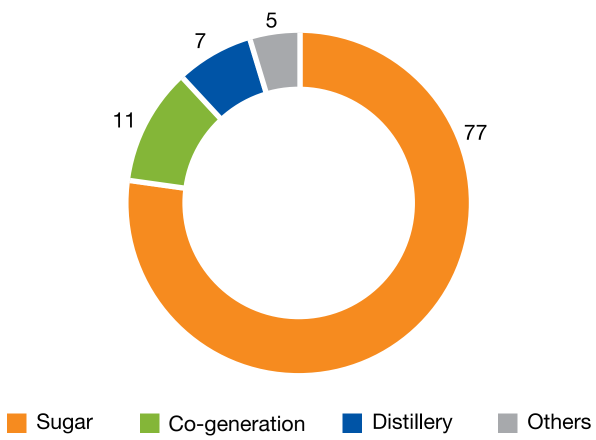
> "Overall average recovery of the company's units improved to 9.9%, from 9.1% in the previous year."

Cane Crushed (Lakh MT)



The Company's emphasis on world-class manufacturing systems and high quality has enabled its products to find wide acceptance in markets.

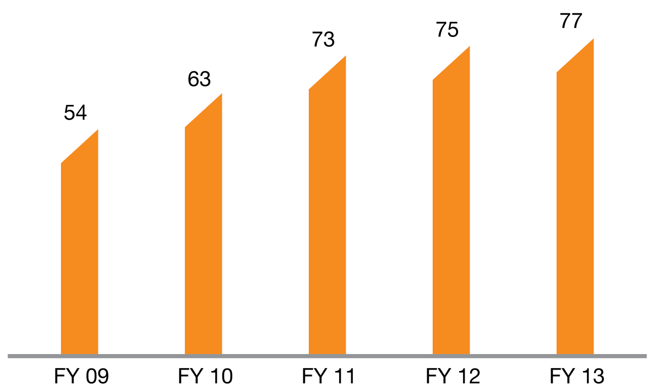
Business Revenue Mix (%)



Operational Highlights

- Achieved our highest ever cane crush of 27.9 lakh MnT in FY13, increase of 18% from 23.6 lakh MnT in FY12.
- Overall average recovery of the Company's units improved to 9.9 %, as compared to 9.1% in the previous year.
- UP Mills recovery stood at 9.4% in FY13 from 9.1% in FY12.
- Maharashtra Mill recovery stood at 13.7% in FY13.
- Sugar production increased by 29% to 2.78 lakh MT compared to 2.15 lakh MT in the previous year, owing to higher cane crushing due to acquisition and improved recoveries

Capacity Utilisation (%)



Financial Highlights

- The sugar segment's contribution to the net revenue stood at 77% during the previous year
- The net revenue from the sugar segment increased by 37% to ₹774 crore from ₹564 crore in the previous year owing to higher sales volume and higher realisations.

Performance Overview

Particulars	2010-11	2011-12	2012-13
Cane crushed (MT)	20,48,175	23,60,664	27,91,533
Sugar production (MT)	2,07,219	2,14,919	2,77,362
Sugar recovery (%)	9.33	9.10	9.94
Sugar sales (MT)	1,93,629	1,99,675	2,44,475
Revenue (₹ crore)	531	564	774

Sales & Marketing

All units of Company in UP have successfully met the stringent international standard quality requirements of institutional buyers by acquiring ISO 22000:2005 certification for FSMS, ISO 9001:2008 certification for QMS and ISO 14001:2004 for EMS. Further, we also upgraded our sugar drying, grading and packing house sections to meet the institutional market requirements. This enabled the Company to cater to prestigious multinational institutional clients.

The Company's emphasis on world-class manufacturing systems and high quality has enabled its products to find wide acceptance in markets.

Cane Development

The Company continued its efforts to improve the quality and availability of cane through its cane development initiatives. The Company is focused on bringing additional area under better quality, high yielding varieties and replacing area of rejected varieties. Your Company identified a unique strategy and targeted growers with rejected variety and the area under general variety. Having identified the number of growers and the area, the Company distributed around 1.4 lakh quintals of better quality cane seed to around 5,425 growers covering an area of 2,092 hectares.

With the objective of providing practical solutions of achieving high crop yield to the farmers, your Company organised a road show for educating farmers. This initiative helped us overcome issues like rising sugarcane cost and low sugar recovery, due to which many sugar companies were relocating to other states. The road show also assisted farmers with knowledge of new ploughing techniques, judicious use of fertilizers, importance of soil testing, timely cultivation and better management of crop through new technologies for improving productivity.

The initiative on the best farming practices and techniques to farmers has helped them to improve the crop yield from 150-200 quintal per acre to 350-450 quintals per acre. This directly increased the income of the farmers substantially. This also led to the development and improvement in their living standard.

Through this initiative your company reached out to one lakh farmers covering 330 villages in Uttar Pradesh around the three sugar plants in Ramgarh, Jawaharpur (Dist. Sitapur) and Nigohi (Dist. Shahjahanpur). Your Company also had *Kisan Sewa Kendra* located near its sugar mills to address the farmer queries and provide incremental inputs and assistance. The *Kisan Sewa Kendras* also distributed fertilizers, pesticides, helped source seeds and farm equipments, at subsidized prices to farmers.

Clearance of Farmer Arrears in Uttar Pradesh

Honouring the decision of Honorable Supreme Court of India to release the cane arrears of farmers, your Company immediately cleared all its dues totalling ₹25 crore. With prudent strategy and conservative approach, your Company had already made provisions for such a contingency in its book of accounts.

Information Technology for Cane Developers

Your Company has the vision and the spirit to adopt new technologies available and their innovative use for improvement in operational efficiencies and service delivery to farmers. The Company has also invested in GPS (Global Positioning System) technology and automated complete field survey process to bring in efficiency, accuracy and transparency in the system.

Distillery Boilers, Jawaharpur, U.P.

It has successfully completed 100 % survey using about 200 HHT (hand held terminals) and recorded online data for plot area, crop type and variety. The information is linked with Google Maps and can be accessed from anywhere. This initiative has resulted in accurate cane availability forecast, better crushing planning, quality assurance, drawl and recovery.

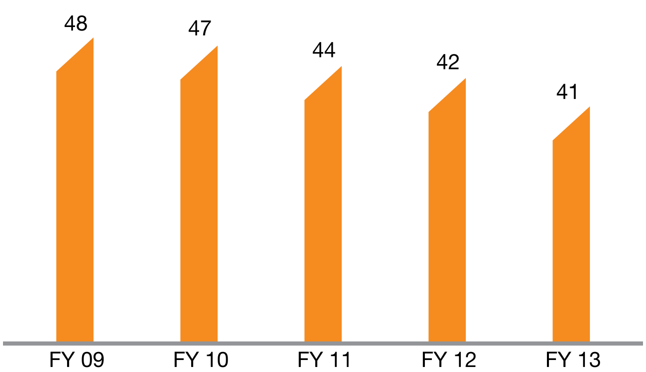
Information Technology for Employees

The Company launched its Intranet "SPARSH" last year which is a single platform for employee engagement, collaboration and knowledge management leading to excellence in all endeavours. Multiple functional and collaborative features have been added to increase its reach and to make it the preferred gateway for employee interaction. Specialised applications for performance management system, Safety and Audit functions have enhanced the collaborative capabilities.

Energy Conservation

Your Company's constant endeavour to conserve energy and infuse even higher energy efficiency in its operations has resulted in receiving recognition in the field of Energy Conservation from various Government organisations in the past. Your Company invested in a special energy and steam saving project at Ramgarh sugar mill to reduce process steam consumption. As a result of our continued efforts, steam consumption at all our units has decreased, Steam consumption percentage of per tonne of cane crushed in our U.P. mills, which was around 54.91% in FY07 is currently at 41.2%.

Steam Consumption (% of cane crushed)



Outlook

Going ahead, the Company is expecting to increase the crushing capacity of its Kolhapur sugar plant from 2500 TCD to 4,800 TCD. The Company is also planning to further integrate the unit by installing a co-generation plant and a distillery unit.

The food and beverage industry continues to remain our focus customer. We strive to increase our institutional sales mix further, as this industry has been growing at 30% CAGR in India and correspondingly the sugar requirement from this segment has been growing at 15-20% compared to only 2% for general consumption. Price realisation from this segment is also better and fetches premium, but requires significant quality control mechanism also.

Another focus area would be to increase the quantity of cane crushed and continuing to improving its capacity utilisation. Your company is also geared up to pursue every possibility to reduce its costs.

Co-generation - Business Overview

Overview

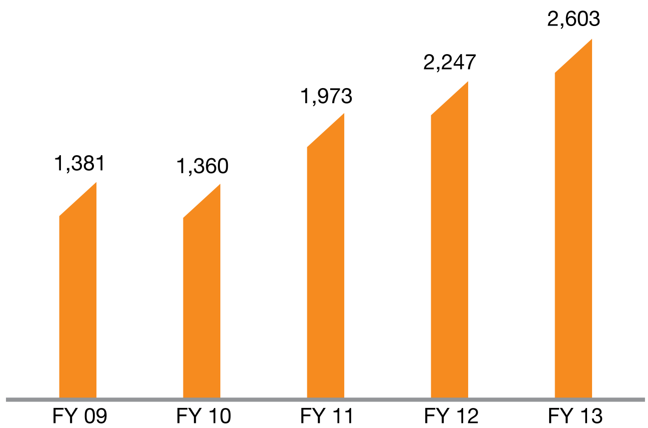
The Company has an integrated business model with co-generation plants at all its units in UP, to de-risk itself from the cyclical nature of the sugar industry and become self-sufficient in power. The Company operates three co-generation plants having a total capacity of 79 MW. All the co-generation plants are certified as CDM (Clean Development Mechanism) projects, enabling the Company to earn tradable CER credits.

The Central Electricity Regulatory Commission (CERC) had notified Regulations on Renewable Energy Certificate (REC) aimed at promoting power generation from renewable sources for which the Company's co-generation units are entitled and eligible for benefits.

Operational Highlights

- The Company generated 364.4 million units of power in 2012-13 compared to 320.3 million units in 2011-12, an increase of 14%, owing to increased availability of bagasse
- Higher power production enabled the Company to increase its power exports by 16% to 260.3 million units from 224.7 million units in the previous year.

Power Exported (Lakh kwh)



Financial Highlights

- Despite the same co-generation capacity and stagnant grid realisation, the net sales revenue from the co-generation segment increased by 14% to ₹109 crore from ₹96 crore in the previous year, due to higher cane crushed volumes, which led to abundant bagasse availability.
- Operating profit of the segment increased to ₹100 crore during the year under review, from ₹70 crore in FY12, an increase of 43%, on account of better cost control measures and increased sales volumes.

Performance Overview

Particulars	2010-11	2011-12	2012-13
Average operating days (No. of days)	180	185	210
Gross power generation (million units)	280.6	320.3	364.4
Power export to grid (million units)	197.3	224.7	260.3
Sales realisation (₹/unit)	4.4	4.3	4.2
Revenue (₹ crore)	87	96	109

Outlook

The Company will continue to align its operations towards maximising operational efficiencies. It will explore opportunities to procure bio-mass for generation of electricity, thereby expanding the scale and increasing the running time for plants. On account of expected increase in bagasse availability in the coming year, the capacity utilisation of co-generation plants is also expected to be high, which will improve revenue and profitability of the segment.

Distillery - Business Overview

Overview

The Company's Jawaharpur plant has a distillery capacity of 80 KLPD (kilo litres per day). It produces different grades of industrial alcohol. During the year under review, the Company benefitted on account of the fully integrated model, with the distillery working at optimum capacity utilisation.

Operational Highlights

- Due to higher availability of molasses, the Company's alcohol production improved by 97% to 20,684 KL compared to 10,500 KL in the previous year
- Alcohol sales increased to 23,508 KL from 6,744 KL during the year under review
- The Company also participated in the ethanol tenders floated by oil marketing companies (OMCs), and a part of the sales is executed by this method

Financial Highlights

- The distillery segment's contribution to total revenue increased to 7% from 3% during the previous year
- The net revenue from the distillery sales was substantially higher at ₹73.4 crore as compared to ₹19.3 crore in the previous year owing to higher volumes and better realisations

Performance Overview

Particulars	2010-11	2011-12	2012-13
Average operating days (No. of days)	-	127	249
Production (Kilo litres)	-	10,500	20,684
Sales (Kilo litres)	1,207	6,744	23,508
Average sales realisation (₹ per kilo litre)	20,890	28,650	30,680
Revenue (₹ crore)	2.5	19.3	73.5

Outlook

Cabinet Committee on Economic Affairs (CCEA), approved mandatory blending of 5% with petrol. The Government with effect from 1st December 2012, does not declare any fixed price and the prices of ethanol is now decided between oil marketing companies (OMCs) and Ethanol suppliers.

On account of these changes CCEA has provided a proper platform to bridge the demand supply gap.

With the increase in demand, the price of ethanol is expected to remain robust, the Company will focus on increasing the production of industrial alcohol.

> Company's industrial alcohol production improved by 97% to 20,684 KL compared to 10,500 KL in the previous year

Outlook

Your Company maintains a moderately cautious outlook going forward, as the overall regulatory environment still needs to improve. Positive changes in the policy framework would provide much needed impetus to shape the future outlook of the sugar industry. Our expectation is that the cane price linkage to the sugar prices should become a reality. Moving forward, business growth and increasing the quantity of cane crushed continues to be a key focus area for your Company. Continuous focus and effort to bring in efficiencies would be the key focus area in execution. Your Company will closely focus on every opportunity to improve its capacity utilisation and pursue every possibility to reduce its cost per MT of sugar produced. The various food safety and quality certification initiatives would enable your Company to emerge as a preferred supplier to global institutional buyers. Your Company would also continue to look at developing new products and efficiency projects for its existing operations so as to mitigate risks due to cyclical nature of the sugar industry. Maximising returns from value added revenue streams like co-generation and distillery would remain to be a priority and optimisation of asset utilisation to the maximum in the off-season would be the focus.

Consolidated Profit and Loss Analysis

Net operating revenue were ₹1,000 crore for the period under review as against ₹735 crore for the previous year ended March 2012; an increase of 36%. This was mainly on account of increase in sugar sales volumes by 22% (2.44 lakh tonnes vs. 2.00 lakh tonnes) and improvement in average price realisations by 12% (₹30,860/tonne vs. ₹27,644/tonne).

EBITDA grew by 79% from ₹85 crore in FY12 to ₹152 crore in FY13. EBITDA margin was higher on account of full utilisation of the integrated business model of the Company, whereby downstream product lines like co-generation power and alcohol contributed significantly to the EBITDA.

Co-generation contributed 59% and distillery contributed 18% to the overall EBITDA of the Company.

Operating Expenditure

Total operating expenditure of the Company in FY13 stood at ₹848 crore

- Due to incremental crushing volumes and higher cane cost being paid, there has been an increase in raw material cost in FY13, which stood at ₹818 crore.
- Stock adjustment is ₹ (131) crore.
- Acquisition of new mill has led to increase in the employee costs to ₹53 crore in FY13.
- Power and fuel costs stood low at ₹15 crore. Cost incurred was lower for the year on account of higher amount of bagasse being available due to higher cane crushed during the year.
- Other expenses stood at ₹93 crore.

Operating EBITDA

Due to better volumes and realisations of downstream product lines, operating EBITDA stood at ₹152 crore for the year under review, which was higher by 79% from the FY12 EBITDA of ₹85 crore.

Depreciation

On account of addition of another sugar unit in our group, the depreciation cost stood at ₹73 crore in FY13.

Financial & Interest Expenses

Interest cost stood higher at ₹66 crore, because of extra debt being raised to fund the acquisition in Maharashtra.

Distillery, Jawaharpur, U.P

Other Income

Other income stood at ₹14 crore for the year under review.

Provision for Tax

Current tax for FY13 stood at 3.79 crore, whereas MAT credit available was redeemed and the deferred tax liability was created for ₹0.62 crore

Net Profit

Significant improvement in Net Profit was witnessed during the year at ₹18.37 crore against ₹0.92 crore in FY12.

Dividend

The Board of Directors has recommended a dividend of ₹0.25/- per share, on the face value of ₹2.00/- per share, subject to the approval of shareholders. Total Dividend Payout Ratio stands at 13% (including Dividend Distribution Tax).

Consolidated Balance Sheet Analysis

Net Worth

The Company's total Net Worth stood at ₹459 crore in FY13. Of this, during the year under review, surplus in profit & loss account amounted to ₹443 crore. Debenture Redemption Reserve at ₹22 crore and Revaluation Reserve at ₹4.5 crore.

The Company's paid-up equity capital remained constant at ₹16.19 crore as on March 31, 2013, comprising 8,09,39,303 equity shares (8,09,39,303 shares) of ₹2 each (fully paid up).

Loan Profile

The total borrowed funds of the Company stood at ₹786 crore in FY13. Long term loans at ₹343 crore, Short term loans at ₹412 crore and current maturities of long term loans stood at ₹31 crore.

However the Company holds inventory of finished goods worth ₹720 crore as on 31st March 2013 in its godowns.

Net Debt to equity ratio for the company stood at 1.6x.

Total Assets

Total assets of the Company were ₹1670 crore in FY13. The Company's net fixed assets as proportion of total assets were at 39% at the end of the year.

Net Fixed Assets

Net fixed assets mainly comprise of the plants and machinery and land and buildings valued at ₹635 crore. It also includes a small portion of capital work-in-progress amounting to ₹16.9 crore.

Investments

The total non-current investments stood at ₹18 crore, the Company had a current investment of ₹44 crore in fixed income money market mutual funds.

Inventories

Total inventories were higher at ₹720 crore in FY13, majorly on account of increase in sugar inventory in hand, amounting to ₹685 crore at the closing of the year.

Sundry Debtors

Debtors of the Company stood at ₹70 crore in FY13, of which only 10% are more than six months old.

> "Our CSR efforts address environmental, social and economic challenges"

Loans and Advances

Loans and advances comprised 8% of the Company's total assets. Loans and advances made by the company were to the tune of ₹138 crore in FY13, primarily on account of MAT credit entitlements of ₹48 crore and advances income tax of ₹33 crore.

Cash & Bank Balance

The Company had cash and bank balance of ₹27 crore in FY13, with ₹11 crore in current accounts.

Other Current Liabilities & Provisions

Current liabilities and provisions stood at ₹372 crore, primarily on account of sundry creditors worth ₹250 crore.

Corporate Social Responsibility

Your company is committed to creating exceptional value for its customers, employees, shareholders, vendors and the communities it operates in, through core values of Learning, Excellence, Teamwork and Speed.

Dalmia has three integrated sugar mills in Uttar Pradesh with well developed CSR programmes centred around Nigohi, Jawaharpur and Ramgarh. Covering a total of 22 villages making a difference in the lives of approximately 30,000 people.

Health

Aiming to maintain zero and infant mortality at our villages, and to ensure maximum health for every child between 0 to 5 years, we have taken up special efforts through CSR programs. Every pregnant mother is enrolled in our Ante Natal Care program for regular check up by doctors, regular visit to the nearby primary health centres, and provision of protein and iron supplements and a special health camp exclusively for them.

Basic health services are available on all health camps to benefit the elderly. Emphasis is placed on maternal and

child health interventions targeting 100% immunization and pre and post-natal care, aiming to bring down infant and maternal mortality rates. Approximately 800 children have been immunized during the health camps. Expectant mothers are enrolled for routine check-ups and institutional delivery after we emphasized on the need for periodic prenatal care to ensure safety of both mother and child. Approximately 600 women were provided with pre and post natal care.

Education

From the perspective of universal education, we are committed to ensuring compulsory primary education, and completely eliminating dropouts. This was given much needed impetus in Uttar Pradesh. Additionally, 813 slow learners in Uttar Pradesh were supported with remedial education. To ensure that the drop-out students are brought back to school, special campaigns were run in the programme area.

Focus is kept on *anganwadi* centers to strengthen the pre-primary education as well as to ensure smooth transition from there to the primary schools. Basic infrastructural facilities are created at all levels, pre-primary as well as primary. Additional teachers are provided to improve the pupil to teacher ratio. What makes our programme special is that each child is given individual attention for its holistic growth and development.

Eight drop-out students have been enrolled in junior school in Kesvamau Village, Gondlamau Block, and Sitapur. In all we have 750 students enrolled under the 22 centres of *Hamari Pathshala*.

5 small libraries have been developed in our remedial centres so that children realise the importance of reading and make it a daily habit.

New techniques like TLMs and cartoons are used as techniques to encourage children to study. TLM is a commonly used acronym that stands for teaching/learning materials. Broadly, the term refers to a spectrum of educational materials that teachers use in the classroom to support a specific learning objective. For example usage of story books, videos, flash cards and games. These tools can make learning much more effective and fun in classrooms.

Latest Developments

A model village programme was launched in January 2013 in the sugar belt of Jawaharpur and Ramgarh. With focus on alternate cooking systems (bio-gas and smokeless *chullas*), low cost toilets, solar street lights, improved school infrastructure and a "*Jan Suvidha Kendra*" (information Centre). Participatory rural appraisal was conducted in villages to get an in-depth understanding of the village resulting in better programme implementation. It helped us identify the needs of the people on the basis of which our model village programme stands.

NGO Partners

SARD - Society of All Round Development partners with us in Ramgarh and Jawaharpur. SARD is a non-profit organisation aimed at increasing the participation of minorities and disadvantaged communities in mainstream development processes. SARD's goal is to empower these groups, particularly women and adolescent girls, by improving their access to quality education and health services; providing vocational training; introducing micro-credit schemes; and promoting environmentally sustainable income generating activities.

VSA - Vinoba Seva Ashram partners with us in Nigohi. It works for underprivileged sections of society in the field of health, education and livelihood.

> "Acquisition of Kolhapur unit was seamlessly integrated in a short span of time. This involved setting up an organisational structure, large scale executive and non-executive recruitments & induction"

Human Resources

The acquisition of Kolhapur unit was seamlessly integrated in a short span of time. This involved setting up an organisational structure, large scale executive and non -executive recruitments, induction, orientation towards the Dalmia way of working, values, policy implementation, introducing PMS, setting up performance metrics, trainings, shifting people from existing operations at UP to Kolhapur on short and long term basis to help ready the plant for operations, managing facilities, managing local issues etc; all this was seamlessly completed in four months.

The sugar business enjoys a high level of employee engagement. Last GPTW (Great Place To Work) survey in 2012-13 positions the business amongst top 25 companies in the country. Attrition has been among the lowest in the industry at 7.48%. Likewise in other businesses, on line PMS system has been introduced in Sugar business in 2012-13.

Towards the end of the year 2012-13, three Centers of Excellence has been created in the Sugar Business viz., Training and Development, Safety, Welfare & Statutory Compliances. All these centers have commenced their activities and are expected to contribute significantly in the coming year.

Total workforce for the company currently stand at 1,701.

On the Safety front, all three units in UP are certified under Occupational Health and Safety Assessment.

Internal Control Systems

Your Company has proper and adequate systems of internal controls to ensure that all its assets are safeguarded. Your Company has established an internal audit department, which ensures adequate review of the entire Company's internal control systems, through its audit partners M/s. Axis Risk Consulting, for Sugar. The effectiveness of the internal control systems is continuously monitored by the Corporate Audit Department of your Company.

Threats / Key Challenges

Regulatory Framework

Even after removal of levy mechanism, sugar industries in India bear controls like sugar cane price, cane areas, export licensing etc. Apex sugar industry bodies have been seeking complete de-control of the sector. This has led to freedom to sell sugar in the open market and dropping of levy obligation for the Public Distribution System. Under the levy obligation, sugar mills were required to sell 10% of their output to the Government at below-cost rates for supply to ration shops. Regulations required the industry to follow a monthly release system, which has now been abolished.

The Government had set up a seven member expert committee (headed by the chairman of Economic Advisory Council, C. Rangarajan) to examine all issues related to de-regulation of the sugar sector. The report has submitted its recommendations to CCEA in January'13.

The next big issue facing the sugar industry is the fixing of cane price by the State Governments to be paid to the farmers, which is always higher than the Fair Remunerative Price (FRP) being set by the central Government. The industry body expects cane prices to be linked with the sugar prices in the market.

FRP vs High SAP

The issue of State Advised Price (SAP) versus the Central Government's Fair and Remunerative Price continues to remain a challenge for sugar mills. The sugar industry had challenged the legality of state governments fixing cane price. Fair and Remunerative Price (FRP) of sugarcane is the price to be paid by the sugar mills instead of statutory minimum support price earlier. FRP is fixed after taking into consideration the margins for sugarcane farmers on account of risk as well as profit on the cost of production of sugarcane, including the cost of transportation. This price is linked to a basic sugar recovery rate (from the sugarcane) of 9.5%, subject to a premium of ₹1.53 per quintal for every 0.1% point increase in recovery above 9.5%, the state government worked out the State Advised Price (SAP), without considering any economic criteria. The Supreme Court had referred the issue of whether the state government has the right to fix SAP to a seven judge bench. The ruling of this is awaited, if the ruling is in favour of FRP, we expect UP mills to recover financially.

OMC's have started finalising suppliers who have quoted ethanol prices of ₹45/litre and below. This translates to ₹34-35/litre to distilleries.

Extreme Cyclical Swings, Costs and Cane Availability

India's sugar industry is prone to extreme cyclical swings. The most important reason responsible for the cyclical nature of sugarcane production is the demand supply imbalance. Excess production in a particular season leads to lower realisation in the market, this impacts the paying capacity of the Mills to the farmers. Sensing a likely lower sugarcane price realisation next year, farmers tend to switch over to the crops resulting into short supply of sugarcane in next sugarcane season.

Challenges in Renewable Power

State Electricity Boards (SEBs) across India have huge losses on account of inefficiencies in transmission and distribution, billing and more importantly, the need to often buy expensive power to tide over short-term deficits. Some SEBs have also failed to revise tariffs for many years, adding to the losses and also not able to raise money at high rates of interest. The poor financial health is also on account of non-payment of subsidy amounts by state governments. This can also be a serious threat to the co-generation business if the SEBs are unable to make prompt payment consistently. Sectors like solar power need higher government support to invest in the latest and modern technology to propel growth in the sector.

Challenges in Ethanol

Oil Marketing Companies (OMCs) used to procure ethanol on an ad hoc uniform ex-factory price of 27 per litre throughout the country. A tender was floated and the sugar mills competed with each other. At the earlier price of ₹27 per litre price that oil companies were offering earlier, it was economically unviable for mills to divert any cane juice molasses for ethanol. The Cabinet Committee on Economic Affairs in its meeting held on 22nd November 2012 approved the mandatory 5% ethanol blending with petrol. The Government with effect from 1st December, 2012, will not declare any fixed price, henceforth the price of ethanol will be decided between OMCs and ethanol suppliers.

In the month of January'13 OMC's have floated tender for supply of 1,000 million litres of ethanol, OMC's have started finalising on the suppliers who have quoted ethanol prices of ₹45/litre and below. This translates to ₹34-35/Litre to the distilleries.

The only challenge the industry could face could be difficulties in successful taking off the ethanol blending program and its long term sustenance, which could ensure long term demand of ethanol by OMC's from the industry.

Risks & Concerns

Raw Material Risk.

Any shortage of sugarcane can adversely impact the operations of a sugar mill. Shortage of sugarcane can be a result of migration from cane production to other cash crops and also adverse weather conditions or crop diseases or drop in drawl rate. It can also result from non-remunerative cane procurement price declared by the State Government and/or Central Government. While your Company is not immune to industry dynamics, its strategic locations and excellent relationship with farmers enable it to mitigate this risk effectively. Your company has recently diversified into Maharashtra, which has enabled it to mitigate this risk and the thrust for further risk mitigation by scale building in Maharashtra. Your Company actively engages with farmers and has also initiated several measures to facilitate better communication systems and promote modern farming techniques for higher productivity. Farmers are treated as partners in progress by your Company.

Raw Material Price Risk

Prices of sugarcane crop is fixed by the state governments and SAP is fixed keeping in mind various factors and political considerations. This increase in raw material price cannot be easily factored in the finished product as the sugar price is controlled by various market forces and government policies. This can affect the profitability of the Company

Sugar Price Risk

Open market price of sugar is a determined by free market forces of demand and supply, as also the international demand / supply and availability of substitutes for the sugar products. The wholesale price of sugar has a significant impact on the profits of sugar companies. Hence, any decrease in the sugar prices may have an adverse impact on your Company. India is ranked amongst the world's largest consumers of sugar and the risk of any significant and sharp drop in demand leading to sharp drop of prices is not foreseen. The sugar industry also generates revenues from by-products, which have reduced the industry's pure dependence on sugar.

Regulatory Risk

The Indian sugar industry is highly regulated by the Government. These regulations are a challenge and also a risk to the growth and long-term sustainability of a profitable sugar industry. Unfavorable policies are a risk to the Indian sugar industry. Any significant unfavourable change in the existing policies (which already are not conducive to the growth of the industry) by the Central Government and/or State Government may adversely impact the revenues of your Company.

Cyclicality & Dependence Risks

India's sugar industry is prone to extreme cyclical swings. To mitigate and minimise the risk from the sugar business, your Company has incorporated an integrated business model as a de-risking measure. This places your Company on a stronger footing and enables it to stabilise its topline, and will also strengthen its bottom line in future. The co-generation and distillery businesses of your Company helps to minimise this risk.

Cautionary Statement

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified in this report, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on 'risks and concerns'. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.

Dalmia Bharat Sugar

Directors' Report
for the year ended March 31, 2013

The Directors have pleasure in submitting the Annual Report and Audited Statements of Account of the Company for the year ended 31st March, 2013.

Financial Results

(₹ Crore)

	FY 13	FY 12
Net Sales Turnover	**993.54**	**715.15**
Profit before interest, depreciation and tax (EBITDA)	**157.32**	**92.68**
Less: Interest and Financial Charges	65.55	50.25
Profit before depreciation and tax (PBDT)	**91.77**	**42.43**
Less: Depreciation	72.80	41.82
Profit/(Loss) before tax (PBT)	**18.97**	**0.61**
Provision for current tax	-	1.16
Provision for tax – earlier years	-	-3.41
Provision for deferred tax	0.62	1.96
Profit after tax (PAT)	**18.35**	**0.90**
Add: Surplus brought forward	399.90	402.13
Balance available for appropriation	**418.25**	**403.03**
Appropriations:		
General Reserve	0.46	-
Debenture Redemption Reserve (net)	3.12	3.13
Proposed Dividend	2.02	-
Dividend Distribution tax thereon	0.34	-
Balance carried forward	412.31	399.90
	418.25	403.03

Dividend

Keeping in view the performance of the Company your Directors have decided to recommend payment of dividend calculated at ₹ 0.25 per share as against nil dividend in the immediately preceding previous year.

Operations and Business Performance

Please refer to the chapter on Management Discussion and Analysis for a detailed analysis of the performance of the Company during 2012-13. In addition, working results for key businesses have been provided as an annexure to this report (Annexure - A).

Corporate Governance

The Company's Corporate Governance practices have been detailed in a separate chapter and is annexed to and forms part of this Report. The Auditors certificate on the compliance of Corporate Governance Code embodied in Clause 49 of the Listing Agreement is also attached as annexure and forms part of this Report.

Listing of Shares

The Company's shares continue to be listed on the Madras Stock Exchange, National Stock Exchange and Bombay Stock Exchange and the listing fees for the year 2013-14 has been paid.

Industrial Relations

The industrial relations during the year under review remained harmonious and cordial. The Directors wish to place on record their appreciation for the excellent cooperation received from all employees at various units of the Company.

Employees' Particulars

There was no employee in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Rules and Notifications made thereunder.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

A statement giving details of Conservation of Energy, Technology Absorption and Foreign Exchange transactions, in accordance with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, forms a part of this report as Annexure – B.

Subsidiaries

The Central Government vide Notification No. 5/12/2007 – CL III, dated 8-2-2011 has given a general exemption to all Companies in terms of Section 212(8) of the Companies Act, 1956 from attaching the Annual Reports of its Subsidiaries. Accordingly, the Directors' Report and audited accounts of the Company's Subsidiaries, Himshikhar Investment Limited, Dalmia Solar Power Limited and Dalmia Sugar Ventures Limited, for the year ended 31st March 2013 are not being enclosed with this Annual Report. Any Member desiring to inspect the detailed Annual Reports of any of the aforementioned subsidiaries may inspect the same at the Head Office of the Company and that of the subsidiaries concerned. In event a Member desires to obtain a copy of the Annual Report of any of the aforementioned subsidiaries, he may write to the Registered Office of the Company specifying the name of the subsidiary whose Annual Report is required. The Company shall supply a copy of such Annual Report to such Member. The Annual Report of the aforementioned Subsidiaries are available at the Company's website www.dalmiasugar.com.

A statement of the Company's interest in its subsidiaries mentioned above is attached as required under section 212 of the Companies Act, 1956.

Fixed Deposits

The Company has not accepted any Public Deposits.

Directors

The following Directors retire by rotation at the ensuing Annual General Meeting:

1. Shri J. S. Baijal and
2. Shri B.B. Mehta.

Shareholdings in the Company by its Directors as at 31-3-2013, are as under:

Name of the Director	No. of Shares of ₹ 2/- each held
Shri Jai H. Dalmia	16,35,010
Shri Y.H. Dalmia	45,41,880
Shri Gautam Dalmia	7,51,990
Shri Puneet Yadu Dalmia	39,28,055
Shri P. Kannan	2,730
Shri J.S. Baijal	Nil
Shri M. Raghupathy	Nil
Shri T. Venkatesan	Nil
Shri B.B. Mehta	Nil

Consolidated Financial Statements

As required under clause 41 of the listing agreement, this Annual Report also includes Consolidated Financial Statements for the financial year 2012-13 prepared in accordance with Accounting Standard - 21.

CEO/CFO Report on Accounts

As required under clause 49 of the Listing Agreement, the CEO/CFO's Report on the Accounts is attached.

Directors Responsibility Statement

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors declare that:

(a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and no departures have been made there from;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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

(d) the Directors had prepared the annual accounts on a going concern basis.

Auditors

M/s. S.S. Kothari Mehta & Co., Chartered Accountants the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. As required under Section 224 of the Companies Act, 1956, the Company has obtained from them a certificate to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the said Section.

Cost Auditors

M/s. R.J. Goel & Co., Cost Accountants, were appointed as the Cost Auditors of the Company to conduct cost audit of the sugar manufacturing, power co-generation and wind farm units for the year ended 31-3-2012, and they have submitted the Cost Audit Reports for the said year on 1-1-2013 . The said firm has been appointed as Cost Auditors to conduct cost audit of the sugar manufacturing units, power co-generation units and wind farm unit for the year ended 31-3-2013.

For and on behalf of the Board

New Delhi
Dated: 27th May, 2013

(J.S. Baijal)
Chairman

Dalmia
Bharat Sugar

Annexure – A

Working Results

	FY 13	FY 12	FY 11
Sugar Division ('000 MT)			
Cane Crushed	2792	2361	2048
Sugar Production	277	213	204
Sugar Sales	244	200	194
Molasses Production	145	119	101
Magnesite Division ('000 MT)			
Refractory Products Production	12	16	21
Refractory Products Sales and Self Consumption	17	15	19
Electronics Division (‘000 nos.)			
Chip Capacitors Production	260	812	5555
Chip Capacitors Sales	260	812	5572
Chip Resistors Production	-	7	30
Chip Resistors Sales	-	7	33
Wind Farm			
Installed Capacity (MW)	16.5	16.5	16.5
Production (Million Units)	32	28	28
Plant Load Factor	21.9%	19.5%	19.5%
Govan Travels			
Business Handled (₹ crore)	27.5	25.7	26.3
Co-Generation			
Installed Capacity (MW)	79	79	79
Production (Million Units)	364	320	281

Annexure – B

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Outgo and Earnings

A. Conservation Of Energy

(a) Energy Conservation measures taken:

(i) Installation of low temperature evaporator modules for further reduction in steam consumption.

(ii) Installation of evaporative condenser in distillery to reduce steam and power consumption.

(iii) Replacement of GRPF drives with high efficiency ACVF drives.

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

Several small efficiency improvement projects have been planned for saving energy and steam consumption in the Sugar plant.

(c) Impact of measures taken already and proposed vide (a) and (b) above are aimed at:

Enabling the Company to save electrical energy and reduction in steam consumption by about 5% as compared to previous levels.

(d) Total energy consumption and consumption per unit of production as per Form “A” attached.

B. Technology Absorption

Efforts made in technology absorption as per Form “B” attached.

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:

(i) Refractory products were exported during the year.

(b) Total foreign exchange used and earned during the year:

(i) Used: ₹ 0.15 crore (ii) Earned: ₹ 0.84 crore.

Form 'A'

(Form of Disclosure of Particulars with respect to Conservation of Energy)

			2012-13	2011-12
A.	Power and Fuel Consumption			
1.	Electricity:			
a)		Purchased:		
		Units (KWH in million)	1.22	1.38
		Total Amount (₹ crore)	0.91	0.88
		Rate/Unit (₹)	7.49	6.42
b)		Own Generation:		
	i)	Through Diesel Generator:		
		Units (KWH in million)	0.38	0.51
		KWH per Litre of HSD/FO	2.49	2.79
		Rate/Unit (₹)	20.05	17.81
	ii)	Through Co-Gen Plant:		
		Units (KWH in million)	73.09	69.20
		Total amount (₹ crore).	30.54	29.83
		Rate/Unit (₹)	4.18	4.31
2.	Coal-Slack/Steam – Grades B to E, Lignite and Coke Breeze			
	Quantity ('000 MT)		NA	NA
	Total Cost (₹ million)		NA	NA
	Average Rate (₹ / MT)		NA	NA
3.	Furnace Oil Including (LSHS & HSD)			
	Quantity (KL)		1020	2367
	Total Amount (₹ crore)		4.43	8.51
	Average Rate (₹ / KL)		43411	35961
4.	Others/Internal Generation			
	Units (KWH in million)		5.91	-
	Total Amount (₹ crore)		6.24	-
	Average Rate (₹ / MT)		10.56	-

B. Consumption Per Unit of Production:

Product	Sugar			Refractories & Refractory Products		
	Standard If any	Current Year	Previous Year	Standard If any	Current Year	Previous Year
Electricity (Units/MT)		268	312		92	93
Furnace Oil (including LSHS) (Litres MT)		N.A.	N.A.		94	150
Coal (Kgs. / MT)		N.A.	N.A.		N.A.	N.A.
Product	Distillery					
	Standard If any	Current Year	Previous Year			
Electricity (Units/MT)		251	260			
Diesel Oil (including LSHS) (KL /MT)		N.A.	N.A.			
Coal (Kgs./MT)		_	_			

Form 'B'

(Form of Disclosure of Particulars with respect to Absorption)

Research and Development (R&D)

1. Specific areas in which R&D is carried out by the Company:

Development of neutral ramming mass for use in induction furnaces.

Development of low cement castables for export.

Development of new additives for patented high thermal shock resistant magnesite bricks to reduce thermal conductivity and apparent porosity.

Reducing water requirement in tundish spray mix for steel industry.

Development of new compositions to increase life of MgOC bricks in ladle furnaces in steel plants.

2. Benefits derived as a result of the above R&D:

Higher life resulting in lower consumption of natural resources per unit of production.

Development of new domestic and export markets.

3. Future plans of action:

Usage of sugar condensate in distillery to reduce fresh water drawal.

4. Expenditure on R&D:

(₹ Crore)

(a)	Capital	Nil
(b)	Recurring	0.15
(c)	Contribution/Expenditure on Research and Development	—
(d)	Total	0.15
(e)	Total R&D Expenditure as a percentage of turnover Above excludes material and other costs.	Negligible

Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

As above

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.:

The Company as a result of the above efforts has achieved lower stoppage days, which has resulted in better crush rates and consistent improvement in the quality of sugar manufactured.

3. No technology has been imported for the last five years.

Report on Corporate Governance

Company's Philosophy on Corporate Governance

DBSIL (Dalmia Bharat Sugar and Industries Limited) believes in and remains committed to good Corporate Governance. The spirit of corporate governance has remained imbibed in the Company's business philosophy since its inception. This philosophy is shaped by the values of transparency, professionalism and accountability. Today, your Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. The stipulations mandated by Clause 49 of the Listing Agreement became applicable to your Company in March 2001 and have been fully complied with since then. SEBI, through circulars dated 29th October 2004, 29th March 2005 and 8th April 2008, has revised Clause 49 of the Listing Agreement and mandated listed companies to comply with the revised Clause 49 of the Listing Agreement.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports on DBSIL's compliance with the Clause 49 of the Listing Agreement.

Board of Directors

Composition of the Board

As on 31st March 2013 the Company's Board comprised nine members — four Executive Directors and five Non-executive Directors, of which three are independent. Mr. J.S. Baijal, a Non-executive Independent Director, is appointed as the Chairman of the Board. The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that if the Chairman is a Non-executive, and is not related to the promoters or persons occupying management positions at the Board level or at one level below the Board, one-third of the Board should be independent, or else, 50 per cent of the Board should comprise independent Directors.

Number of Board Meetings

The Board of Directors met five times during the year on 11-5-2012, 7-8-2012, 21-8-2012, 9-11-2012 and 7-2-2013. The maximum gap between any two meetings was less than 4 months.

Directors' Attendance Record and Directorships Held

As mandated by the Clause 49 of the Listing Agreement, none of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanship.

Table 1: Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships		
		Number of Board Meetings		Last AGM	Other Directorships@	Committee Memberships #	Committee Chairmanships #
		Held	Attended				
Mr. J.S. Baijal Chairman	Independent – Chairman	5	4	No	2	4	-
Mr. M. Raghupathy	Independent and Non-Executive	5	4	Yes	1	--	-
Mr. J. H. Dalmia Vice-Chairman	Executive	5	5	No	6	-	-
Mr. Y.H. Dalmia Vice-Chairman	Executive	5	5	No	3	1	-
Mr. Gautam Dalmia Managing Director	Executive	5	3	No	4	2	-
Mr. Puneet Yadu Dalmia Managing Director	Executive	5	3	No	7	2	-
Mr. T. Venkatesan	Non-Executive	5	5	No	5	2	-
Mr. P. Kannan	Independent and Non-Executive	5	5	No	-	-	-
Mr. B.B. Mehta	Non-Executive	5	5	No	13	-	-

@ The Directorships held by the Directors do not include Directorship of foreign companies and private limited companies.

As required under Clause 49 of the Listing Agreement, the disclosure includes membership/chairmanship of audit committee and investor grievance committee of Indian public companies (listed and unlisted)

Mr. J. H. Dalmia and Mr. Y.H. Dalmia are brothers; Mr. Gautam Dalmia is the son of Mr. J. H. Dalmia and Mr. Puneet Yadu Dalmia is the son of Mr. Y.H. Dalmia.

As mandated by the revised Clause 49 of the Listing Agreement, the independent Directors on DBSIL's Board are not less than 21 years in age, and:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding Company, its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three financial years of the:
  - Statutory audit firm or the internal audit firm that is associated with the Company.
  - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

Information Supplied to the Board

The Board has complete access to all information with the Company. The agenda and papers for consideration of the Board are circulated at least three days prior to the date of the Board meeting. Adequate information is circulated as part of the agenda papers and also placed at the meeting to enable the Board to take an informed decision. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting.

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

Remuneration paid to Directors

The compensation payable to the Executive Directors is decided by the Remuneration Committee constituted by the Board of Directors. The details of remuneration paid, during the year, to the Executive Directors and the Non-Executive Directors is presented in Table 2.

Table 2: Details of remuneration paid to Directors for 2012-13 (₹ Lakhs)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Mr. J.S. Baijal Chairman	Independent, Non-Executive	1.70	—	—	4.34	6.04
Mr. M. Raghupathy	Independent, Non-Executive	1.60	—	—	4.34	5.94
Mr. J. H. Dalmia Vice-Chairman	Executive	—	37.20	4.60	—	41.80
Mr. Y.H. Dalmia Vice-Chairman	Executive	—	36.57	4.60	—	41.17
Mr. Gautam Dalmia Managing Director	Executive	—	4.97	0.14	—	5.11
Mr. Puneet Yadu Dalmia Managing Director	Executive	—	7.27	0.14	—	7.41
Mr. T. Venkatesan	Non-Executive	1.00	—	—	—	1.00
Mr. P. Kannan	Independent, Non-Executive	1.00	—	—	4.34	5.34
Mr. B.B. Mehta	Non-Executive	1.00	—	—	—	1.00

@ Commission paid on net profit only.

Retirement benefits to the Executive Directors comprise the Company's contribution to provident fund and superannuation fund. The payment of retirement benefits is being made by the respective fund(s). In addition to the above the Company also contributes, on actuarial valuation basis, amounts to the Gratuity Fund towards gratuity of its employees including the Vice Chairmen and Managing Directors. The Company has not provided any stock options to its employees including those at the Board level.

The appointments of Mr. Y.H. Dalmia, Vice Chairman, Mr. Gautam Dalmia, Managing Director and Mr. Puneet Yadu Dalmia, Managing Director were made for a period of five years effective 16th January 2012. The appointment of Mr. J. H. Dalmia, Vice Chairman, has been made for a period of five years with effect from 1st April 2012. No severance fees is payable to any of aforementioned persons in respect of their cessation.

Code of Conduct

DBSIL's Board has laid down a code of conduct for all Board members and designated senior management of the Company. The code of conduct is available on the website of the Company www.dalmiasugar.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

Risk Management

DBSIL has a risk management framework in place. Under this framework the management identifies and monitors business risks on a continuous basis, and initiates appropriate risk mitigation steps as and when deemed necessary. DBSIL has established procedures to periodically place before the Board the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework.

Committees of the Board

As on 31st March 2013, the Company has five Board-level Committees – Audit Committee, Remuneration Committee, Finance Committee, Shareholders Grievance Committee and Investment Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members is taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

a) Audit Committee

As on 31st March 2013, the Audit Committee comprises three members Mr. P. Kannan, Mr. M. Raghupathy, and Mr. J.S. Baijal, all of whom are independent Directors. Mr. P. Kannan, is the Chairman of the Audit Committee. The Audit Committee met four times during the year on 11-5-2012, 7-8-2012, 9-11-2012 and 7-2-2013. The particulars of attendance of the members in the Meetings of this Committee is set out in **Table 3** hereunder

Table 3: Attendance record of DBSIL's Audit Committee during 2012-13

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. Kannan	Independent	Chairman	4	4
Mr. M. Raghupathy	Independent	Member	4	3
Mr. J. S. Baijal	Independent	Member	4	3

The Officer responsible for the finance function, the head of internal audit and the representative of the statutory auditors, internal auditors and cost auditors are regularly invited by the Audit Committee to its meetings. Mr. K.V. Mohan, Company Secretary, is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and financial management expertise. Mr. P. Kannan, the Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 18th August, 2012 to answer shareholders queries.

The functions of the Audit Committee of the Company include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made, if any, in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications, if any, in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, 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 internal auditors on any significant findings and follow up there on.

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.
- If applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

b) Remuneration Committee

As on 31st March 2013, the Remuneration Committee comprised, Mr. J.S. Baijal and Mr. M. Raghupathy and Mr. P. Kannan, all independent Directors. The Remuneration Committee met once during the year on 11-5-2012. The particulars of attendance of the members in the Meetings of this Committee is set out in Table 4 hereunder:

Table 4 - Attendance record of DBSIL's Remuneration Committee during 2012-13

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. J. S. Baijal	Independent	Chairman	1	1
Mr. P. Kannan	Independent	Member	1	1
Mr. M. Raghupathy	Independent	Member	1	-

c) Shareholders Grievance Committee

The Shareholders Grievance Committee comprised Mr. M. Raghupathy, (Independent Director) as its Chairman, and Mr. P. Kannan (Independent Director) as its member. The terms of reference to this Committee is to look into and redress the complaints received from investors, in coordination with the Company's Registrars and Share Transfer Agent. The Committee did not meet during the year. During the year, 70 complaints were received from investors and all of them were resolved. At the close of the year there were no cases pending in respect of share transfers. Table 5 gives the details:

Table 5: Nature of complaints received and attended to during 2012-13

Nature of Complaint	Pending as on 1st April 2012	Received during the year	Answered during the year	Pending as on 31st March 2013
1. Transfer / Transmission / Duplicate	Nil	3	3	Nil
2. Non-receipt of Dividend/Interest/Redemption Warrants	Nil	33	33	Nil
3. Non-receipt of securities/electronic credits	Nil	21	21	Nil
4. Non-receipt of Annual Report	Nil	4	4	Nil
5. Complaints received from:				
- Securities and Exchange Board of India	Nil	3	3	Nil
- Stock Exchanges	Nil	4	4	Nil
- Registrar of Companies/ Department of Company Affairs	Nil	2	2	Nil
6. Others	Nil	Nil	Nil	Nil
Total	Nil	70	70	Nil

The names and designations of the Compliance Officers are as follows: -

- Mr. K.V. Mohan, Company Secretary; and
- Mr. V. Sundararaj, Asst. General Manager (Accounts)

The Board of Directors has delegated the powers of approving the transfer of shares/debentures to senior executives of the Company.

d) Finance Committee

As on 31-3-2013, the Finance Committee comprises of Mr. J. H. Dalmia, Mr. Y.H. Dalmia, Mr. Gautam Dalmia, Mr. Puneet Yadu Dalmia and Mr. J.S. Baijal (Independent Director) as its Members. The Committee met once during the year on 23-11-2012. The particulars of attendance of the members in the Meetings of this Committee is set out in Table 6 hereunder:-

Table 6: Attendance record of Finance Committee during 2012-13

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. J.S. Baijal	Independent	Member	1	-
Mr. J. H. Dalmia	Executive	Member	1	1
Mr. Y.H. Dalmia	Executive	Member	1	1
Mr. Gautam Dalmia	Executive	Member	1	1
Mr. Puneet Yadu Dalmia	Executive	Member	1	-

e) Investment Committee

The Board of Directors in their Meeting held on 28th May, 2009 formed an Investment Committee comprising Mr. J.H. Dalmia, Mr. Y.H. Dalmia, Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia as its Members. The Committee did not meet during the year.

e) Committee of Independent Directors

During the year, pursuant to an Open Offer made to the Shareholders of the Company by Dalmia Bharat Limited, a Committee of Independent Directors was constituted to provide its recommendations on the offer price stated in the Public Announcement dated 5th September, 2012, in compliance with Regulation 26(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. This Committee comprised of Mr. J.S. Baijal, Mr. P. Kannan and Mr. M. Raghupathy, all Independent Directors. The Committee met once during the year on 8-1-2013 to give its recommendations of the offer price. All Directors constituting the Committee were present at the Meeting.

Subsidiary Companies

Clause 49 of the Listing Agreement defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

As on 31st March 2013, under this definition, DBSIL does not have a 'material non-listed Indian subsidiary'.

Shares and Convertible Instruments held by Non-Executive Directors

Table 7: Details of the shares and convertible instruments held by the Non-Executive Directors as on 31st March, 2013

Name of the Director	Category	Number of shares held	Number of convertible instruments held
Mr. J.S. Baijal	Independent, Non-Executive	Nil	Nil
Mr. M. Raghupathy	Independent, Non-Executive	Nil	Nil
Mr. T. Venkatesan	Non-Executive	Nil	Nil
Mr. P. Kannan	Independent, Non-Executive	2,730	Nil
Mr. B.B. Mehta	Non-Executive	Nil	Nil

Management

Management Discussion and Analysis

The Annual Report has a detailed report on Management Discussion and Analysis.

Disclosures

Related party transactions in the ordinary course of business have been disclosed at Note No. 46 to the financial statements in the Annual Report. No transactions were made that had the possibility of injuring the Company's interests. The Company complied with the regulatory requirements on capital markets. No penalties/strictures have been imposed against it.

The Company has complied with the requirements of Section 205C of the Companies Act, 1956 and all amounts due to be credited to the Investor Education & Protection Fund have been duly credited within the time specified under the said section.

Disclosure of Accounting Treatment in Preparation of Financial Statements

DBSIL has followed the guidelines of Accounting Standards laid down by the Central Government under the provisions of section 211(3) of the Companies Act, 1956 in the preparation of its financial statements.

Details of Non-Compliance by the Company

DBSIL has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Code for Prevention of Insider-Trading Practices

In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of Company, and cautioning them of the consequences of violations.

CEO/ CFO certification

The CEO and CFO certification of the financial statements for the year is enclosed at the end of the report.

Shareholders

Reappointment/Appointment of Directors

Pursuant to the Articles of Association of DBSIL, at every Annual General Meeting of the Company, one-third of the rotational Directors retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third retire from office. Accordingly, at the ensuing Annual General Meeting, Mr. J.S. Baijal and Mr. B.B. Mehta, Directors of the Company retire by rotation and are eligible for re-appointment.

Means of Communication with Shareholders

The Board of Directors of the Company approves and takes on record the unaudited financial results in the format prescribed by the Stock Exchanges within forty five days of the close of every quarter and such results are published in one financial newspaper, viz., Business Line, and one Regional Newspaper, Dinamani, within the stipulated time. The Company also publishes its annual audited results in these newspapers within the stipulated period.

As required under the Listing Agreement all the data related to quarterly and annual financial results, shareholding pattern, etc., is provided to the web-site of the Stock Exchanges within the time frame prescribed in this regard. All the details required to be forwarded to the Stock Exchanges are being sent by the Company from time to time.

General Body Meetings

Table 8 gives the details of the last three Annual General Meetings (AGMs).

Table 8: Details of last three AGMs

Financial year	Date	Time	Location
2011-12	18th August, 2012	10.00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.
2010-11	26th August, 2011	10.00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.
2009-10	27th August, 2010	10.00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.

The details of Special Resolutions in respect of the last three Annual General Meetings are given in Table 9.

Table 9: Details of Special Resolutions passed in last three Annual General Meetings

Date of Meeting	Type of Meeting	Particulars
18th August, 2012	AGM	• Re-appointment of Mr. J.H. Dalmia as the Managing Director designated as Vice-Chairman of the Company for a period of 5 years with effect from 1st April, 2012; • Re-appointment of Mr. Y.H. Dalmia as the Managing Director designated as Vice-Chairman of the Company for a period of 5 years with effect from 16th January, 2012; • Re-appointment of Mr. Gautam Dalmia as the Managing Director designated as Managing Director of the Company for a period of 5 years with effect from 16th January, 2012; • Re-appointment of Mr. J.H. Dalmia as the Managing Director designated as Managing Director for a period of 5 years with effect from 16th January, 2012; • Resolution seeking approval of shareholders pursuant to section 81(1A)(a) read with sections 292(1)(a)/ 292(1)(b)/ 292(1)(c) of the Companies Act, 1956 for issuance and allotment of further securities convertible into equity shares to the extent of ₹50 crore which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹2 crore. • Resolution seeking approval of shareholders pursuant to section 309 of the Companies Act, 1956 for payment of commission calculated at 1% of the net profits of the Company for a period of 5 years commencing from the financial year ended 31st March, 2013 onwards. Such commission to be distributed amongst the Directors in the manner they deem fit.

Dalmia Bharat Sugar

Date of Meeting	Type of Meeting	Particulars
26th August, 2011	AGM	• Resolution seeking approval of shareholders pursuant to section 81(1A)(a) read with sections 292(1)(a)/ 292(1)(b)/ 292(1)(c) of the Companies Act, 1956 for issuance and allotment of further securities convertible into equity shares to the extent of ₹ 1500 crore which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹ 4 crore. • To approve the minimum remuneration of upto an amount of ₹ 48 lakhs per annum to each of the Vice-Chairmen and Managing Directors of the Company for the financial year 2010-11 and 2011-12 in the event of loss or inadequacy of profits.
27th August, 2010	AGM	• Reaffirmation of insertion of new Article 138 in the Articles of Association of the Company. • Change in name of the Company from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited.

Postal Ballot

During the year ended 31st March 2013, the Company did not propose any Resolution through Postal Ballot.

Compliance

Mandatory Requirements

DBSIL is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement.

Adoption of Non-Mandatory Requirements

Although it is not mandatory, a Remuneration Committee, Finance Committee and Investment Committee of the Board are in place. Details of the aforementioned Committees have been provided under the head "Committees of the Board" above.

Additional Shareholder Information

Annual General Meeting

Date: 24th August, 2013
Time: 10.30 a.m.
Venue: Community Centre Premises,
Dalmiapuram-621651, Dist. Tiruchirapalli, Tamil Nadu

Financial Calendar

Financial year: 1st April, 2013 to 31st March, 2014

For the year ended 31st March 2014, results will be announced on:

- First quarter: By mid-August, 2013
- Second quarter: By mid-November, 2013
- Third quarter: By mid-February, 2014
- Fourth quarter: By end May, 2014

Book Closure

The dates of book closure are from 17th August, 2013 to 24th August 2013 inclusive of both days.

Dividend Payment

The Directors have recommended payment of final dividend calculated at ₹0.25 per equity share of ₹2/- each. Such dividend shall be paid to those share holders whose names appear on the Company's Register of Members as on 17th August, 2013. The dividend pay-out will be effected on 3rd September, 2013.

Listing

Listing on Stock Exchanges in respect of the Equity Shares is as under:

a) The Madras Stock Exchange Association Limited,
Exchange Building,
Post Box No. 183,
11, Second Line Beach,
Chennai - 600001.

b) Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

c) The National Stock Exchange of India Limited,
Exchange Plaza,
5th Floor, Plot No. C/1, G - Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400051

The Privately placed Non-Convertible Debentures are listed on WDM Segment of the National Stock Exchange of India Limited. Listing fees for the year 2013-14 has been paid to all the above Stock Exchanges. The annual custodial fees for the year 2013-14 has been paid to both the Depositories.

Stock Codes

Bombay Stock Exchange : 500097 (DALMIASUG)

National Stock Exchange : DALMIASUG

ISIN (for Dematerialised Shares) : INE495A01022

(Besides the above the Privately Placed Debentures have also been dematerialised)

Stock Market Data

Table 1, 2, Chart A and Chart B gives details

Table 1: High, lows of Company's shares for 2012-13 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2012	14.45	12.50	13.00	15.00	12.50	12.80
May, 2012	14.77	12.00	12.50	14.20	11.65	12.80
June, 2012	13.50	11.55	13.20	13.50	11.65	13.20
July, 2012	15.14	12.35	14.29	15.30	13.05	14.30
August, 2012	22.30	14.00	19.50	22.80	13.30	19.80
September, 2012	21.10	18.85	19.70	21.00	18.75	19.65
October, 2012	20.30	18.50	20.05	20.20	18.60	20.10
November, 2012	20.35	18.55	19.15	20.40	18.45	19.05
December, 2012	19.50	18.00	18.50	19.70	17.90	18.60
January, 2013	19.45	16.30	18.00	19.55	16.80	17.55
February, 2013	18.35	16.40	16.80	18.85	15.70	16.80
March, 2013	18.10	12.95	14.50	17.70	14.00	14.05

Table 2: Stock Performance over past 5 years

	% of Change in					
	Company's Share		Sensex	Nifty	Company in comparison with	
	BSE	NSE			Sensex	Nifty
2012-13	7	2	8	7	-1	-6
2 years	91	84	-3	-3	94	85
3 years	-82	-82	7	8	-89	-90
5 years	-84	-84	20	20	-104	-104

Note: The stock performance of Company's shares have been calculated on the closing prices after (a) considering the impact of the Scheme of Arrangement; and (b) conversion of warrants and are thus not strictly comparable.

Chart A: DBSIL's Share Performance versus BSE Sensex

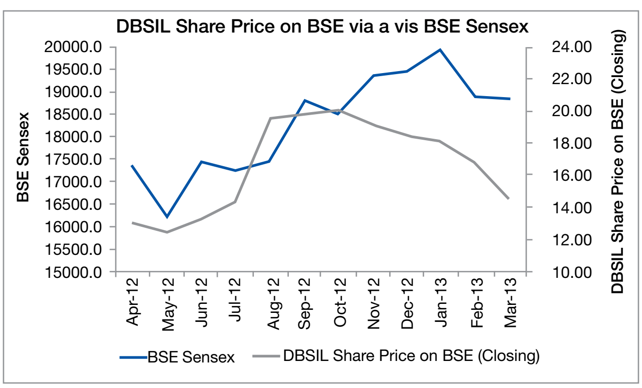
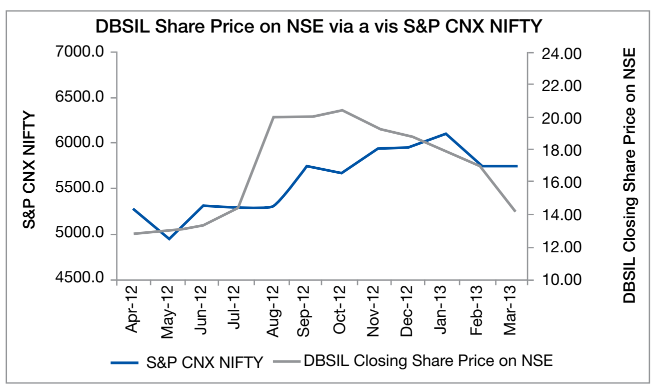


Chart B: DBSIL's Share Performance versus NIFTY



Distribution of Shareholding

Table 3 and 4 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on 31st March 2013.

Table 3: Shareholding pattern by size

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	11293	74.21	1664280	2.06
501-1000	1625	10.68	1265549	1.56
1001-2000	1158	7.61	1729355	2.14
2001-3000	392	2.58	987052	1.22
3001-4000	205	1.35	741064	0.92
4001-5000	137	0.90	628442	0.78
5001-10000	226	1.49	1572781	1.94
10001 and above	181	1.19	72350780	89.39
Total	**15217**	**100.00**	**80939303**	**100.00**

Table 4: Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters @	20	0.13	13176820	16.28
Promoter Bodies Corporate @	27	0.18	50458302	62.34
Central/State Governments	4	0.03	128155	0.16
Financial Institutions	2	0.01	1601246	1.98
Mutual Funds	1	0.01	2500	0.00
Foreign Institutional Investors	-	-	-	-
Insurance Companies	1	0.01	574036	0.71
Bodies Corporate	357	2.35	1686571	2.08
Overseas Body Corporate	-	-	-	-
Foreign Corporate Bodies	-	-	-	-
NRI/Foreign Nationals	125	0.82	162214	0.20
Individuals/Others	14680	96.47	13149459	16.25
Total	**15217**	**100.00**	**80939303**	**100.00**

Note: @ The Promoters have not pledged the shares of the Company against any loan drawn by them. This disclosure may be treated as a disclosure as required under Clause 35 of the Listing Agreement and under Regulation 31 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011.

Dematerialisation of Shares

As on 31st March 2013, over 95.98% shares of the Company were held in the dematerialised form. As on 31-3-2013, except for 32,36,564 shares held by the Promoters in physical form, the balance shares held by them stand dematerialised. The said shares held in physical form were in the process of dematerialisation on the said date.

Outstanding GDRs/ADRs/Warrants/Options

Nil

Details of Public Funding Obtained in the last three years

Nil

Registrar and Transfer Agent

For Equity Shares & Privately Placed Debentures:

Karvy Computershare Private Limited,
Plot Nos. 17 to 24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500081.

Share Transfer System

The share transfers in the physical form are presently processed by the Registrars and Transfer Agents and returned within a period of 15 days. The Company's Equity Shares are tradable in dematerialised form since August, 2000. Under the dematerialised system, the Shareholder can approach a Depository Participant (DP) for getting his shares converted from physical form to dematerialised form. The DP will generate a request for the dematerialisation, which will be sent by him to the Company's Registrars and Share Transfer Agents. On receipt of the same the shares will be dematerialised.

Registered Office Address:

Dalmia Bharat Sugar and Industries Limited
Dalmiapuram -621651,
Dist. Tiruchirapalli,
Tamil Nadu
Phone: 04329 - 235131
Fax: 04329 235111

Address for Correspondence:

Dalmia Bharat Sugar and Industries Limited
Shares Department
Dalmiapuram – 621651
Dist. Tiruchirapalli
Tamil Nadu
Phone: 04329 - 235131
Fax: 04329 235111

Plant Locations:

Magnesite Refractory Products:

Dalmia Magnesite Corporation
Salem (Tamil Nadu)
Vellakkalpatti,
P.O. Karuppur,
Salem – 636012.

Wind Farm Unit:

Dalmia Wind Farm
Muppandal (Tamil Nadu)
Aralvaimozhy –629301
District Kanyakumari (Tamil Nadu)

Sugar Plants:

Dalmia Chini Mills
(Unit: Ramgarh)
Village Ramgarh - 261403,
Tehsil Misrikh,
District Sitapur
(Uttar Pradesh)

Dalmia Chini Mills
(Unit : Jawaharpur)
Village Jawaharpur - 261403,
Tehsil Sitapur Sadar,
District Sitapur
(Uttar Pradesh)

Dalmia Chini Mills
(Unit : Nigohi)
Village Kuiyan,
Post Areli – 242407,
Tehsil Tilhar,
District Shahjahanpur
(Uttar Pradesh)

Shri Dutta Sakhar Karkhana
Village Asurle Porle,
Panhala Taluka,
District Kolhapur
(Maharashtra State)

Electronics Division:
Dalmia Bharat Sugar and Industries Limited
Plot No. 53, 54A,
Keonics Electronics City, Phase - 1
Hosur Road,
Bangalore - 560100
Karnataka

Auditor's Certificate on Corporate Governance

To

The Members,

Dalmia Bharat Sugar and Industries Limited

We have reviewed the implementation of Corporate Governance procedures by **Dalmia Bharat Sugar and Industries Limited ('the Company')** during the year ended March 31, 2013 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges, with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned clause in listing agreement.

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

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No. 000756N

(ArunK.Tulsian)
Partner
Membership No. 089907

Place: New Delhi
Dated: 27, May 2013

To
The Board of Directors,
Dalmia Bharat Sugar and Industries Limited
Registered Office: Dalmiapuram – 621651
District Tiruchirapalli
Tamil Nadu

Dear Sirs,

I do hereby certify that the all the Members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the Code of Conduct laid down by the Board of Directors of the Company in their Meeting held on 26-07-2005.

This certificate is being given in compliance with the requirements of Clause 49 (I) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges.

Dated: 27-5-2013
Place: New Delhi

Gautam Dalmia
Managing Director & CEO

To
The Board of Directors,
Dalmia Bharat Sugar and Industries Limited
Registered Office: Dalmiapuram – 621651
District Tiruchirapalli
Tamil Nadu

Dear Sirs,

1. We have reviewed the Balance Sheet, Profit and Loss account and all its Schedules and Notes on Accounts, as well as the Cash Flow Statements as at 31st March, 2013 and certify that to the best of our knowledge and belief:
    1) These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
    2) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the 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;
4. We have indicated to the Auditors and the Audit Committee:
    (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 we 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 systems.

Dated: 27-5-2013	**Anil Kataria**	**Gautam Dalmia**
Place: New Delhi	Chief Financial Officer	Managing Director & CEO

Independent Auditors' Report

To the Members of Dalmia Bharat Sugar and Industries Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **Dalmia Bharat Sugar and Industries Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In case of Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) In case of Statement of Profit and Loss, of the profit for the year ended on that date; and

c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditors' Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub – section (4A) of section 227 of the Companies Act 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2) As required by section 227(3) of the Companies Act 1956, 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 appears from our examination of those books;

   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956; and

   e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.

For S. S. Kothari Mehta & Co.
Chartered Accountants
FRN – 000756N

Arun K.Tulsian
Partner
Membership No. 89907

Date: May 27, 2013
Place: New Delhi

Annexure Referred to in our Report of even date

Re: Dalmia Bharat Sugar and Industries Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification as compared to book records.

(c) Fixed assets disposed off during the year were not substantial.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except stocks lying with third parties which have been verified with reference to correspondence of third parties. In our opinion, the frequency of such verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (b), (c) & (d) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us, the Company has taken unsecured loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is ₹68 crore and the year end balance of such loan is ₹45 crore.

(c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.

(d) In respect of loans taken, repayment of the principal amount is as stipulated and payments of interest have been regular. There are no overdue amounts at the year-end as the loan is repayable on demand.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit carried out in accordance with the generally accepted auditing practices in India, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakh in respect of each party have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the cost accounting records maintained by the Company pursuant to the Rules made by the Central Government under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we are not required to make a detailed examination of such records.

(ix) (a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, Cess have generally been regularly deposited during the year with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth-tax, Service-tax, Sales-tax, Customs Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty and Cess on account of any dispute and the forum where the dispute is pending, are as follows:

Name of the Statue	Period to which the amount relates	Nature of Dues	Forum Where dispute is pending.	(₹ Crore)
Central Excise Act, 1944	Year 2002-03 & 2003-04	Loss on Reprocessing	CESTAT, New Delhi	0.02
Central Excise Act, 1944	2006-07 to till date	Demand on duty on Multilayer Ceramic Chip capacitors	CESTAT, Bangalore	0.04
Central Excise Act, 1944	2009-10	Demand on Storage Loss of finished goods	Dy. Commissioner LTU, New Delhi	0.07
Central Excise Act, 1944	April 10 to June 12	Disallowance of Cenvat Credit	Commissioner, LTU, New Delhi	13.24
Central Excise Act, 1944	April 10 to September 12	Disallowance of Cenvat Credit	Dy. Commissioner LTU, New Delhi	0.38
Central Excise Act, 1944	April 10 to September 12	Disallowance of Cenvat Credit	Suptd, LTU New Delhi	0.05
Central Excise Act, 1944	April 10 to June 10	Demand on duty on Bagasse & electricity sale	Dy. Commissioner LTU, New Delhi	0.05
Central Excise Act, 1944	April 2007 to November 2008	Demand on Storage Loss of finished goods	Commissioner (A) LTU, New Delhi	0.13
Central Excise Act, 1944	July 2002 to June 2010	Demand on duty on Bagasse & electricity sale	CESTAT, New Delhi	29.30
Central Excise Act, 1944	July 2007 to March 2010	Demand on Storage Loss of finished goods	CESTAT, New Delhi	0.05
Central Excise Act, 1944	June 2005 to September 2005	Cenvat Credit on Cement & Steel	Allahabad High Court	0.04
Central Excise Act, 1944	March 2006 to March 2010	Cenvat Credit on Cement & Steel	CESTAT, New Delhi	5.86
Central Excise Act, 1944	March 2006 to Sept. 2012	Cenvat Credit on Cement & Steel	Dy. Commissioner LTU, New Delhi	0.15
Central Excise Act, 1944	March 2006 to March 2010	Disallowance of Cenvat Credit	CESTAT, New Delhi	0.26
Central Excise Act, 1944	September 2004 to March 2011	Disallowance of Cenvat Credit	Commissioner (A) LTU, New Delhi	0.32
Central Excise Act, 1944	September 2007 to March 2011	Cenvat Credit on Cement & Steel	Commissioner (A) LTU, New Delhi	0.42
Central Sales Tax	2001-02	Entry Tax	Allahabad High Court	0.03
Central Sales Tax	2006-07	Entry Tax	Dy. Comm (Assessment)-II Sitapur, U.P.	0.06
Central Sales Tax	2007-08	Sales Tax Assessment	Dy. Commissioner (Assessment)-II Sitapur, U.P.	1.13
Central Sales Tax	2007-08	Entry Tax	Dy.Commissioner (Assessment)- II Sitapur, U.P.	0.28
Central Sales Tax	2007-2012	Entry Tax	Add. Commissioner (Appeal) Sitapur, U.P.	0.53

Name of the Statue	Period to which the amount relates	Nature of Dues	Forum Where dispute is pending.	(₹ Crore)
Central Sales Tax	2011-13	Entry Tax	Dy. Commissioner Lucknow	0.02
Central Sales Tax	2001-02 & 2005-06	Purchase Tax	Joint Commissioner (Sale Tax) Kolhapur	0.26
Finance Act, 1994	April 2010 to March 2012	Disallowance of Service tax credit	Suptd, LTU New Delhi	0.13
Finance Act, 1994	June 05 to March 10	Disallowance of Service tax credit	Commissioner (A) LTU, New Delhi	0.09
Finance Act, 1994	March 03 to Oct. 10	Demand of service tax on commission	CESTAT, New Delhi	0.05
Finance Act, 1994	March 2006 to September 12	Disallowance of Service tax credit	Dy. Commissioner LTU, New Delhi	0.60
Finance Act, 1994	Nov.'10 to Dec.'11	Demand of service tax on commission	Suptd, LTU New Delhi	0.02
Finance Act, 1994	October 04 to March 2011	Disallowance of Service tax credit	CESTAT, New Delhi	1.34
Finance Act, 1994	October 06 to September 2011	Demand of service tax on commission	Dy. Commissioner LTU, New Delhi	0.11
UP VAT	2007-08	UP VAT	Dy. Comm (Assessment)-II Sitapur, U.P.	0.39
Income tax Act, 1961	2005-06 to 2010-11	Income tax	CIT(A)- LTU New Delhi	33.19
Income tax Act, 1961	2005-06 to 2010-11	TDS Related Matter	CIT – Bareilly, U.P.	0.01

(x) The Company has no accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) 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 Order are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, where such end use has been stipulated by the lender(s).

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) Based on the books and records produced to us by the management, securities have been created in respect of debentures issued, wherever required.

(xx) During the period covered by our audit report, the Company has not raised any money by way of public issue.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. S. Kothari Mehta & Co.
Chartered Accountants
FRN – 000756N

Arun K.Tulsian
Partner
Membership No. 89907

Date: May 27, 2013
Place: New Delhi

Balance Sheet

as at March 31, 2013

(₹ Crore)

Particulars	Notes	As at March 31, 2013	As at March 31, 2012
Equity & Liabilities			
Shareholders' Funds			
Share Capital	2	16.19	16.19
Reserves and Surplus	3	441.00	423.81
		457.19	**440.00**
Non- Current Liabilities			
Long-Term Borrowings	4	343.04	363.90
Deferred Tax Liability (Net)	5	79.36	78.74
Other Long-Term Liabilities	6	4.77	0.15
Long-Term Provisions	7	1.92	1.78
		429.09	**444.57**
Current Liabilities			
Short-Term Borrowings	8	412.08	326.40
Trade Payables	9	249.89	193.67
Other Current Liabilities	10	115.33	68.00
Short-Term Provisions	11	4.98	2.13
		782.28	**590.20**
Total		**1668.56**	**1474.77**
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	12	635.21	573.91
Intangible Assets	12	0.14	0.09
Capital Work-in-Progress		16.51	1.02
		651.86	**575.02**
Non-current Investments	13	16.52	4.60
Long Term Loans and Advances	14	125.37	109.93
Other Non-Current Assets	15	0.23	0.58
		142.12	**115.11**
Current Assets			
Current Investments	16	43.97	36.54
Inventories	17	720.00	583.74
Trade Receivables	18	70.46	76.22
Cash and Cash Equivalents	19	26.84	76.58
Short-Term Loans and Advances	20	13.14	11.37
Other Current Assets	21	0.17	0.19
		874.58	**784.64**
Total		**1668.56**	**1474.77**
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 89907

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited

K. V. Mohan
Company Secretary

Anil Kataria
Asst. Executive Director
(Finance & Accounts)

B. B. Mehta
Director

Puneet Yadu Dalmia
Managing Director

Place : New Delhi
Date: 27th May, 2013

Statement of Profit and Loss
for the year ended March 31, 2013

(₹ Crore)

Particulars	Notes	For the year ended March 31, 2013		For the year ended March 31, 2012	
Income					
Revenue from operations (Gross)	22		**1033.47**		**762.30**
Less: Excise Duty			33.62		27.58
Revenue from operations (Net)			999.85		734.72
Other income	23		**14.03**		**7.43**
Total			**1013.88**		**742.15**
Expenses					
Cost of Raw Materials	24		817.70		598.01
(Increase)/ Decrease in inventories of finished goods, work in progress and traded goods	25		(131.01)		(89.73)
Employee benefit expenses	26		53.41		41.03
Other Expenses	27		107.54		100.16
Finance Costs	28		65.55		50.25
Depreciation and amortization expenses	12	73.01		42.19	
Less: transferred from Revaluation Reserve		0.21		0.37	
Net Depreciation and amortization expenses			72.80		41.82
Total			**985.99**		**741.54**
Profit before tax and exceptional items			**27.89**		**0.61**
Exceptional Items (Net-Gain/(Loss))			(8.92)		0.00
Profit before tax			**18.97**		**0.61**
Tax expense:					
Current tax		3.79		0.24	
Mat Credit (Entitlement) / Charge		(3.79)	0.00	0.92	1.16
Deferred tax			0.62		1.96
Prior Year Tax Charge / (written back)			-		(3.41)
Total of Tax Expenses			0.62		(0.29)
Profit after tax			**18.35**		**0.90**
Earning per Share	29				
Basic and Diluted Earnings Per Share (In ₹)			**2.27**		**0.11**
[Nominal Value of Share ₹2 (₹2) each]					
Significant Accounting Policies	1				

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 89907

Place : New Delhi
Date: 27th May, 2013

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited

K. V. Mohan
Company Secretary

Anil Kataria
Asst. Executive Director
(Finance & Accounts)

B. B. Mehta
Director

Puneet Yadu Dalmia
Managing Director

Dalmia
Bharat Sugar

Notes to Financial Statements
for the year ended March 31, 2013

Note 1: Significant Accounting Policies

A. Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialized.

C. Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are recognised on the basis of recognition criteria as set out in the relevant Accounting standard.

D. Depreciation/Amortisation

Depreciation is provided on fixed assets over the useful lives of the assets estimated by the management, which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956. The following methods of depreciation are used for fixed assets:

"Plant and machinery" at Salem (excluding earth moving machinery) and on all fixed assets at Wind Farm Unit, Bangalore Works and Dalmia Chini Mills (Sugar Units) excluding Boiler machinery in Power Plants.	Straight Line Method
Leasehold Land	Amortised over the period of lease, i.e., 99 years
Revalued assets	Depreciation on amount added on revaluation of fixed assets is transferred from Revaluation Reserve.
Computer Software	Amortised over a period of 3-5 years on a Straight line basis.
Remaining Fixed Assets	Written Down Value Method

E. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Previously recognised impairment losses are reversed to the extent the recoverable amount exceeds the carrying amount.

F. Leases

Where the Company is the Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased

Notes to Financial Statements
for the year ended March 31, 2013

item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the Lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

G. Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

H. Borrowing Costs

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

I. Segment Reporting

Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter Segment Transfers

The Company accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of Common Costs

Common allocable costs are allocated to each segment on reasonable basis.

Unallocated Items

Includes general corporate income and expense items which are not allocable to any business segment.

Segment Policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

J. Employee Benefits

a. Employee benefits in the form of the Company's contribution to provident fund, pension fund, superannuation fund and ESI are considered as defined contribution plan and charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.

b. Retirement benefits in the form of gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust are defined benefit plans. Gratuity is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Contributions to Dalmia Cement Provident Fund Trust are charged to the Statement of Profit and Loss of the year when the contributions to the fund is due. Shortfall in the funds, if any, is adequately provided for by the Company.

c. Leave encashment including compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

d. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

e. Payments made under the Voluntary Retirement Scheme are charged to the Statement of Profit and Loss in the year in which the same are incurred.

K. Inventories

a. Finished goods are valued at lower of cost or net realisable value. In case of Dead Burnt Magnesite Dust Stocks to the extent these are considered saleable, valuation is done at raw materials cost plus packing charges or net realizable value, whichever is lower. By-products are valued at net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

b. Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

c. Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written 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 weighted average basis

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

L. 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 and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

M. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Sale is net of trade discount and sales tax.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

Insurance Claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

N. Foreign Currency Transactions

(i) 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.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. 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 non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on a monetary item

Notes to Financial Statements
for the year ended March 31, 2013

that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) 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 Statement of Profit and Loss in the year 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 year.

O. Income Taxes

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act,1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. 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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

P. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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.

Q. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are shown by way of note in the Notes to Accounts in respect of obligations where based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are neither recognized in the accounts nor disclosed.

R. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

2. Share Capital

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Authorised :		
11,47,26,820 (11,47,26,820) ordinary shares of ₹2 /- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified Shares of ₹2/- each	17.05	17.05
	40.00	40.00
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) ordinary shares of ₹2/- each	16.19	16.19
	16.19	16.19

(a) Reconciliation of Ordinary Shares outstanding at the beginning and at the end of the reporting period

	2012-13		2011-12	
	No. of Shares	₹ Cr.	No. of Shares	₹ Cr.
At the beginning of the period	80,939,303	16.19	80,939,303	16.19
Issued during the period	-	-	-	-
At the end of the period	80,939,303	16.19	80,939,303	16.19

(b) Terms/ rights attached to Ordinary shares

The Company has only one class of ordinary shares having a face value of ₹2 per share. Each ordinary shareholder is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2013 the amount of dividend per share recognised as distribution to ordinary shareholders was ₹0.25 (₹ Nil).

In the event of winding-up of the company, the ordinary shareholders shall be entitled to be repaid remaining assets of the company, in the ratio of the amount of capital paid up on such ordinary shares.

Notes to Financial Statements
for the year ended March 31, 2013

(c) Details of shareholders holding more than 5% shares in the company

	2012-13		2011-12	
Ordinary shares of ₹2 each fully paid up	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	17736537	21.91%	17736537	21.91%
Sita Investment Company Limited	5876800	7.26%	5876800	7.26%
Ankita Pratisthan Limited	5829070	7.20%	5829070	7.20%
Shri Yadu Hari Dalmia	4541880	5.61%	4541880	5.61%
Dalmia Bharat Limited	14829764	18.32%	-	-

3. Reserves and Surplus

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Capital Reserve		
Opening Balance as per last financial statements	0.35	0.35
Add: Addition in pursuant to acquisition of new unit	1.41	-
Closing Balance	**1.76**	**0.35**
Revaluation Reserve		
Opening Balance as per last financial statements	4.73	5.10
Less: Amount transferred to Statement of Profit & Loss as reduction from depreciation	0.21	0.37
Closing Balance	**4.52**	**4.73**
General Reserve		
Opening Balance as per last financial statements	0.08	0.08
Add: Amount transferred from surplus balance in Statement of Profit & Loss	0.46	-
Closing Balance	**0.54**	**0.08**
Debenture Redemption Reserve		
Opening Balance as per last financial statements	18.75	15.62
Add: Amount transferred from surplus balance in the Statement of Profit & Loss	3.12	3.13
Closing Balance	**21.87**	**18.75**
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	399.90	402.13
Profit for the year	18.35	0.90
Less: Appropriations		
(i) Transfer to debenture redemption reserve	3.12	3.13
(ii) Transfer to General reserve	0.46	-
(iii) Proposed Dividend on ordinary shares	2.02	-
(iv) Dividend Distribution Tax	0.34	-
Total Appropriations	5.94	3.13
Net Surplus in the statement of Profit and Loss	**412.31**	**399.90**
Total Reserves and surplus	**441.00**	**423.81**

Notes to Financial Statements
for the year ended March 31, 2013

4. Long Term Borrowings

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Secured				
A. Redeemable Non-Convertible Debentures		100.00		100.00
B. Term Loans:				
i. From Banks	200.00			
Less: Shown in Current maturities of long term borrowings	10.00	190.00		200.00
ii. From Others	73.73		83.98	
Less: Shown in Current maturities of long term borrowings	20.69	53.04	20.08	63.90
		343.04		363.90

(1) Debentures referred to in A above to the extent of :

10.26%, Series XII ₹100 crore (₹100 crore) are secured by mortgage and charge on first pari-passu basis on all the immovable and movable assets excluding current assets both present and future of the Company's sugar unit at Jawaharpur and Nigohi & redeemable in three yearly equal instalments commencing from September 30, 2014.

(2) Term Loans from Banks referred to in B (i) above to the extent of :

₹200 crore (₹200 crore) is secured by subservient charge on entire fixed assets excluding vehicles of sugar units at Jawaharpur and Nigohi and subservient charge on plant & machinery at Ramgarh Sugar unit. The same is repayable in five yearly unequal installments in the range of ₹10 crore to ₹60 crore each commencing from December 2013, carrying interest @ Base rate + 1% (Present 11.25%).

(3) Term Loan from others referred to in B (ii) above to the extent of :

₹73.73 crore (₹83.98 crore) which consist of various loans and are secured by second exclusive charge on movable and immovable properties of the sugar unit at Ramgarh, Jawaharpur and Nigohi. The same is repayable in unequal installments in the range of ₹1.33 crore to ₹20.08 crore per year till FY 2018-19 and carry interest in the range of 4% to 7.50%.

5. Deferred Tax

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Deferred Tax Assets/ Liabilities are attributable to the following items :		
Liabilities		
Depreciation	86.05	86.05
	86.05	86.05
Assets		
Voluntary retirement expenses	0.25	0.04
Expenses allowable for tax purpose when paid	6.44	7.27
	6.69	7.31
Net	79.36	78.74

Notes to Financial Statements
for the year ended March 31, 2013

6. Other Long Term Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Other Liabilities	4.77	0.15
	4.77	**0.15**

7. Long Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits	1.92	1.78
	1.92	**1.78**

8. Short Term Borrowings

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Secured		
Working capital loan from Banks	168.08	71.40
Short term loan from Banks	180.00	205.00
Unsecured		
Short term loan from Related parties	64.00	50.00
	412.08	**326.40**

(i) Working capital Loan from Banks are secured by hypothecation of Inventories and other assets in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 10.50% to 11.50%.

(ii) Short term Loans from Banks of ₹150 crore are secured by hypothecation of receivables and ₹30 crore secured against mutual fund securities. It is repayable during next one year and carry interest in the range of 9.65% to 10.50%.

(iii) Short term Loans from Related Parties are repayable during next one year and carry interest @ 10%.

(iv) Unsecured loans include ₹19 crore secured against mutual fund investments of one of the Group company.

9. Trade Payables

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Trade payables		
- Micro and Small Enterprises	0.09	-
- Others	249.80	193.67
	249.89	**193.67**

Notes to Financial Statements
for the year ended March 31, 2013

10. Other Current Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Current maturities of long term borrowings	30.69	20.08
Interest accrued but not due on borrowings	5.04	5.00
Interest accrued and due on borrowings	1.89	-
Advances from customers	3.58	3.22
Security deposit received	0.90	0.99
Unclaimed Dividend *	1.98	2.14
Other liabilities		
Excise Duty Payable on Closing Stock	24.31	20.38
Statutory Dues	9.97	7.17
Others	36.97	9.02
	115.33	68.00

* Amount payable to Investor Education and Protection Fund is ₹ Nil (₹ Nil).

11. Short Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Provision for Employee benefits	2.60	2.13
Proposed dividend	2.02	-
Dividend distribution tax	0.34	-
Other	0.02	-
	4.98	2.13

12. Fixed Assets

(₹ Crore)

Particulars	Tangible Assets							Intangible Assets	Total
	Land (Freehold)	Land (Leasehold)	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Software	
Cost									
as at March 31,2011	20.98	0.58	115.43	787.32	3.91	1.54	2.76	0.03	**932.55**
Additions	0.09	-	0.50	19.32	0.09	0.15	0.36	0.10	**20.61**
Disposals	-	-	0.03	0.62	-	0.03	0.10	-	**0.78**
as at March 31,2012	21.07	0.58	115.90	806.02	4.00	1.66	3.02	0.13	952.38
Additions	34.58	-	14.51	83.62	1.23	0.58	1.02	0.09	**135.63**
Disposals	-	-	-	11.43	0.02	0.07	0.61	-	**12.13**
as at March 31,2013	55.65	0.58	130.41	878.21	5.21	2.17	3.43	0.22	1,075.88
Depreciation / Amortisation									
as at March 31,2011	-	0.10	24.11	306.57	2.28	0.89	2.63	0.02	**336.60**
Charge for the year @	-	0.01	2.75	38.87	0.17	0.05	0.42	0.02	**42.29**
Disposals	-	-	-	0.44	-	0.03	0.04	-	**0.51**
as at March 31,2012	-	0.11	26.86	345.00	2.45	0.91	3.01	0.04	378.38
Charge for the year @	-	0.01	3.02	69.06	0.46	0.10	0.37	0.04	**73.06**

Notes to Financial Statements
for the year ended March 31, 2013

(₹ Crore)

Particulars	Tangible Assets							Intangible Assets	Total
	Land (Freehold)	Land (Leasehold)	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Software	
Disposals	-	-	-	10.40	0.00	0.03	0.48	-	**10.91**
as at March 31,2013	-	0.12	29.88	403.66	2.91	0.98	2.90	0.08	**440.53**
Net Block									
as at March 31,2012	21.07	0.47	89.04	461.02	1.55	0.75	0.01	0.09	**574.00**
as at March 31,2013	55.65	0.46	100.53	474.55	2.30	1.19	0.53	0.14	**635.35**

@ includes depreciation charged to other heads ₹0.05 crore (₹0.10 crore).

13. Non-Current Investments

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Unquoted		
Shares of Co-operative Societies (Unquoted)		
DMC Employees Co-op Stores Limited	((2500))	((3010))
Government or Trust Securities (Unquoted)		
National Saving Certificates	((23000))	((23000))
Investments in Subsidiaries		
Equity Shares		
250000 (250000) Equity shares of ₹10 each fully paid up in Dalmia Sugar ventures Limited	0.05	0.05
450000 (450000) Equity shares of ₹10 each fully paid up in Himshikhar Investment Limited	4.45	4.45
50000 (50000) Equity shares of ₹10 each fully paid up in Dalmia Solar Power Limited	0.05	0.05
Investments Companies other than Subsidiaries		
Equity Shares (Quoted)		
942567 (250000) Equity shares of ₹2 each fully paid up in Dalmia Bharat Limited	9.90	0.05
Others (Mutual Funds)		
ICICI FMP 367 days	1.64	-
Reliance Monthly Income Plan	0.20	-
HDFC Long Term MIP	0.23	-
	16.52	4.60
Quoted Investments :		
Book Value	9.90	0.05
Aggregate Market Value	13.87	3.59
Book Value of Unquoted Investments	6.62	4.55

Notes to Financial Statements
for the year ended March 31, 2013

14. Long Term Loans and Advances (Considered good unless otherwise stated)

(₹ Crore)

		As at March 31, 2013		As at March 31, 2012
Capital advances		13.58		0.29
Security deposit		0.86		1.02
Loans and Advances to				
Related Parties		0.58		2.27
Employees @				
Secured				
Unsecured		0.05		0.07
Others		26.91		30.00
Advances recoverable in cash or in kind or for value to be received		2.28		1.95
Advance Income tax (net of provisions of ₹14.81 crore (₹10.62 crore)		32.92		29.93
MAT Credit entitlement		48.19		44.40
Others (Considered doubtful)	1.14		1.13	
Less : Set off with provision for doubtful debts/advances	1.14	-	1.13	-
		125.37		**109.93**
@ Due from officers of the company		-		0.01

15. Other Non Current Assets

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Fixed deposits with Banks	0.23	0.58
	0.23	**0.58**

16. Current Investments

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Units of Mutual Funds (Quoted)		
Debt based schemes	43.97	36.08
Balanced Schemes	-	0.46
Total	**43.97**	**36.54**
Quoted :		
Book Value	43.97	36.54
Market Value	44.00	37.61

Notes to Financial Statements
for the year ended March 31, 2013

17. Inventories

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
(Mode of valuation - Refer Note No. 1(k) on Inventories)		
Raw Materials		
On hand	14.40	13.96
Work in Progress	**11.55**	**13.24**
Finished Goods	670.80	538.10
Stores, Spares etc		
On hand	23.07	18.31
In transit	0.11	0.08
Loose tools	0.07	0.05
	720.00	583.74

18. Trade Receivables

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
a) Receivables Outstanding for a period exceeding six months from the date they are due for payment				
Considered good				
Unsecured		7.27		9.92
Considered doubtful	0.09		0.09	
Less: Provision for Bad and Doubtful receivables	0.09	-	0.09	-
b) Other Receivables				
Considered good				
Secured		-		-
Unsecured		63.19	-	66.30
Considered doubtful	-		-	
Less: Provision for Bad and Doubtful receivables	-	-		-
		70.46		76.22

19. Cash and Cash Equivalents

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Cash on Hand	0.50	0.65
Cheques in Hand	4.68	4.32
Balances with Banks:		
- On Current accounts	10.75	39.09
- On Cash Credit accounts	4.38	7.36
- Deposits with Original maturity of less than 3 months	1.04	20.35
- Unpaid Dividend Account	1.98	2.14
- Deposits with original Maturity of more than 3 months but less than 12 months	3.51	2.67
	26.84	76.58

Notes to Financial Statements
for the year ended March 31, 2013

20. Short Term Loans and Advances (Unsecured considered good unless otherwise stated)

(₹ Crore)

		As at March 31, 2013		As at March 31, 2012
Loans and Advances to				
Employees @		0.10		0.14
Others		1.88		2.84
Advances recoverable in cash or in kind or for value to be received		6.04		4.21
Loans and Advances to Related Parties (Refer Note No. 47 to Financial Statements)		0.09		0.28
Deposit and Balances with Government Departments and Other Authorities		5.03		3.90
Others (Considered doubtful)	0.10		0.17	
Less: Provision for Doubtful Loans and advances	0.10	-	0.17	-
		13.14		**11.37**
@ Due from Officers of the Company		0.01		0.04

21. Other Current Assets

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Interest Receivable	0.17	0.19
	0.17	**0.19**

22. Revenue from Operations (Gross)

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Sales of Products		
Sugar and Molasses Sales	805.10	589.97
Power Sales	117.28	103.66
Refractory Products Sales	26.80	26.88
Other Sales	75.85	20.24
	1025.03	740.75
Sales of Services	2.13	1.83
Other Operating Revenue	6.31	19.72
	1033.47	762.30

Notes to Financial Statements
for the year ended March 31, 2013

23. Other Income

(₹ Crore)

		For the year ended March 31, 2013		For the year ended March 31, 2012
Dividend income				
from non current Investments		0.13		0.03
from Current Investments		-		0.03
Interest Income from Bank deposits and others		0.47		0.80
Profit on sale of Current Investments	4.97		2.48	
Less: Loss on sale of Current Investments	-	4.97	-	2.48
Profit on sale of Fixed Assets		2.11		0.01
Gain on Foreign Exchange Fluctuation		0.57		0.84
Miscellaneous Receipts		5.78		3.24
		14.03		**7.43**

24. Consumption of Raw Materials

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Sugar Cane	809.82	590.79
Raw Magnesite	3.38	6.95
Others	4.50	0.27
	817.70	**598.01**

25. (Increase)/ Decrease in Inventories of Finished Goods, Work in Progress

(₹ Crore)

		For the year ended March 31, 2013		For the year ended March 31, 2012
Finished Goods				
- Closing stock	670.80		538.10	
- Opening stock	538.10	(132.70)	450.53	(87.57)
Work-in-Process				
- Closing stock	11.55		13.24	
- Opening stock	13.24	1.69	11.08	(2.16)
		(131.01)		**(89.73)**

26. Employee Benefit Expenses

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries, Wages and Bonus	47.36	35.85
(after allocating ₹1.61 crore (₹3.75 crore) to other accounts)		
Contribution to Provident Fund and Other Funds	3.69	3.29
Workmen and Staff Welfare expenses	2.36	1.89
	53.41	**41.03**

Notes to Financial Statements
for the year ended March 31, 2013

27. Other Expenses

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Power and Fuel	14.86	28.77
Packing Materials	12.22	10.63
Consumption of Stores and Spares Parts	10.44	7.79
(after allocating ₹35.52 crore (₹22.38 crore) to other accounts)		
Excise duty variation on opening/closing stock	4.51	1.87
Repairs and Maintenance:		
- Plant & Machinery	20.18	13.89
- Buildings	2.77	1.87
- Others	0.91	1.07
Rent	0.39	0.21
Rates and Taxes	1.24	0.91
Insurance	0.71	0.52
Travelling	1.35	1.23
Advertisement and Publicity	0.31	0.75
Freight and Forwarding Charges	0.60	0.48
Cane Development Expenses	5.27	7.80
Management Service Charges	9.87	5.35
Selling Expenses	0.15	0.01
Commission paid to Other Selling Agents	1.07	1.24
Rebates, Discount and Allowances	0.20	1.47
Director's Sitting Fees	0.07	0.07
Charity and Donation	0.07	0.19
Assets written off / Loss on sale of Fixed Assets	0.04	0.02
Provision for Doubtful Debts	0.05	0.25
Miscellaneous Expenses	20.26	13.77
	107.54	**100.16**

28. Financial Costs

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest		
- On Term loans and Debentures	36.73	39.65
- On Borrowing from Banks	24.88	5.38
- Others	3.04	3.97
Other Borrowing Costs	0.90	1.25
	65.55	**50.25**

29. Earning Per Share

(₹ Crore)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Net profit for calculation of basic and diluted EPS (₹ In crore)	18.35	0.91
Total number of equity shares outstanding at the end of the year	8,09,39,303	8,09,39,303
Weighted average number of equity shares in calculating basic and diluted EPS	8,09,39,303	8,09,39,303
Basic and Diluted EPS (₹)	2.27	0.11

Notes to Financial Statements
for the year ended March 31, 2013

30. Contingent Liabilities (not provided for) in respect of:

(₹ Crore)

S. No.	Particulars	2012-13	2011-12
a)	Claims against the Company not acknowledged as debts	0.49	0.55
b)	Demand raised by Income tax authorities under dispute	65.28	58.40
c)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	56.21	44.35
d)	Other money for which the Company is contingently liable	0.15	0.15

Based on favourable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors etc, the Company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same

31. Capital and Other Commitment:

(₹ Crore)

Particulars	2012-13	2011-12
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	72.63	0.04
Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	0.73

32. Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(₹ Crore)

Particulars	2012-13	2011-12
a) Statutory Auditor		
i) Audit Fee	0.07	0.06
ii) For Tax Audit and Other services	0.05	0.08
iii) For Expenses	0.01	0.01
b) Cost Auditor		
i) Audit Fee	0.01	0.01

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Notes to Financial Statements
for the year ended March 31, 2013

33. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the Extent of Information available with the Company:

(₹ Crore)

Particulars	2012-13	2011-12
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.09	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	0.09	-

34. Operating Lease

Assets taken on Lease

Office premises are taken on operating lease. There is no escalation clause in the lease agreement.

(₹ Crore)

Particulars	2012-13	2011-12
Lease payments for the year	0.39	0.21
Total	0.39	0.21

There are no non-cancellable operating leases

35. Details of Opening and Closing Inventory of Finished Goods:

(₹ Crore)

Class of Product	2012-13	2011-12
Opening stock		
Refractory products	16.85	14.67
Sugar	478.22	422.43
Multilayer Ceramic Chip Capacitors	0.03	0.01
Power-Banked	0.35	0.41
Industrial Alcohol	6.10	0.04
Others	36.55	12.97
Total	538.10	450.53
Closing stock		
Refractory products	10.80	16.85
Sugar	620.88	478.22
Multilayer Ceramic Chip Capacitors	0.01	0.03
Power-Banked	0.30	0.35
Industrial Alcohol	1.70	6.10
Others	37.11	36.55
Total	670.80	538.10

Notes to Financial Statements
for the year ended March 31, 2013

36. CIF Value of Imports:

(₹ Crore)

Particulars	2012-13	2011-12
Raw materials	-	0.02
Components, spare parts, coal etc.	-	0.37

37. Expenditure in Foreign Currency (Accrual Basis):

(₹ Crore)

Particulars	2012-13	2011-12
Professional Fees, Consultation Fee and Interest	-	0.09
Others	0.15	0.25
Total	0.15	0.34

38. Earnings in Foreign Currency (Accrual Basis):

(₹ Crore)

Particulars	2012-13	2011-12
Export of goods at FOB value	0.84	3.48
Total	0.84	3.48

39. Details regarding Imported and Indigenous materials consumed during the year:

	Imported		Indigenous		Value of total consumption
	Value (₹ Crore)	% to total consumption	Value (₹ Crore)	% to total consumption	Value (₹ Crore)
Raw Materials	0.07	0.01%	817.63	99.99%	817.70
	(0.27)	(0.05%)	(597.74)	(99.95%)	(598.01)
Stores, Spares Parts and Components	0.00	0.00%	45.96	100.00%	45.96
	(0.29)	(0.97%)	(29.88)	(99.03%)	(30.17)

40. The Company has changed the method of changing depreciation from straight line method to written down value method with effect from April 1, 2006,for Boiler plants at Ramgarh, Jawaharpur and Nigohi considering that there is higher wear and tear in the concerned equipment and that the revised carrying values approximates the current replacement values.

In compliance with the Accounting Standards (AS-6) notified by Companies (Accounting Standards) Rules, 2006, (as amended), depreciation has been recomputed from the date of commissioning of these plants at WDV rates applicable to those years. Consequent to this, there is an additional charge for depreciation during the year of ₹26.83 crore which relates to the previous years.

Had there been no change in the method of depreciation, the charge for the year would have been lower by ₹1.22 crore, excluding the charge relating to the previous years.

Consequently, the net block of fixed assets and profit for the year are lower by ₹28.05 crore.

Notes to Financial Statements
for the year ended March 31, 2013

41. Gratuity and Other Post Employment Benefit Plans:

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee benefit Expenses)

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Current Service Cost	1.11	0.93
Interest Cost	1.01	0.87
Expected return on plan assets	(1.27)	(1.16)
Net Actuarial (Gain)/ Loss	(0.26)	0.27
Past Service cost	-	-
Total Expense	0.59	0.91
Actual return on planned assets	1.42	1.17

Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Present value of obligation as at year-end	14.08	12.66
Fair value of plan assets as at year-end	14.81	13.49
Less : Unrecognised past service cost	-	-
Funded status {(Surplus/(Deficit)}	0.73	0.83
Net Asset/(Liability) as at year end	0.73	0.83

Changes in the Present Value of the Defined Benefit Obligation are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Opening defined benefit obligation	12.66	10.84
Interest cost	1.01	0.87
Current service cost	1.11	0.93
Benefits paid out of funds	(0.60)	(0.26)
Actuarial (gains)/ losses on obligation	(0.11)	0.28
Closing defined benefit obligation	14.08	12.66

Notes to Financial Statements
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Changes in the Fair Value of Plan Assets are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Opening fair value of plan assets	13.49	12.33
Expected return	1.27	1.16
Contribution by employer	0.50	0.25
Benefits paid	(0.60)	(0.26)
Actuarial gains/ (losses) on obligation	0.15	0.01
Closing fair value of plan assets	**14.81**	13.49

The Company expects to contribute ₹1.78 crore (₹0.50 crore) to gratuity in 2013-14.

The Major Categories of Plan Assets as a Percentage of the Fair Value of Total Plan Assets are as follows:

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Qualifying Insurance Policy	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Principal Assumptions used in determining Gratuity for the Company's plans are shown below:

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Discount Rate	8.00%	8.00%
Expected rate of return on assets	9.40%	9.40%
Mortality Table	LIC (1994 96)	LIC (1994-96)
Salary Escalation	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the Current and previous four years in respect of Gratuity are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)				
	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	14.08	12.66	10.84	19.28	16.09
Plan assets	14.81	13.49	12.33	21.46	15.02
Surplus/ (deficit)	0.73	0.83	1.49	2.18	(1.07)
Experience adjustment on plan assets	0.15	0.04	(0.40)	1.80	0.07
Experience adjustment on plan liabilities	0.11	(0.28)	(11.69)	(1.09)	0.83

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Notes to Financial Statements
for the year ended March 31, 2013

Provident and Other Funds

Contribution to Defined Contribution Plans:

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Pension Fund/Superannuation funds/ESI/PF	3.12	2.52

Provident Fund

The Guidance note issued by Accounting Standard Board (ASB) on implementing AS 15, Employee Benefit (Revised 2005) states that provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The fund does not have any existing deficit or interest shortfall.

42. Segment Information

Primary Segment: Business Segment

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided. The identified reportable segments are Own Manufactured Sugar, Power and Others.

The "**Own Manufactured Sugar Segment**" includes manufacture and marketing of Sugar.

The "**Power Segment**" includes generation and sale of Power. Power is also used for captive consumption by the Company.

The '**Others' segment**' includes Magnesite, Distillery, Travel, and Electronics activities of the Company.

The company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments.

Notes to Financial Statements
for the year ended March 31, 2013

Segment Information

The following table presents segment revenues, results, assets & liabilities in accordance with AS-17 as on March 31, 2013:

(₹ Crore)

Segment Particulars	Sugar	Power	Others	Total
Revenue				
Gross Revenue	**919.63**	**216.05**	**110.92**	**1246.60**
	(668.42)	(187.17)	(55.51)	(911.10)
Less: Inter/ Intra Segment Revenue	**113.79**	**97.97**	**1.37**	**213.13**
	(67.52)	(81.15)	(0.13)	(148.80)
Less: Excise Duty	**30.91**	**-**	**2.71**	**33.62**
	(25.66)	-	(1.92)	(27.58)
Net Revenue	**774.93**	**118.08**	**106.84**	**999.85**
	(575.24)	(106.02)	(53.46)	(734.72)
Results				
Segment result	**1.44**	**58.84**	**33.16**	**93.44**
	(-47.50)	(82.26)	(16.10)	(50.86)
Less: Finance Cost	-	-	-	**65.55**
	-	-	-	(50.25)
Less: Exceptional Items	-	-	-	**8.92**
	-	-	-	-
Profit before tax	-	-	-	**18.97**
	-	-	-	(0.61)
Tax expenses	-	-	-	**0.62**
	-	-	-	(-0.29)
Profit after tax	-	-	-	**18.35**
	-	-	-	(0.90)
Assets	**1,131.70**	**251.41**	**113.59**	**1,496.70**
	(950.57)	(283.38)	(123.77)	(1357.72)
Non Segments Assets	-	-	-	**171.86**
	-	-	-	(117.05)
Total Assets	-	-	-	**1,668.56**
	-	-	-	(1474.77)
Liabilities	**506.22**	**0.85**	**7.22**	**514.29**
	(305.54)	(1.09)	(10.42)	(317.05)
Non Segments liabilities	-	-	-	**697.10**
	-	-	-	(717.72)
Total Liabilities	-	-	-	1,211.39
	-	-	-	(1034.77)
Depreciation	**22.66**	**45.91**	**4.49**	**73.06**
	(20.92)	(17.00)	(4.37)	(42.29)
Capital Expenditure	**112.87**	**22.36**	**0.40**	**135.63**
	(9.29)	(0.02)	(11.30)	(20.61)

Note: Revenue in respect of captive power consumption produced from co-generation plant has been arrived at based on the rates at which the same would have been purchased from State Electricity Board.

Notes to Financial Statements
for the year ended March 31, 2013

43. During the year, the Company had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

(₹ Crore)

Particulars	2012-13	2011-12
Carried forward as part of Capital Work in Progress	-	-
Expenditure incurred during the year		
Personnel Expenses		
Salary and Wages	0.02	-
Operating and Other Expenses		
Consultancy Charges	0.42	-
Miscellaneous Expenses	0.08	-
Total Expenditure incurred during the year	0.52	-
Less: Capitalised in Fixed Assets	-	-
Carried forward as part of Capital Work in Progress	0.52	-

44. The company had given advance of ₹9.50 crore to its wholly owned subsidiary company, “Dalmia Solar Power Limited” for its solar power business. However, the subsidiary company has abandoned its only project of 10MW Solar Power Project during the year. Hence, advance amounting to ₹8.92 crore has been written off considering the financial position & future business viability of the subsidiary company.

45. During the year, the company acquired immovable and movable property of “M/s Shri Datta Sahakari Sakhar Karkhana Limited”, Distt. Kolhapur, Maharashtra, having a capacity of 2500 TCD, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, on payment of consideration of ₹108.00 crore. Besides this outstanding liabilities of ₹17.48 crore consisting of unsecured loan, sales tax dues & employees dues etc. have also been incorporated in the books of account & classified under current & non-current liabilities based upon the tenor of maturity. The capital reserve of ₹1.41 crore being the difference between net assets acquired and consideration paid, has also been recorded consequent to the Independent valuer report. Pro-rata depreciation on its assets has been charged from the date of taking over the possession.

46. Related Party Disclosure as required by Accounting Standard-18.

a) List of related parties along with nature and volume of transactions is given below:

Subsidiaries of the Company

Himshikhar Investment Limited, Dalmia Solar Power Limited and Dalmia Sugar Ventures Limited

Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman, Shri Yadu Hari Dalmia – Vice-Chairman, Shri Gautam Dalmia - Managing Director, Shri Puneet Yadu Dalmia – Managing Director.

Relatives of Key Management Personnel

Shri V.H. Dalmia (Brother of Vice-Chairman), Shri J.H. Dalmia (HUF), Smt. Kavita Dalmia (Wife of Vice- Chairman) Shri Y.H. Dalmia (HUF), Smt. Bela Dalmia (Wife of Vice-Chairman), Shri Gautam Dalmia (HUF), Smt. Anupama Dalmia (Wife of Managing Director), Smt. Avantika Dalmia (Wife of Managing Director), Kumari Shrutipriya Dalmia (Daughter of Vice-Chairman), Kumari Sukeshi Dalmia (Daughter of Managing Director), Kumari Vaidehi Dalmia (Daughter of Managing Director), Kumari Sumana Dalmia (Daughter of Managing Director), Kumari Avanee Dalmia (Daughter of Managing Director), Mst. Priyang Dalmia (Son of Managing Director) Shri M.H. Dalmia (Brother of Vice-Chairman) and Smt. Abha Dalmia (Wife of Brother of Vice-Chairman).

Notes to Financial Statements
for the year ended March 31, 2013

Enterprises controlled by the Key Management Personnel of the Company

Rama Investment Company Private Limited, Puneet Trading & Investment Company Private Limited, Kavita Trading & Investment Company Private Limited, Sita Investment Company Limited, Mayuka Investment Limited, Ankita Pratisthan Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Shri Nataraj Ceramic and Chemical Industries Limited, Shri Chamundeswari Minerals Limited, Shree Nirman Limited, Keshav Power Limited, Avanee and Ashni Securities Private Limited, ZipAhead.Com Limited, Alirox Abrasives Limited, Shri Investments, Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Avanee Trust, New Habitat Housing Finance and Development Limited, Dalmia Bharat Limited, Dalmia Power Limited, Kanika Investment Limited, Arjuna Brokers & Minerals Limited, Dalmia Cement Ventures Limited, D.I. Properties Limited, Dalmia Minerals & Properties Limited, Geetee Estates Limited, Hemshila Properties Limited, Ishita Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Shri Rangam Properties Limited, Sri Dhandauthapani Mines and Minerals Limited, Sri Madhusudana Mines and Properties Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Trivikrama Mines and Properties Limited, Adhunik Cement Limited, Calcom Cement India Limited, Adhunik MSP Cement (Assam) Limited, Vinay Cements Limited, RCL Cements Limited, SCL Cements Limited, Golden Hills Resort Private Limited, Rajputana Properties Private Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, DCB Power Ventures Limited, OCL India Limited and Dalmia Cement (Bharat) Limited.

b) The following transactions were carried out with the related parties in the ordinary course of business:

(₹ Crore)

Nature of Transaction	Subsidiary Companies	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services	-	-	**4.00**	**4.00**
	(-)	(-)	(6.26)	(6.26)
Reimbursement of expenses - receivable	-	-	**0.08**	**0.08**
	(-)	(-)	(0.19)	(0.19)
Reimbursement of expenses – payable	-	-	**0.45**	**0.45**
	(-)	(-)	(0.30)	(0.30)
Purchase of goods and services	-	-	**10.88**	**10.88**
	(-)	(-)	(6.15)	(6.15)
Rent payment	-	-	**0.01**	**0.01**
	(-)	(-)	(-)	(-)
Loans and Advances given	**7.23**	-	**-**	**7.23**
	(0.45)	(-)	(-)	(0.45)
Loan Taken	-	-	**153.25**	**153.25**
	(-)	(-)	(222.00)	(222.00)
Loan Refund	-	-	**139.25**	**139.25**
	(-)	(-)	(197.00)	(197.00)
Sale of Assets	-	-	**0.04**	**0.04**
	(-)	(-)	(0.01)	(0.01)
Receipt of fund on their behalf and transfer	-	-	**0.03**	**0.03**
	(-)	(-)	(-)	(-)
Purchase of Fixed Assets	-	-	-	-
	(-)	(-)	(0.01)	(0.01)
Interest paid on Loan	-	-	**3.04**	**3.04**
	(-)	(-)	(3.97)	(3.97)
Salary and Perquisites	-	**0.95**	-	**0.95**
	(-)	(1.04)	(-)	(1.04)
Dividend Received	-	-	**0.14**	**0.14**
	(-)	(-)	(-)	(-)

Notes to Financial Statements
for the year ended March 31, 2013

1. Sale of goods and services includes transaction with Dalmia Cement (Bharat) Limited ₹0.21 crore (₹0.53 crore), OCL India Limited ₹0.46 crore (₹4.59 crore) and Dalmia Bharat Limited ₹3.33 crore (₹1.14 crore).

2. Reimbursement of expenses – receivable includes transaction with Dalmia Bharat Limited ₹0.03 crore (₹0.05 crore), Dalmia Cement (Bharat) Limited ₹0.05 crore (₹0.14 crore).

3. Reimbursement of expenses – payable includes transaction with Dalmia Bharat Limited ₹0.40 crore (₹0.20) and Dalmia Cement (Bharat) Limited ₹0.05 crore (₹0.10 crore).

4. Purchase of goods & services includes transaction with Dalmia Bharat Limited ₹10.19 crore (₹5.75 crore), Dalmia Cement (Bharat) Limited ₹0.66 crore (₹ Nil) and Shri Natraj Ceramics and Chemical Industries Limited ₹0.03 crore (₹ Nil).

5. Rent payment includes transaction with Ishita Properties Limited ₹0.01 crore (₹ Nil).

6. Loans and advances given include transaction with Dalmia Solar Power Limited ₹7.23 crore (₹0.45 crore).
7. Loan taken includes transaction with Dalmia Bharat Limited ₹127.25 crore (₹166.00 crore) and DCB Power Ventures Limited ₹26.00 crore (₹56 crore).

8. Loan refund includes transaction with Dalmia Bharat Limited ₹132.25 crore (₹141.00 crore), DCB Power Ventures Limited ₹7.00 crore (₹56 crore).

9. Sale of fixed assets includes transaction with Dalmia Cement (Bharat) Limited ₹ Nil (₹0.01 crore) and Dalmia Bharat Limited ₹0.04 crore (₹ Nil).

10. Receipt of fund on their behalf and transfer includes transaction with Dalmia Bharat Limited ₹0.03 crore (₹ Nil).

11. Purchase of fixed assets includes transaction with Dalmia Cement (Bharat) Limited ₹ Nil (₹0.01 crore).

12. Interest paid on loan includes transaction with Dalmia Bharat Limited ₹2.47 crore (₹3.73 crore) and DCB Power Ventures Limited ₹0.57 crore (₹ Nil).

13. Salary and perquisites includes transaction with Shri J. H. Dalmia ₹0.42 crore (₹0.26 crore), Shri Y. H. Dalmia ₹0.41 crore (₹0.26 crore), Shri Gautam Dalmia ₹0.05 crore (₹0.26 crore), Shri Puneet Yadu Dalmia ₹0.07 crore (₹0.26 crore).

14. Dividend received is on account of Dalmia Bharat Limited ₹0.14 crore (₹Nil).

Notes to Financial Statements
for the year ended March 31, 2013

c) **Balances Outstanding at Year End:**

(₹ Crore)

Nature of Transaction	Subsidiary Companies	Key Management Personnel / Promoters	Key Management Personnel / Promoters controlled enterprises	Total
Loans receivable	**0.58**	-	-	**0.58**
	(2.27)	(-)	(-)	(2.27)
Loan Payable	-	-	**64.00**	**64.00**
	(-)	(-)	(50.00)	(50.00)
Interest Payable	-	-	**1.76**	**1.76**
	(-)	(-)	(-)	(-)
Amounts receivable	-	-	**0.09**	**0.09**
	(-)	(-)	(0.48)	(0.48)
Amounts payable	-	-	**3.87**	**3.87**
	(-)	(-)	(2.11)	(2.11)

1 Loan receivable includes Dalmia Solar Power Limited ₹0.58 crore (₹2.27 crore) after write off of ₹8.92 crore in the current year.

2 Loan payable includes Dalmia Bharat Limited ₹45.00 crore (₹50.00 crore) and DCB Power Ventures Limited ₹19.00 crore (₹ Nil).

3 Interest payable includes Dalmia Bharat Limited ₹1.25 crore (₹ Nil) and DCB Power Ventures Limited ₹0.51 crore (₹Nil).

4 Amount receivable includes Dalmia Bharat Limited ₹ Nil (₹0.20 crore), Dalmia Cement (Bharat) Limited ₹0.09 crore (₹0.23 crore) and OCL India Limited ₹Nil (₹0.05 crore)

5 Amount payable includes Dalmia Cement (Bharat) Limited ₹0.06 crore (₹0.01 crore), Dalmia Bharat Limited ₹3.80 crore (₹ Nil) and DCB Power Ventures Limited ₹0.01 crore (₹Nil).

47. Figures less than ₹ Fifty thousand which are required to be shown separately have been shown at actual in double brackets.

48. Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited

per Arun K. Tulsian
Partner
Membership No. 89907

K. V. Mohan
Company Secretary

Anil Kataria
Asst. Executive Director
(Finance & Accounts)

B. B. Mehta
Director

Puneet Yadu Dalmia
Managing Director

Place: New Delhi
Date: May 27, 2013

Cash Flow Statement
for the year ended March 31, 2013

(₹ Crore)

		2012-13	2011-12
A.	Cash Flow from Operating Activities		
	Net Profit before tax and exceptional items	**27.89**	**0.61**
	Adjustments		
	Depreciation / Amortization	72.85	41.92
	Provision for doubtful debts/ advances	0.05	0.25
	Bad Debts/ Advances written off	-	0.01
	Dividend Income	(0.13)	(0.06)
	Finance Cost	65.55	50.25
	Interest Income	(0.47)	(0.80)
	(Profit)/Loss on sale of Investments	(4.97)	(2.48)
	(Profit)/Loss on sale of Fixed Assets and Assets written off	(2.07)	0.02
	Operating Profit before working Capital Changes	**158.70**	**89.72**
	Adjustments for working Capital changes :		
	Inventories	(136.25)	(90.51)
	Trade and Other Payables	87.50	96.18
	Trade and Other Receivables	(4.37)	(51.06)
	Cash Generated from Operations	**105.58**	**44.33**
	Direct Taxes Paid	(6.78)	(9.65)
	Net Cash from Operating activities	**98.80**	**34.68**
B	Cash Flow from Investing Activities		
	Purchase of fixed Assets(including Capital Reserve)	(149.71)	(15.05)
	Proceeds from sale of Fixed Assets	3.28	0.25
	(Purchase)/ Sale of Current Investments (net)	(2.45)	(0.01)
	(Purchase)/ Sale of Non Current Investments (net)	(11.93)	-
	Interest Received	0.49	1.33
	Dividend Received from Current Investments	0.13	0.03
	Dividend Received from Non Current Investments	-	0.03
	Net Cash used in Investing Activities	**(160.19)**	**(13.42)**
C	Cash Flow from Financing Activities		
	Proceeds / (repayment) of Short term Borrowings	85.67	70.72
	(Repayment) of Long term Borrowings	(10.25)	(19.13)
	Finance Cost	(63.61)	(48.37)
	Dividend Paid	(0.16)	(2.29)
	Corporate Dividend tax paid	-	(0.33)
	Net cash from / (used in) financing activities	**11.65**	**0.60**
	Net increase in cash and cash equivalents (A+B+C)	**(49.74)**	**21.86**
	Cash and cash equivalents (Opening Balance)	**76.58**	**54.72**
	Cash and cash equivalents (Closing Balance)	**26.84**	**76.58**
	Change in Cash & Cash Equivalents	**(49.74)**	**21.86**

Note:
1) Cash & cash equivalents components are as per Note 19.
2) Previous year figures have been regrouped/restated wherever considered necessary

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited

per Arun K. Tulsian
Partner
Membership No.: 89907

K. V. Mohan
Company Secretary

Anil Kataria
Asst. Executive Director
(Finance & Accounts)

B. B. Mehta
Director

Puneet Yadu Dalmia
Managing Director

Place : New Delhi
Date: 27th May, 2013

Independent Auditors' Report on Consolidated Financial Statements of Dalmia Bharat Sugar and Industries Limited and its Subsidiaries

To the Board of Directors of Dalmia Bharat Sugar and Industries Limited

We have audited the accompanying consolidated Financial Statements of **Dalmia Bharat Sugar and Industries Limited** ('the Company'), and its subsidiaries (the Group) which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Other Matters

We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹6.86 crore as at March 31, 2013, total revenues of ₹0.04 crore and cash flows of ₹ (-) 0.15 crore for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

Opinion

Based on our audit and on consideration of the report of other auditors on separate financial statements and on the other information of the subsidiary companies and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India :

i. In case of Consolidated Balance Sheet, of the Consolidated state of affairs of the Group as at March 31, 2013;

ii. In case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended March 31, 2013; and

iii. In case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended March 31, 2013.

For S. S. Kothari Mehta & Co.
Chartered Accountants
FRN – 000756N

Arun K.Tulsian
Partner
Membership No. 89907

Date: May 27, 2013
Place: New Delhi

Dalmia
Bharat Sugar

Consolidated Balance Sheet
as at March 31, 2013

(₹ Crore)

	Notes	As at March 31, 2013	As at March 31, 2012
Equity & Liabilities			
Shareholders' Funds			
Share Capital	2	16.19	16.19
Reserves and Surplus	3	442.52	425.32
		458.71	**441.51**
Non- Current Liabilities			
Long-Term Borrowings	4	343.04	363.90
Deferred Tax Liability (Net)	5	79.36	78.74
Other Long-Term Liabilities	6	4.77	0.15
Long-Term Provisions	7	1.92	1.78
		429.09	**444.57**
Current Liabilities			
Short-Term Borrowings	8	412.08	326.40
Trade Payables	9	249.90	193.67
Other Current Liabilities	10	115.34	70.11
Short-Term Provisions	11	4.99	2.13
		782.31	**592.31**
Total		**1670.11**	**1478.39**
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	12	635.40	574.14
Intangible Assets	12	0.14	0.09
Capital Work-in-Progress		16.90	5.13
		652.44	**579.36**
Non-current Investments	13	18.04	5.94
Long Term Loans and Advances	14	124.80	107.70
Other Non-Current Assets	15	0.23	0.58
		143.07	**114.22**
Current Assets			
Current Investments	16	43.97	36.54
Inventories	17	720.00	583.74
Trade Receivables	18	70.46	76.22
Cash and Cash equivalents	19	26.86	76.75
Short-Term Loans and Advances	20	13.14	11.37
Other Current Assets	21	0.17	0.19
		874.60	**784.81**
Total		**1670.11**	**1478.39**
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

per Arun K. Tulsian
Partner
Membership No.: 89907

Place : New Delhi
Date: 27th May, 2013

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited

K. V. Mohan
Company Secretary

Anil Kataria
Asst. Executive Director
(Finance & Accounts)

B. B. Mehta
Director

Puneet Yadu Dalmia
Managing Director

Consolidated Statement of Profit and Loss
for the year ended March 31, 2013

(₹ Crore)

Particulars	Notes		For the year ended March 31, 2013		For the year ended March 31, 2012
Income					
Revenue from operations (Gross)	22		1033.47		762.30
Less: Excise Duty			33.62		27.58
Revenue from operations (Net)			**999.85**		**734.72**
Other income	23		14.07		7.49
Total			**1013.92**		**742.21**
Expenses					
Consumption of Raw Materials	24		817.70		598.01
(Increase)/ Decrease in inventories of finished goods, work in progress and Traded Goods	25		(131.01)		(89.73)
Employee Benefit expenses	26		53.41		41.03
Other Expenses	27		107.56		100.19
Finance Costs	28		65.55		50.25
Depreciation and Amortization expenses	12	73.01		42.19	
Less: transferred from Revaluation Reserve		0.21		0.37	
Net Depreciation and amortization expenses			72.80		41.82
Total			**986.01**		**741.57**
Profit before tax and Exceptional items			**27.91**		**0.64**
Exceptional Items (Net-Gain/(Loss))			(8.92)		0.00
Profit before tax			**18.99**		**0.64**
Tax expense:					
Current tax		3.79		0.25	
Mat Credit (Entitlement) / Charge		(3.79)	-	0.92	1.17
Deferred tax			0.62		1.96
Prior Year Tax Charge / (written back)			-		(3.41)
Total of Tax Expenses			0.62		(0.28)
Profit after Tax			**18.37**		**0.92**
Earning per Share	29				
Basic and Diluted Earning Per Share (In ₹)			**2.27**		**0.11**
[Nominal Value of Share ₹2 (₹2) each]					
Significant Accounting Policies	1				

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited

per **Arun K. Tulsian**
Partner
Membership No.: 89907

K. V. Mohan
Company Secretary

Anil Kataria
Asst. Executive Director
(Finance & Accounts)

B. B. Mehta
Director

Puneet Yadu Dalmia
Managing Director

Place : New Delhi
Date: 27th May, 2013

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

Note 1: Significant Accounting Policies

A. Basis of Preparation

The Consolidated Financial Statements (CFS) have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

The CFS relates to Dalmia Bharat Sugar and Industries Limited (hereinafter referred as the "Company") and its Subsidiaries, Associate and Joint Venture (hereinafter referred as the "Group").

B. Principles of Consolidation

In the preparation of these Consolidated Financial Statements, investment in Subsidiaries, Associate and Joint Venture have been accounted for in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures. The Consolidated Financial Statements have been prepared on the following basis.

a) Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.

b) Minorities' interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Holding Company.

c) Interests in the assets, liabilities, income and expenses of the joint venture are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealised profits/ losses are eliminated to the extent of Company's proportionate share.

d) The difference of the cost to the Company of its investment in subsidiaries and joint venture over its proportionate share in the equity of the Investee Company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.

e) Investment in entities in which the Group has significant influence but not controlling interest, are reported according to the equity method i.e. the investment is initially recorded at cost adjusted thereafter for post-acquisition change in the Company's share of net assets of the associates. The Consolidated Statement of Profit and Loss includes the Company's share of the result of the operations of the associate.

Unrealised profits and losses resulting from transactions between the investor (or its consolidated subsidiaries) and the associate have been eliminated to the extent of the investor's interest in the associate. Unrealised losses have not been eliminated if and to the extent the cost of the transferred asset cannot be recovered.

f) Goodwill/capital reserve arising on the acquisition of an associate by an investor is included in the carrying amount of investment in the associate and is disclosed separately.

g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Consolidated Financial Statements. Differences in accounting policies have been disclosed separately.

h) The difference between the proceeds from disposal

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.

i) The accounts of all the Group Companies are drawn up to the same reporting date as the parent entity (i.e. financial year ended March 31, 2013).

C. Use of Estimates

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Consolidated Financial Statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialized.

D. Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are recognised on the basis of recognition criteria as set out in the relevant Accounting Standard.

E. Depreciation/Amortisation

Depreciation is provided on fixed assets over the useful lives of the assets estimated by the management, which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956. The following methods of depreciation are used for fixed assets:

"Plant and machinery" at Salem (excluding earth moving machinery) and on all fixed assets at Wind Farm Unit, Bangalore Works and Dalmia Chini Mills (Sugar Units) excluding Boiler machinery in Power Plants.	Straight Line Method
Leasehold Land	Amortised over the period of lease, i.e., 99 years
Revalued assets	Depreciation on amount added on revaluation of fixed assets is transferred from Revaluation Reserve.
Computer Software	Amortised over a period of 3-5 years on a Straight line basis.
Remaining Fixed Assets	Written Down Value Method

F. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors.An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Previously recognised impairment losses are reversed to the extent the recoverable amount exceeds the carrying amount.

G. Goodwill on Consolidation

Goodwill represents the difference between the Group's share in the net worth of the investee companies and the cost of acquisition at the date of investment. For this purpose, the Groups' share of equity in the investee companies is determined on the basis of the latest Consolidated Financial Statements of the respective companies available as on the date of acquisition, after making necessary adjustments for material events between the date of such Consolidated Financial Statements and the date of acquisition.

H. Leases

Where the Company is the Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the Lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Consolidated Statement of Profit and Loss.

I. Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

J. Borrowing Costs

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

K. Segment Reporting

Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Inter Segment Transfers

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of Common Costs

Common allocable costs are allocated to each segment on reasonable basis.

Unallocated Items

Includes general corporate income and expense items which are not allocable to any business segment.

Segment Policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

L. Employee Benefits

a. Employee benefits in the form of the Group's contribution to provident fund, pension fund, superannuation fund and ESI are considered as defined contribution plan and charged to the Consolidated Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.

b. Retirement benefits in the form of gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust are defined benefit plans. Gratuity is provided for on the basis of an actuarial

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

valuation on projected unit credit method made at the end of each financial year. Contributions to Dalmia Cement Provident Fund Trust are charged to the Consolidated Statement of Profit and Loss of the year when the contributions to the fund is due. Shortfall in the funds, if any, is adequately provided for by the Company.

c. Leave encashment including compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

d. Actuarial gains/losses are immediately taken to Consolidated Statement of Profit and Loss immediately.

e. Payments made under the Voluntary Retirement Scheme are charged to the Consolidated Statement of Profit and Loss in the year in which the same are incurred.

M. Inventories

a. Finished goods are valued at lower of cost or net realisable value. In case of Dead Burnt Magnesite Dust Stocks to the extent these are considered saleable, valuation is done at raw materials cost plus packing charges or net realizable value, whichever is lower. By-products are valued at net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

b. Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

c. Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written 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 weighted average basis

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

N. 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 and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

O. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Sale is net of trade discount and sales tax.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

Insurance Claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

P. Foreign Currency Transactions

(i) 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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. 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 non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on a monetary item that, in substance, form part of the Group's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the Consolidated Financial Statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous Consolidated Financial Statements, are recognized as income or as expenses in the year in which they arise.

(iv) 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 Consolidated Statement of Profit and Loss in the year 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 year.

Q. Income Taxes

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act,1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. 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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Consolidated Balance Sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

R. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Consolidated Balance Sheet date. These are reviewed at each Consolidated Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are shown by way of note in the Notes to Accounts in respect of obligations where based on the evidence available, their existence at the Consolidated Balance Sheet date is considered not probable. Contingent assets are neither recognized in the accounts nor disclosed.

T. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

2. Share Capital

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Authorised :		
11,47,26,820 (11,47,26,820) ordinary shares of ₹2 /- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified Shares of ₹2/- each	17.05	17.05
	40.00	**40.00**
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) ordinary shares of ₹2/- each	16.19	16.19
	16.19	**16.19**

(a) Reconciliation of Ordinary Shares outstanding at the beginning and at the end of the reporting period

	2012-13		2011-12	
	No. of Shares	₹ Cr.	No. of Shares	₹ Cr.
At the beginning of the period	80939303	16.19	80939303	16.19
Issued during the period	-	-	-	-
At the end of the period	80939303	16.19	80939303	16.19

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

(b) Terms/ rights attached to Ordinary shares

The Company has only one class of ordinary shares having a face value of ₹2 per share. Each ordinary shareholder is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2013 the amount of dividend per share recognised as distribution to ordinary shareholders was ₹0.25 (₹ Nil).

In the event of winding-up of the company, the ordinary shareholders shall be entitled to be repaid remaining assets of the company, in the ratio of the amount of capital paid up on such ordinary shares.

(c) Details of shareholders holding more than 5% shares in the company

	2012-13		2011-12	
Ordinary shares of ₹2 each fully paid up	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	17,736,537	21.91%	17,736,537	21.91%
Sita Investment Company Limited	5,876,800	7.26%	5,876,800	7.26%
Ankita Pratisthan Limited	5,829,070	7.20%	5,829,070	7.20%
Shri Yadu Hari Dalmia	4,541,880	5.61%	4,541,880	5.61%
Dalmia Bharat Limited	14,829,764	18.32%	-	-

3. Reserves and Surplus

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Capital Reserve		
Opening Balance as per last consolidated financial statements	0.35	0.35
Add: Addition in pursuant to acquisition of new unit	1.41	-
Closing Balance	**1.76**	**0.35**
Revaluation Reserve		
Opening Balance as per last consolidated financial statements	4.73	5.10
Less: Amount transferred to Consolidated Statement of Profit & Loss as reduction from depreciation	0.21	0.37
Closing Balance	**4.52**	**4.73**
General Reserve		
Opening Balance as per last consolidated financial statements	0.08	0.08
Add: Amount transferred from surplus balance in Consolidated Statement of Profit & Loss	0.46	-
Closing Balance	**0.54**	**0.08**
Reserve Fund as per RBI		
Opening Balance as per last consolidated financial statements	0.33	0.32
Add: Amount transferred from surplus balance in Consolidated Statement of Profit & Loss	0.01	0.01
Closing Balance	**0.34**	**0.33**
Debenture Redemption Reserve		
Opening Balance as per last consolidated financial statements	18.75	15.62
Add: Amount transferred from surplus balance in the Consolidated Statement of Profit & Loss	3.12	3.13
Closing Balance	**21.87**	**18.75**

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Surplus in the Statement of Profit and Loss		
Balance as per last consolidated financial statements	401.08	403.30
Profit for the year	18.37	0.92
Less: Appropriations		
(i) Transfer to Debenture Redemption Reserve	3.12	3.13
(ii) Transfer to General Reserve	0.46	-
(iii) Transfer to Reserve Fund as per RBI	0.01	0.01
(iv) Proposed Dividend on ordinary shares	2.02	-
(v) Dividend Distribution Tax	0.35	-
Total Appropriations	5.96	3.14
Net Surplus in the Consolidated statement of Profit and Loss	**413.49**	**401.08**
Total Reserves and surplus	**442.52**	**425.32**

4. Long Term Borrowings

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Secured				
A. Redeemable Non-Convertible Debentures		100.00		100.00
B. Term Loans:				
i. From Banks	200.00			
Less: Shown in Current maturities of long term borrowings	10.00	190.00		200.00
ii. From Others	73.73		83.98	
Less: Shown in Current maturities of long term borrowings	20.69	53.04	20.08	63.90
		343.04		363.90

(1) Debentures referred to in A above to the extent of :

10.26%, Series XII ₹100 crore (₹100 crore) are secured by mortgage and charge on first pari-passu basis on all the immovable and movable assets excluding current assets both present and future of the Company's sugar unit at Jawaharpur and Nigohi & redeemable in three yearly equal instalments commencing from September 30, 2014.

(2) Term Loans from Banks referred to in B (i) above to the extent of :

₹200 crore (₹200 crore) is secured by subservient charge on entire fixed assets excluding vehicles of sugar units at Jawaharpur and Nigohi and subservient charge on plant & machinery at Ramgarh Sugar unit. The same is repayable in five yearly unequal installments in the range of ₹10 crore to ₹60 crore each commencing from December 2013, carrying interest @ Base rate + 1% (Present 11.25%).

(3) Term Loan from others referred to in B (ii) above to the extent of :

₹73.73 crore (₹83.98 crore) which consist of various loans and are secured by second exclusive charge on movable and immovable properties of the sugar unit at Ramgarh, Jawaharpur and Nigohi. The same is repayable in unequal installments in the range of ₹1.33 crore to ₹20.08 crore per year till FY 2018-19 and carry interest in the range of 4% to 7.5%.

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

5. Deferred Tax

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Deferred Tax Assets/ Liabilities are attributable to the following items :		
Liabilities		
Depreciation	86.05	86.05
	86.05	86.05
Assets		
Voluntary retirement expenses	0.25	0.04
Expenses allowable for tax purpose when paid	6.44	7.27
	6.69	**7.31**
Net	**79.36**	**78.74**

6. Other Long Term Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Other Liabilities	4.77	0.15
	4.77	**0.15**

7. Long Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits	1.92	1.78
	1.92	**1.78**

8. Short Term Borrowings

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Secured		
Working capital loan from Banks	168.08	71.40
Short term loan from Banks	180.00	205.00
	348.08	**276.40**
Unsecured		
Short term loan from Related parties	64.00	50.00
	64.00	50.00
	412.08	**326.40**

(i) Working capital Loan from Banks are secured by hypothecation of Inventories and other assets in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 10.50% to 11.50%.

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

(ii) Short term Loans from Banks of ₹150 crore are secured by hypothecation of receivables and ₹30 crore secured against mutual fund securities. It is repayable during next one year and carry interest in the range of 9.65% to 10.50%.

(iii) Short term Loans from Related Parties are repayable during next one year and carry interest @ 10%.

(iv) Unsecured loans include ₹19 crore secured against mutual fund investments of one of the Group company.

9. Trade Payables

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Trade payables		
- Micro and Small Enterprises	0.09	-
- Others	249.81	193.67
	249.90	**193.67**

10. Other Current Liabilities

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Current maturities of long term borrowings	30.69	20.08
Interest accrued but not due on borrowings	5.04	5.00
Interest accrued and due on borrowings	1.89	-
Advances from customers	3.58	3.21
Security deposit received	0.90	0.99
Unclaimed Dividend *	1.98	2.14
Other liabilities		
Excise Duty Payable on Closing Stock	24.31	20.39
Statutory Dues	9.97	7.17
Others	36.98	11.13
	115.34	**70.11**

* Amount payable to Investor Education and Protection Fund is ₹ Nil (₹ Nil).

11. Short Term Provisions

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Provision for Employee benefits	2.60	2.13
Proposed dividend	2.02	-
Dividend distribution tax	0.35	-
Other	0.02	-
	4.99	**2.13**

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

12. Fixed Assets

(₹ Crore)

Particulars	Tangible Assets							Intangible Assets	Total
	Land (Freehold)	Land (Leasehold)	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Software	
Cost									
as at March 31,2011	21.08	0.59	115.43	787.32	3.91	1.54	2.76	0.03	932.66
Additions	0.09	0.06	0.51	19.50	0.09	0.15	0.36	0.10	20.86
Disposals	0.10	-	0.03	0.61	-	0.03	0.10	-	0.87
as at March 31,2012	21.07	0.65	115.91	806.21	4.00	1.66	3.02	0.13	952.65
Additions	34.58	-	14.51	83.61	1.23	0.58	1.02	0.09	135.62
Disposals	-	0.01	-	11.43	0.02	0.07	0.61	-	12.14
as at March 31,2013	55.65	0.64	130.42	878.39	5.21	2.17	3.43	0.22	1,076.13
Depreciation / Amortisation									
as at March 31,2011	-	0.10	24.11	306.57	2.28	0.89	2.63	0.02	336.60
Charge for the year @	-	0.01	2.75	38.90	0.17	0.05	0.42	0.02	42.32
Disposals	-	-	-	0.43	-	0.03	0.04	-	0.50
as at March 31,2012	-	0.11	26.86	345.04	2.45	0.91	3.01	0.04	378.42
Charge for the year @		0.01	3.02	69.08	0.46	0.10	0.37	0.04	73.08
Disposals	-	-	-	10.40	0.00	0.03	0.48	-	10.91
as at March 31,2013	-	0.12	29.88	403.72	2.91	0.98	2.90	0.08	440.59
Net Block									
as at March 31,2012	21.07	0.54	89.05	461.17	1.55	0.75	0.01	0.09	574.23
as at March 31,2013	55.65	0.52	100.54	474.67	2.30	1.19	0.53	0.14	635.54

@ includes depreciation charged to other heads ₹0.07 crore (₹0.13 crore).

13. Non-Current Investments

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Unquoted		
Shares of Co-operative Societies (Unquoted)		
DMC Employees Co-op Stores Limited	((2500))	((3010))
Government or Trust Securities (Unquoted)		
National Saving Certificates	((23000))	((23000))
Investments Companies other than Subsidiaries		
Equity Shares (Quoted)		
942567 (250000) Equity shares of ₹2 each fully paid up in Dalmia Bharat Limited	9.90	0.05
203655 (203655) Equity shares of ₹10 each, fully paid up of Poddar Pigments Limited	0.67	0.67
Mutual Fund		
Quoted - Debt Based Scheme	7.47	5.22
	18.04	**5.94**
Quoted Investments :		
Book Value	10.57	0.72
Aggregate Market Value	16.98	10.38
Book Value of Unquoted Investments	((25500))	((26010))

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

14. Long Term Loans and Advances (Considered good unless otherwise stated)

(₹ Crore)

		As at March 31, 2013		As at March 31, 2012
Capital advances		13.58		0.31
Security deposit		0.87		1.02
Loans and Advances to				
Related Parties		-		0.01
Employees @				
Secured		-		-
Unsecured		0.05		0.07
Others		26.91		30.00
Advances recoverable in cash or in kind or for value to be received		2.27		1.95
Advance Income tax (net of provisions of ₹14.82 crore (₹10.85 crore)		32.93		29.94
MAT Credit entitlement		48.19		44.40
Others (Considered doubtful)	1.14		1.13	
Less : Set off with provision for doubtful debts/advances	1.14	-	1.13	-
		124.80		**107.70**
@ Due from officers of the company		**-**		**0.01**

15. Other Non Current Assets

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Fixed deposits with Banks	0.23	0.58
	0.23	**0.58**

16. Current Investments

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Units of Mutual Funds (Quoted)		
Debt based schemes	43.97	36.08
Balanced Schemes	-	0.46
Total	**43.97**	**36.54**
Quoted:		
Book Value	43.97	36.54
Market Value	44.00	37.61

Dalmia
Bharat Sugar

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

17. Inventories

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
(Mode of valuation - Refer Note No. 1(m) on Inventories)		
Raw Materials		
On hand	14.40	13.96
Work in Progress	11.55	13.24
Finished Goods	670.80	538.10
Stores, Spares etc		
On hand	23.07	18.31
In transit	0.11	0.08
Loose tools	0.07	0.05
	720.00	**583.74**

18.Trade Receivables

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
a) Receivables Outstanding for a period exceeding six months from the date they are due for payment				
Considered good		-		-
Unsecured		7.27		9.92
Considered doubtful	0.09		0.09	
Less: Provision for Bad and Doubtful receivables	0.09	-	0.09	-
b) Other Receivables				
Considered good				
Secured		-		-
Unsecured		63.19		66.30
Considered doubtful	-		-	
Less: Provision for Bad and Doubtful receivables	-	-	-	-
		70.46		**76.22**

19.Cash and Cash Equivalents

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Cash on Hand	0.50	0.65
Cheques in Hand	4.68	4.32
Balances with Banks :		
- On Current accounts	10.77	39.25
- On Cash Credit accounts	4.38	7.37
- Deposits with Original maturity of less than 3 months	1.04	20.35
- Unpaid Dividend Account	1.98	2.14
- Deposits with original Maturity of more than 3 months but less than 12 months	3.51	2.67
	26.86	**76.75**

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

20. Short Term Loans and Advances (Unsecured considered good unless otherwise stated)

(₹ Crore)

		As at March 31, 2013		As at March 31, 2012
Loans and Advances to				
Employees @		0.10		0.14
Others		1.88		2.84
Advances recoverable in cash or in kind or for value to be received		6.04		4.21
Loans and Advances to Related Parties (Refer Note No. 43 to Consolidated Financial Statements)		0.09		0.28
Deposit and Balances with Government Departments and Other Authorities		5.03		3.90
Others (Considered doubtful)	0.10		0.17	
Less: Provision for Doubtful Loans and advances	0.10	-	0.17	-
		13.14		**11.37**
@ Due from Officers of the Company		0.01		0.04

21. Other Current Assets

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Interest Receivable	0.17	0.19
	0.17	**0.19**

22. Revenue from Operations (Gross)

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Sales of Products		
Sugar and Molasses Sales	805.10	589.97
Power Sales	117.28	103.66
Refractory Products Sales	26.80	26.88
Other Sales	75.85	20.24
	1,025.03	**740.75**
Sales of Services	2.13	1.83
Other Operating Revenue	6.31	19.72
	1,033.47	**762.30**

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

23. Other Income

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Dividend income		
from non current Investments	0.18	0.05
from Current Investments	-	0.03
Interest Income from Bank deposits and others	0.47	0.84
Profit on sale of Current Investments	4.97	2.48
Profit on sale of Fixed Assets	2.11	0.01
Gain on Foreign Exchange Fluctuation	0.56	0.84
Miscellaneous Receipts	5.78	3.24
	14.07	**7.49**

24. Consumption of Raw Materials

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Sugar Cane	809.82	590.79
Raw Magnesite	3.38	6.95
Others	4.50	0.27
	817.70	**598.01**

25. (Increase)/ Decrease in Inventories of Finished Goods, Work in Progress

(₹ Crore)

	As at March 31, 2013		As at March 31, 2012	
Finished Goods				
- Closing stock	670.80		538.10	
- Opening stock	538.10		450.53	
		(132.70)		(87.57)
Work-in-Process				
- Closing stock	11.55		13.24	
- Opening stock	13.24		11.08	
		1.69		(2.16)
		(131.01)		**(89.73)**

26. Employee Benefit Expenses

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Salaries, Wages and Bonus	47.37	35.85
(after allocating ₹1.61 crore (₹3.75 crore) to other accounts)		
Contribution to Provident Fund and Other Funds	3.68	3.29
Workmen and Staff Welfare expenses	2.36	1.89
	53.41	**41.03**

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

27. Other Expenses

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Power and Fuel	14.86	28.77
Packing Materials	12.22	10.63
Consumption of Stores and Spares Parts	10.44	7.79
(after allocating ₹35.52 crore (₹22.38 crore) to other accounts)		
Excise duty variation on opening/closing stock	4.51	1.87
Repairs and Maintenance:		
- Plant & Machinery	20.18	13.89
- Buildings	2.77	1.87
- Others	0.91	1.07
Rent	0.39	0.21
Rates and Taxes	1.24	0.91
Insurance	0.71	0.52
Travelling	1.35	1.23
Advertisement and Publicity	0.31	0.75
Freight and Forwarding Charges	0.60	0.48
Cane Development Expenses	5.27	7.80
Management Service Charges	9.87	5.35
Selling Expenses	0.15	0.01
Commission paid to Other Selling Agents	1.07	1.24
Rebates, Discount and Allowances	0.19	1.47
Director's Sitting Fees	0.07	0.07
Charity and Donation	0.07	0.19
Assets written off / Loss on sale of Fixed Assets	0.05	0.02
Provision for Doubtful Debts	0.05	0.25
Miscellaneous Expenses	20.28	13.80
	107.56	**100.19**

28. Financial Costs

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Interest		
- On Term loans and Debentures	36.73	39.65
- On Borrowing from Banks	24.88	5.38
- Others	3.04	3.97
Other Borrowing Costs	0.90	1.25
	65.55	**50.25**

29. Earning Per Share

(₹ Crore)

	As at March 31, 2013	As at March 31, 2012
Net profit for calculation of basic and diluted EPS (₹ crore)	18.37	0.92
Total number of equity shares outstanding at the end of the year	80939303	80939303
Weighted average number of equity shares in calculating basic and diluted EPS	80939303	80939303
Basic and Diluted EPS (₹)	**2.27**	**0.11**

Dalmia Bharat Sugar

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

30. The Group Comprises of the following Entities:

The subsidiaries, associates and joint ventures considered in the Consolidated Financial Statements are:

(₹ Crore)

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2013	Percentage of Ownership held as at March 31, 2012
Subsidiaries			
Himshikhar Investment Limited (HIL)	India	100%	100%
Dalmia Solar Power Limited (DSPL)	India	100%	100%
Dalmia Sugar Ventures Limited (DSVL)	India	100%	100%

31. Contingent Liabilities (not provided for) in respect of

(₹ Crore)

S. No.	Particulars	2012-13	2011-12
a)	Claims against the Company not acknowledged as debts	0.49	0.55
b)	Demand raised by Income tax authorities under dispute	65.28	58.40
c)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	56.21	44.35
d)	Other money for which the Company is contingently liable	0.15	0.15

Subsidiaries

(₹ Crore)

S. No.	Particulars	2012-13	2011-12
a)	Bank Guarantee issued on behalf of body corporate (DSPL)	-	5.00

Based on favourable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors etc, the Company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

32. Capital and Other Commitment:

(₹ Crore)

Particulars	2012-13	2011-12
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
In respect of Parent	72.63	0.04
In respect of Subsidiaries	0.06	-
Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	0.73

33. Remuneration Paid to Auditors (included in Miscellaneous Expenses) :

(₹ Crore)

Particulars	2012-13	2011-12
a) Statutory Auditor		
i) Audit Fee	0.08	0.07
ii) For Tax Audit and Other services	0.05	0.08
iii) For Expenses	0.01	0.01
b) Cost Auditor		
i) Audit Fee	0.01	0.01

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

34. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the Extent of Information available with the Company:

(₹ Crore)

Particulars	2012-13	2011-12
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.09	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	0.09	-

35. In the opinion of the Board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

36. Operating Lease

Assets taken on Lease

Office premises are taken on operating lease. There is no escalation clause in the lease agreement.

(₹ Crore)

Particulars	2012-13	2011-12
Lease payments for the year	0.39	0.21
Total	0.39	0.21

There are no non-cancellable operating leases.

37. The Company has changed the method of depreciation from straight line method to written down value method with effect from April 1, 2006,for Boiler plants at Ramgarh, Jawaharpur and Nigohi considering that there is higher wear and tear in the concerned equipment and that the revised carrying values approximates the current replacement values.

In compliance with the Accounting Standards (AS-6) notified by Companies (Accounting Standards) Rules, 2006, (as amended), depreciation has been recomputed from the date of commissioning of these plants at WDV rates applicable to those years. Consequent to this, there is an additional charge for depreciation during the year of ₹26.83 crore due to the said change which relates to the previous years.

Had there been no change in the method of depreciation, the charge for the year would have been lower by ₹1.22 crore, excluding the charge relating to the previous years.

Consequently, the Net Block of Fixed Assets and profit for the year are lower by ₹28.05 crore

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

38. Gratuity and Other Post Employment Benefit Plans:

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the Consolidated Balance Sheet for the plan.

Consolidated Statement of Profit and Loss

Net employee benefit expense (recognised in employee benefit expenses)

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Current Service Cost	1.11	0.93
Interest Cost	1.01	0.87
Expected return on plan assets	(1.27)	(1.16)
Net Actuarial (Gain)/ Loss	(0.26)	0.27
Past Service cost	-	-
Total Expense	0.59	0.91
Actual return on planned assets	1.42	1.17

Consolidated Balance Sheet

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Present value of obligation as at year-end	14.08	12.66
Fair value of plan assets as at year-end	14.81	13.49
Less : Unrecognised past service cost	-	-
Funded status {(Surplus/(Deficit)}	0.73	0.83
Net Asset/(Liability) as at year end	0.73	0.83

Changes in the Present Value of the Defined Benefit Obligation are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Opening defined benefit obligation	12.66	10.84
Interest cost	1.01	0.87
Current service cost	1.11	0.93
Benefits paid out of funds	(0.60)	(0.26)
Actuarial (gains)/ losses on obligation	(0.11)	0.28
Closing defined benefit obligation	14.08	12.66

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

Changes in the Fair Value of Plan Assets are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Opening fair value of plan assets	13.49	12.33
Expected return	1.27	1.16
Contribution by employer	0.50	0.25
Benefits paid	(0.60)	(0.26)
Actuarial gains/ (losses) on obligation	0.15	0.01
Closing fair value of plan assets	14.81	13.49

The Company expects to contribute ₹1.78 crore (₹0.50 crore) to gratuity in 2013-14.

The Major Categories of Plan Assets as a Percentage of the Fair Value of Total Plan Assets are as follows:

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Qualifying Insurance Policy	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Principal Assumptions used in determining Gratuity for the Company's plans are shown below:

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Discount Rate	8.00%	8.00%
Expected rate of return on assets	9.40%	9.40%
Mortality Table	LIC (1994-96)	LIC (1994-96)
Salary Escalation	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the Current and previous four years in respect of Gratuity are as follows:

(₹ Crore)

Particulars	Gratuity (Funded)				
	2012-13	2011-12	2010-11	2009-10	2008-09
Defined benefit obligation	14.08	12.66	10.84	19.28	16.09
Plan assets	14.81	13.49	12.33	21.46	15.02
Surplus/ (deficit)	0.73	0.83	1.49	2.18	(1.07)
Experience adjustment on plan assets	0.15	0.04	(0.40)	1.80	0.07
Experience adjustment on plan liabilities	0.11	(0.28)	(11.69)	(1.09)	0.83

Dalmia Bharat Sugar

Notes to Consolidated Financial Statements
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Provident and Other Funds

Contribution to Defined Contribution Plans:

(₹ Crore)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Pension Fund/Superannuation funds/ESI/PF	3.12	2.52

Provident Fund

The Guidance note issued by Accounting Standard Board (ASB) on implementing AS 15, Employee Benefit (Revised 2005) states that provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The fund does not have any existing deficit or interest shortfall.

39. Segment Information

Primary Segment: Business Segment

The Group's operating businesses are organized and managed separately according to the nature of products manufactured and services provided. The identified reportable segments are Own Manufactured Sugar, Power and Others.

The "**Own Manufactured Sugar Segment**" includes manufacture and marketing of Sugar.

The "**Power Segment**" includes generation and sale of Power. Power is also used for captive consumption by the Company.

The '**Others' segment**' includes Magnesite, Distillery, Travel, and Electronics activities of the Company.

The Group caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments

Segment Information

The following table presents segment revenues, results, assets & liabilities in accordance with AS-17 as on March 31, 2013:

(₹ Crore)

Segment Particulars	Sugar	Power	Others	Total
Revenue				
Gross Revenue	919.63	216.05	110.92	1246.60
	(668.42)	(187.17)	(55.51)	(911.10)
Less: Inter/ Intra Segment Revenue	113.79	97.97	1.37	213.13
	(67.52)	(81.15)	(0.13)	(148.80)
Less: Excise Duty	30.91	-	2.71	33.62
	(25.66)	-	(1.92)	(27.58)
Net Revenue	774.93	118.08	106.84	999.85
	(575.24)	(106.02)	(53.46)	(734.72)
Results				
Segment result	1.44	58.84	33.19	93.47
	(-47.50)	(82.26)	(16.13)	(50.89)
Less: Finance Cost	-	-	-	65.56
	-	-	-	(50.25)
Less: Exceptional Items	-	-	-	8.92

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

(₹ Crore)

Segment Particulars	Sugar	Power	Others	Total
	-	-	-	-
Profit before tax	-	-	-	**18.99**
	-	-	-	(0.64)
Tax expenses	-	-	-	**0.62**
	-	-	-	((0.28))
Profit after tax	-	-	-	**18.37**
	-	-	-	(0.92)
Assets	**1,131.12**	**251.41**	**113.80**	**1,496.33**
	(948.31)	(283.38)	(124.41)	(1356.10)
Non Segments Assets	-	-	-	**173.78**
	-	-	-	(122.29)
Total Assets	-	-	-	**1,670.11**
	-	-	-	(1478.39)
Liabilities	**506.22**	**0.85**	**7.22**	**514.29**
	(305.54)	(1.09)	(10.42)	(317.05)
Non Segments liabilities	-	-	-	**697.11**
	-	-	-	(719.83)
Total Liabilities	-	-	-	**1,211.40**
	-	-	-	(1036.88)
Depreciation	**22.66**	**45.91**	**4.51**	**73.08**
	(20.92)	(17.00)	(4.40)	(42.32)
Capital Expenditure	**112.87**	**22.36**	**0.40**	**135.62**
	(9.29)	(0.02)	(11.55)	(20.86)

Note: Revenue in respect of captive power consumption produced from co-generation plant has been arrived at based on the rates at which the same would have been purchased from State Electricity Board.

40. During the year, the Group had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

Parent Group

(₹ Crore)

Particulars	2012-13	2011-12
Carried forward as part of Capital Work in Progress	**-**	-
Expenditure incurred during the year		
Personnel Expenses		
Salary and Wages	**0.02**	-
Operating and Other Expenses		
Consultancy Charges	**0.42**	-
Miscellaneous Expenses	**0.08**	-
Total Expenditure incurred during the year	**0.52**	-
Less: Capitalised in Fixed Assets	**-**	-
Carried forward as part of Capital Work in Progress	0.52	-

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

Subsidiaries

(₹ Crore)

Particulars	2012-13	2011-12
Carried forward as part of Capital Work in Progress	4.11	3.60
Expenditure incurred during the year		
Other Expenses		
Rent	0.03	0.03
Miscellaneous Expenses	0.16	0.48
Finance Cost		
Bank Charges	-	-
Grand Total	4.20	4.11
Less: Charged in Profit & Loss Account	3.92	-
Carried forward as part of Capital Work in Progress	0.38	4.11

41. The Holding company had given advance of ₹9.50 crore to Dalmia Solar Power Limited, its wholly owned subsidiary company for its solar power business. However, the subsidiary company has abandoned its only project of 10MW Solar Power Project during the year. Hence, advance amounting to ₹8.92 crore has been written off by holding company considering the financial position & future business viability of the subsidiary company.

42. During the year, the group acquired immovable and movable property of "M/s Shri Datta Sahakari Sakhar Karkhana Limited", Distt Kolhapur, Maharashtra, having a capacity of 2500 TCD, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, on payment of consideration of ₹108.00 crore. Besides this outstanding liabilities of ₹17.48 crore consisting of unsecured loan, sales tax dues & employees dues etc. have also been incorporated in the books of accounts & classified under current & non-current liabilities based upon the tenor of maturity. The capital reserve of ₹1.41 crore being the difference between the net asset acquired and consideration paid, has also been created consequent to the Independent valuer report. Pro-rata depreciation on its assets has been charged from the date of taking over the possession.

43. Related Party Disclosure as required by Accounting Standard-18.

a) **List of related parties along with nature and volume of transactions is given below:**

Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman, Shri Yadu Hari Dalmia – Vice-Chairman, Shri Gautam Dalmia - Managing Director, Shri Puneet Yadu Dalmia – Managing Director.

Relatives of Key Management Personnel

Shri V.H. Dalmia (Brother of Vice-Chairman), Shri J.H. Dalmia (HUF), Smt. Kavita Dalmia (Wife of Vice- Chairman) Shri Y.H. Dalmia (HUF), Smt. Bela Dalmia (Wife of Vice-Chairman), Shri Gautam Dalmia (HUF), Smt. Anupama Dalmia (Wife of Managing Director), Smt. Avantika Dalmia (Wife of Managing Director), Kumari Shrutipriya Dalmia (Daughter of Vice-Chairman), Kumari Sukeshi Dalmia (Daughter of Managing Director), Kumari Vaidehi Dalmia (Daughter of Managing Director), Kumari Sumana Dalmia (Daughter of Managing Director), Kumari Avanee Dalmia (Daughter of Managing Director), Mst. Priyang Dalmia (Son of Managing Director) Shri M.H. Dalmia (Brother of Vice-Chairman) and Smt. Abha Dalmia (Wife of Brother of Vice-Chairman).

Enterprises controlled by the Key Management Personnel of the Company

Rama Investment Company Private Limited, Puneet Trading & Investment Company Private Limited, Kavita Trading & Investment Company Private Limited, Sita Investment Company Limited, Mayuka Investment Limited, Ankita Pratisthan Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Shri Nataraj Ceramic and Chemical

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Industries Limited, Shri Chamundeswari Minerals Limited, Shree Nirman Limited, Keshav Power Limited, Avanee and Ashni Securities Private Limited, ZipAhead.Com Limited, Alirox Abrasives Limited, Shri Investments, Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Avanee Trust, New Habitat Housing Finance and Development Limited, Dalmia Bharat Limited, Dalmia Power Limited, Kanika Investment Limited, Arjuna Brokers & Minerals Limited, Dalmia Cement Ventures Limited, D.I. Properties Limited, Dalmia Minerals & Properties Limited, Geetee Estates Limited, Hemshila Properties Limited, Ishita Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Shri Rangam Properties Limited, Sri Dhandauthapani Mines and Minerals Limited, Sri Madhusudana Mines and Properties Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Trivikrama Mines and Properties Limited, Adhunik Cement Limited, Calcom Cement India Limited, Adhunik MSP Cement (Assam) Limited, Vinay Cements Limited, RCL Cements Limited, SCL Cements Limited, Golden Hills Resort Private Limited, Rajputana Properties Private Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, DCB Power Ventures Limited, OCL India Limited and Dalmia Cement (Bharat) Limited.

b) The following transactions were carried out with the related parties in the ordinary course of business:

(₹ Crore)

Nature of Transaction	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services	-	**4.00**	**4.00**
	(-)	(6.26)	(6.26)
Reimbursement of expenses - receivable	-	**0.08**	**0.08**
	(-)	(0.19)	(0.19)
Reimbursement of expenses – payable	-	**0.45**	**0.45**
	(-)	(0.30)	(0.30)
Purchase of goods and services	-	**10.88**	**10.88**
	(-)	(6.15)	(6.15)
Rent payment	-	**0.01**	**0.01**
	(-)	(-)	(-)
Loan Taken	-	**153.25**	**153.25**
	(-)	(222.00)	(222.00)
Loan Refund	-	**139.25**	**139.25**
	(-)	(197.00)	(197.00)
Sale of Assets	-	**0.04**	**0.04**
	(-)	(0.01)	(0.01)
Receipt of fund on their behalf and transfer	-	**0.03**	**0.03**
	(-)	(-)	(-)
Purchase of Fixed Assets	-	-	-
	(-)	(0.01)	(0.01)
Interest paid on Loan	-	**3.04**	**3.04**
	(-)	(3.97)	(3.97)
Salary and Perquisites	**0.95**	**-**	**0.95**
	(1.04)	(-)	(1.04)
Dividend Received	-	**0.14**	**0.14**
	(-)	(-)	(-)

1. Sale of goods and services includes transaction with Dalmia Cement (Bharat) Limited ₹0.21 crore (₹0.53 crore), OCL India Limited ₹0.46 crore (₹4.59 crore) and Dalmia Bharat Limited ₹3.33 crore (₹1.14 crore).

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

2. Reimbursement of expenses – receivable includes transaction with Dalmia Bharat Limited ₹0.03 crore (₹0.05 crore), Dalmia Cement (Bharat) Limited ₹0.05 crore (₹0.14 crore).

3. Reimbursement of expenses – payable includes transaction with Dalmia Bharat Limited ₹0.40 crore (₹0.20) and Dalmia Cement (Bharat) Limited ₹0.05 crore (₹0.10 crore).

4. Purchase of goods & services includes transaction with Dalmia Bharat Limited ₹10.19 crore (₹5.75 crore), Dalmia Cement (Bharat) Limited ₹0.66 crore (₹ Nil) and Shri Natraj Ceramics and Chemical Industries Limited ₹0.03 crore (₹ Nil).

5. Rent payment includes transaction with Ishita Properties Limited ₹0.01 crore (₹ Nil).

6. Loan taken includes transaction with Dalmia Bharat Limited ₹127.25 crore (₹166.00 crore) and DCB Power Ventures Limited ₹26.00 crore (₹56 crore).

7. Loan refund includes transaction with Dalmia Bharat Limited ₹132.25 crore (₹141.00 crore), DCB Power Ventures Limited ₹7.00 crore (₹56 crore).

8. Sale of fixed assets includes transaction with Dalmia Cement (Bharat) Limited ₹ Nil (₹0.01 crore) and Dalmia Bharat Limited ₹0.04 crore (₹Nil).

9. Receipt of fund on their behalf and transfer includes transaction with Dalmia Bharat Limited ₹0.03 crore (₹ Nil).

10. Purchase of fixed assets includes transaction with Dalmia Cement (Bharat) Limited ₹ Nil (₹0.01 crore).

11. Interest paid on loan includes transaction with Dalmia Bharat Limited ₹2.47 crore (₹3.73 crore) and DCB Power Ventures Limited ₹0.57 crore (₹ Nil).

12. Salary and perquisites includes transaction with Shri J. H. Dalmia ₹0.42 crore (₹0.26 crore), Shri Y. H. Dalmia ₹0.41 crore (₹0.26 crore), Shri Gautam Dalmia ₹0.05 crore (₹0.26 crore), Shri Puneet Yadu Dalmia ₹0.07 crore (₹0.26 crore).

13. Dividend received is on account of Dalmia Bharat Limited ₹0.14 crore (₹Nil).

c) Balances Outstanding at Year End:

(₹ Crore)

Nature of Transaction	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Loan Payable	-	64.00	64.00
	(-)	(50.00)	(50.00)
Interest Payable	-	1.76	1.76
	(-)	(-)	(-)
Amounts receivable	-	0.09	0.09
	(-)	(0.48)	(0.48)
Amounts payable	-	3.88	3.88
	(-)	(0.01)	(0.01)

Notes to Consolidated Financial Statements
for the year ended March 31, 2013

1 Loan payable includes Dalmia Bharat Limited ₹45.00 crore (₹50.00 crore) and DCB Power Ventures Limited ₹19.00 crore (₹ Nil).

2 Interest payable includes Dalmia Bharat Limited ₹1.25 crore (₹ Nil) and DCB Power Ventures Limited ₹0.51 crore (₹Nil).

3 Amount receivable includes Dalmia Bharat Limited ₹ Nil (₹0.20 crore), Dalmia Cement (Bharat) Limited ₹0.09 crore (₹0.23 crore) and OCL India Limited ₹ Nil (₹0.05 crore)

4 Amount payable includes Dalmia Cement (Bharat) Limited ₹0.06 crore (₹0.01 crore), Dalmia Bharat Limited ₹3.81 crore (₹ Nil) and DCB Power Ventures Limited ₹0.01 crore (₹ Nil).

44. Figures less than ₹ Fifty thousand which are required to be shown separately have been shown at actual in double brackets.

45. Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited

per Arun K. Tulsian
Partner
Membership No. 89907

K. V. Mohan
Company Secretary

Anil Kataria
Asst. Executive Director
(Finance & Accounts)

B. B. Mehta
Director

Puneet Yadu Dalmia
Managing Director

Place: New Delhi
Date: May 27, 2013

Dalmia
Bharat Sugar

Consolidated Cash Flow Statement
for the year ended March 31, 2013

(₹ Crore)

		2012-13	2011-12
A.	Cash Flow from Operating Activities		
	Net Profit before tax and exceptional items	**27.91**	**0.64**
	Adjustments		
	Depreciation / Amortization	72.87	41.95
	Provision for doubtful debts/ advances	0.05	0.25
	Bad Debts/ Advances written off	-	0.01
	Dividend Income	(0.18)	(0.08)
	Finance Cost	65.55	50.25
	Interest Income	(0.47)	(0.84)
	(Profit)/Loss on sale of Investments	(4.97)	(2.48)
	(Profit)/Loss on sale of Fixed Assets and Assets Written off	(2.06)	0.02
	Operating Profit before working Capital Changes	**158.70**	**89.72**
	Adjustments for working Capital changes :		
	Inventories	(136.25)	(90.51)
	Trade and Other Payables	85.40	97.03
	Trade and Other Receivables	(6.02)	(50.44)
	Cash Generated from Operations	**101.83**	**45.80**
	Direct Taxes Paid	(6.79)	(9.74)
	Net Cash from Operating activities	**95.04**	**36.06**
B	Cash Flow from Investing Activities		
	Purchase of fixed Assets	(145.99)	(15.63)
	Proceeds from sale of Fixed Assets	3.28	0.35
	(Purchase)/ Sale of Current Investments (net)	(2.45)	(0.01)
	(Purchase)/ Sale of Non Current Investments (net)	(12.09)	(1.00)
	Interest Received	0.49	1.37
	Dividend Received from Current Investments	0.18	0.03
	Dividend Received from Non Current Investments		0.05
	Net Cash used in Investing Activities	**(156.58)**	**(14.84)**
C	Cash Flow from Financing Activities		
	Proceeds / (repayment) of Short term Borrowings	85.67	70.72
	(Repayment) of Long term Borrowings	(10.25)	(19.13)
	Finance Cost	(63.61)	(48.37)
	Dividend Paid	(0.16)	(2.29)
	Corporate Dividend tax paid		(0.33)
	Net cash from / (used in) financing activities	**11.65**	**0.60**
	Net increase in cash and cash equivalents (A+B+C)	**(49.89)**	**21.82**
	Cash and cash equivalents (Opening Balance)	**76.75**	**54.93**
	Cash and cash equivalents (Closing Balance)	**26.86**	**76.75**
	Change in Cash & Cash Equivalents	**(49.89)**	**21.82**

Note:
1) Cash & cash equivalents components are as per Note 19.
2) Previous year figures have been regrouped/restated wherever considered necessary

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
Dalmia Bharat Sugar and Industries Limited

per Arun K. Tulsian
Partner
Membership No.: 89907

K. V. Mohan
Company Secretary

Anil Kataria
Asst. Executive Director
(Finance & Accounts)

B. B. Mehta
Director

Puneet Yadu Dalmia
Managing Director

Place : New Delhi
Date: 27th May, 2013

Statement Attached to Balance Sheet
As on 31st March, 2013 Pursuant to Section 212 of The Companies Act 1956

S. No.	Subsidiary Companies	Himshikhar Investment Limited	Dalmia Solar Power Limited	Dalmia Sugar Ventures Limited
1	Financial year ending	31-03-2013	31-03-2013	31-03-2013
2	Date from which it became a subsidiary	10-01-1997	30-08-2005	13-08-2007
3	Holding Company's interest in the share capital	100%	100%	100%
4	The net aggregate amount of the subsidiary's profits less losses, so far as it concerns the members of the Holding Company and is not dealt with in the Holding Company's accounts			
	(a) For the year ended 31-3-2013 (₹)	328,695	(170,905)	(51,153)
	(b) For the previous financial years since it became Company's Subsidiary (₹)	12,790,991	494,025	(403,453)
	The net aggregate amount of the subsidiary's profits less losses, so far these profits are dealt with in the Holding Company's accounts:			
	(a) For the year ended 31-3-2013 (₹)	Nil	Nil	Nil
	(b) For the previous financial years since it became Company's Subsidiary (₹)	Nil	Nil	Nil

Place: New Delhi
Date: May 27, 2013

B. B. Mehta
Director

Puneet Yadu Dalmia
Managing Director

Statement Attached to Balance Sheet

As on 31st March, 2013 Pursuant to Section 212 of The Companies Act 1956

Details of Subsidiary Companies

(₹ Lakhs)

Name of Subsidiary Company	Himshikhar Investment Limited	Dalmia Solar Power Limited	Dalmia Sugar Ventures Limited
Capital	45.00	5.00	5.00
Reserves	563.39	(6.65)	(4.55)
Total Assets	627.09	57.86	0.85
Total Liabilities	18.69	59.51	0.40
Investments	606.89	-	-
Turnover/ Total Income	4.07	0.10	0.00
Profit/ (Loss) Before Taxation	3.20	(1.71)	(0.51)
Provision for Taxation	(0.09)	-	-
Profit/ (Loss) After Taxation	3.29	(1.71)	(0.51)
Proposed Dividend	-	-	-

Notes

Notes

Corporate Information

Board of Directors

J. S. Baijal
Chairman

Jai Hari Dalmia
Vice Chairman

Yadu Hari Dalmia
Vice Chairman

Gautam Dalmia
Managing Director

Puneet Yadu Dalmia
Managing Director

M. Raghupathy

T. Venkatesan

B. B. Mehta

Kannan Panchapakesan

Management Team

Gautam Dalmia
Managing Director

Puneet Yadu Dalmia
Managing Director

B. B. Mehta
Business CEO

Jayesh Doshi
Group Finance & Strategy

Anil Kataria
Chief Financial Officer

K. P. Singh
Head-Operations

Pankaj Rastogi
Head-Projects

Company Secretary

K. V. Mohan

Statutory Auditors

S. S. Kothari Mehta & Co.

Corporate Office

11th & 12th Floor,
Hansalaya Building
15, Barakhamba Road,
New Delhi - 110 001

Registered Office

Dalmiapuram - 621 651
District Tiruchirapalli,
Tamil Nadu

Bankers

State Bank of India

Canara Bank

Corporation Bank

Punjab National Bank

The Hong Kong and Shanghai Banking Corporation Limited

Deutsche Bank

Axis Bank Limited

arinsight | (www.arinsight.com)

Dalmia
Bharat Sugar

Corporate Office

Hansalaya Building, 11th & 12th Floor, 15, Barakhamba Road, New Delhi – 110001

Ph: 011 – 23310121 / 23 / 24 25, **Fax:** 23313303

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FORM A

(Pursuant to Clause 31(a) of the Listing agreement)

1.	Name of the Company	**Dalmia Bharat Sugar and Industries Limited**
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	Signatories:	
	CEO/Managing Director	**Mr. Gautam Dalmia**
	CFO	**Mr. Anil Kataria**
	Auditor of the Company	**S.S. Kothari Mehta & Co.** **Chartered Accountants, New Delhi**
	Chairman of Audit Committee	**Mr. P. Kannan**

Gautam Dalmia
CEO/Managing Director

Anil Kataria
CFO

P. Kannan

P. Kannan
Chairman of Audit Committee

For S.S. Kothari Mehta & Co.
Chartered Accountants, New Delhi

S. S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

per Arun K. Tulsian
Partner
Membership No.: 89907