

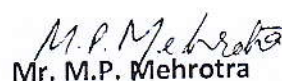
**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

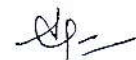
1.	Name of the Company:	Dhampur Sugar Mills Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A



Mr. Gaurav Goel  
Managing Director



Mr. M.P. Mehrotra  
Chairman- Audit Committee



Mr. Arhant Jain  
CFO



(Mr. S. P. Agrawal)  
Partner  
Chartered Accountants



(Mr. B. L. Gupta)  
Partner  
Chartered Accountants

(Joint Auditors)

## Dhampur Sugar Mills Limited

Dhampur, District Bijnor (U.P.)

### **NOTICE TO SHAREHOLDERS:**

Notice is hereby given that the 78th Annual General Meeting of the Company shall be held on Friday, the 20th September, 2013 at the Registered Office of the Company at Sugar Mill Compound, Dhampur, Distt. Bijnor (U.P.) at 2.00 p.m. to transact the following business:-

### **ORDINARY BUSINESS:**

#### **Item No. 1**

To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Profit & Loss Account of the company for the period ended on 31st March, 2013 together with Director's Report and Auditors' Report thereon.

#### **Item No. 2**

To declare dividend on Preference Shares and Equity Shares for the financial year ended 31st March, 2013.

#### **Item No. 3**

To appoint a director in place of Shri V.K. Goel, who retires by rotation and being eligible offers himself for re-appointment.

#### **Item No. 4**

To appoint a director in place of Shri A.K. Goel, who retires by rotation and being eligible offers himself for re-appointment.

#### **Item No. 5**

To appoint a director in place of Shri Priya Brat, who retires by rotation and being eligible offers himself for re-appointment.

#### **Item No. 6**

To appoint a director in place of Shri Rahul Bedi, who retires by rotation and being eligible offers himself for re-appointment.

#### **Item No. 7**

To appoint auditors and fix their remuneration.

The retiring Auditors M/s S Vaish & Company, Chartered Accountants, Kanpur, and M/s Mittal Gupta & Company, Chartered Accountants, Kanpur, are eligible for re-appointment and in this connection to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT**, pursuant to provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s S Vaish & Company, Chartered Accountants, Kanpur and M/s Mittal Gupta & Company, Chartered Accountants, Kanpur be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of next Annual General Meeting of the Company and that the Managing Directors be and are hereby authorized to fix their remuneration for the said period."

#### **Item No. 8**

To appoint branch auditors and fix their remuneration.

It has been decided to appoint M/s S.S. Kothari Mehta & Company, Chartered Accountants as Branch Auditors to conduct audit of DSM Sugar Meerganj, Bareilly, a unit of the Company. M/s S.S. Kothari Mehta & Company, Chartered Accountants being eligible offers themselves for appointment. Shareholders are requested to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 228 of the Companies Act, 1956 and other applicable provisions, if any, "M/s S.S. Kothari Mehta & Company, Chartered Accountants", who are qualified under section 226 of the Companies Act, be and are hereby appointed as Branch Auditors for conducting audit of accounts relating to DSM Sugar Meerganj, Bareilly, a unit of the Company for the financial year 2013-14 and that the Managing Directors be and are hereby authorized to fix their remuneration for the said period as may be mutually agreed and out of pocket expenses incurred in connection with their audit work".

**SPECIAL BUSINESS:****Item No. 9**

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as ordinary resolution:

**REVISION IN REMUNERATION OF SHRI V. K. GOEL, CHAIRMAN OF THE COMPANY**

**RESOLVED THAT** pursuant to Sections 198, 269, 309, 310, 349, 350 read with Schedule XIII, and other applicable provisions of the Companies Act, 1956, if any, or any other approvals as may be necessary, the monthly remuneration and perquisites being paid to Shri V.K. Goel, Chairman and Executive Director, be revised for a period of three years with effect from 1st February, 2013 as under:

a) REMUNERATION :

SALARY: ₹4,00,000/- per month .

b) PERQUISITES:

HOUSING: For accommodation owned / rented by the Company a deduction @ 10% of the salary or actual rent paid whichever is lower.

ELECTRIC, GAS, WATER AND FURNISHING: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of Salary of the Chairman & Executive Director.

MEDICAL: Reimbursement of actual expenses incurred for self and family subject to ceiling of one month's salary in a year or three months' salary over a period of three years.

LEAVE TRAVEL: For self and family once a year incurred in accordance with the rules of the company.

CLUB FEES: Club fees subject to maximum of two clubs but not admission and life membership fees.

PERSONAL ACCIDENT INSURANCE: Premium for insurance not to exceed ₹12,000/- per annum plus Service Tax as applicable.

OTHERS: (Not to be treated as perquisites).

PROVIDENT FUND: Employer's contribution to Provident Fund to the extent not taxable under the Income-tax Act, 1961.

GRATUITY: At the rate of half month's salary for each completed year of service subject to a ceiling of ₹10,00,000/-.

CONVEYANCE: For use of Company's Car for private purposes a sum of ₹1000/- per month to be paid to the company.

**RESOLVED FURTHER THAT** the aforesaid monthly payment and monetary value of perquisites to be included in the remuneration for the purpose of Section 198 of the Companies Act, 1956 shall be restricted to ₹4,00,000/- per month in the event of absence or inadequacy of net profit computed in the manner provided under the said section."

**RESOLVED FURTHER THAT** in addition to the above basic salary and perquisites, it is hereby decided to pay a further remuneration by way of Commission @ 3% of the Net Profits of the Company as determined in accordance with the provisions of Sections 198, 269, 309, 310, 349, 350 and other applicable provisions, if any, of the Companies Act, 1956.

**RESOLVED FURTHER THAT** the total remuneration payable to Shri V.K Goel will not exceed 5% Net Profits of the Company.

**RESOLVED FURTHER THAT** in case, the total remuneration payable to all the Managing Directors and Whole Time Directors of the Company exceeds 10% of Profits of the Company, a proportionate deduction shall be made from the commission payable to Managing Directors/Whole Time Directors to restrict the total remuneration at 10% of the profit of the Company as determined in accordance with the provisions of Sections 198, 269, 309, 310, 349 and other applicable provisions, if any of the Companies Act, 1956".

**Item No. 10**

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as ordinary resolution:

**REVISION IN REMUNERATION OF SHRI GAUTAM GOEL, MANAGING DIRECTOR OF THE COMPANY**

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310, 349, 350 read with Schedule XIII, and other applicable provisions of the Companies Act, 1956, if any, or other approvals as may be necessary, the monthly remuneration and perquisites of Shri Gautam Goel, Managing Director, be revised for a period of three years with effect from 1st February, 2013 as under:

a) REMUNERATION :

SALARY: ₹ 4,00,000/- per month .

b) PERQUISITES:

HOUSING: For accommodation owned / rented by the Company a deduction @ 10% of the salary or actual rent paid whichever is lower.

ELECTRIC, GAS, WATER AND FURNISHING: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of Salary of the Managing Director.

MEDICAL: Reimbursement of actual expenses incurred for self and family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

LEAVE TRAVEL: For self and family once a year incurred in accordance with the rules of the company.

CLUB FEES: Club fees subject to maximum of two clubs but not admission and life membership fees.

PERSONAL ACCIDENT INSURANCE: Premium for insurance not to exceed ₹12,000/- per annum plus Service Tax as applicable.

OTHERS: (Not to be treated as perquisites).

PROVIDENT FUND: Employer's contribution to Provident Fund to the extent not taxable under the Income-tax Act, 1961.

GRATUITY: At the rate of half month's salary for each completed year of service subject to a ceiling of ₹10,00,000/-.

CONVEYANCE: For use of Company's Car for private purposes a sum of ₹1000/- per month to be paid to the Company.

**RESOLVED FURTHER THAT** the aforesaid monthly payment and monetary value of perquisites to be included in the remuneration for the purpose of Section 198 of the Companies Act, 1956 shall be restricted to ₹4,00,000/- per month in the event of absence or inadequacy of net profit computed in the manner provided under the said section.

**RESOLVED FURTHER THAT** the total remuneration payable to Shri Gautam Goel, will not exceed 5% Net Profits of the Company.

**RESOLVED FURTHER THAT** in case the total remuneration paid to all the Managing Directors and Whole Time Directors of the Company exceeds 10% of Profits of the Company, the Company do make payment as above subject to approval of Central Government or a proportionate deduction shall be made from the remuneration paid to Managing Directors/Whole Time Directors to restrict the total remuneration at 10% of the profit of the Company as determined in accordance with the provisions of Sections 198, 269, 309, 310, 349 and other applicable provisions, if any of the Companies Act, 1956".

**Item No. 11**

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as special resolution:

**COMMISSION TO NON-EXECUTIVE, NON INSTITUTIONAL INDEPENDENT DIRECTORS**

**"RESOLVED THAT** pursuant to provisions of Section 309 and other applicable provisions of the Companies Act, 1956 and Schedule XIII to the Companies Act, 1956 the Company, be and is hereby authorized to pay commission to all the non-executive Directors ( i.e. except the Managing Director, Executive Directors and Institutional Directors ) of the amount as may be decided by the Board, subject however that the aggregate of such commission shall not exceed to 1% of the net profit of the Company for Financial Year 2013-14, computed in the manner referred to Section 198(1) of the said Act, w.e.f. 1st April, 2013".

**BY ORDER OF THE BOARD  
FOR DHAMPUR SUGAR MILLS LIMITED**

PLACE : New Delhi  
DATE : 25th July, 2013

(V. K. GOEL)  
CHAIRMAN

#### NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not to be a member of the Company. Proxies in order to be effective must be received at Registered Office of the Company not less than 48 hours before the start of the meeting.
2. Member/Proxies should bring their copy of Annual Report and attendance slip duly completed when attending the Meeting.
3. The documents referred to in the accompanying Notice and the Annual Report are open for inspection at the Registered Office of the Company during the office hours between 11.00 A. M. and 1.00 P. M. on all working days except Sundays up to the date of the Meeting and shall also be available at the venue.
4. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from the 13th September, 2013 to 20th September, 2013 (both days inclusive) for the purpose of Annual General Meeting and determining the names of Members eligible for Dividend on Equity Shares, if declared at the Meeting.
6. Members are requested to intimate their dividend mandates like bank account number, type and bank addresses in which they intend to deposit the warrants by a duly signed letter. The banks details can also be printed on the warrants to avoid any incidence of fraudulent encashment.
7. Electronic Clearance System (ECS) is presently available at certain locations specified by Reserve Bank of India. To avoid risk of loss and /or fraudulent encashment, Members are requested to avail ECS facility where dividends are directly and promptly credited in electronic form to their respective bank accounts.
8. Pursuant to the provisions of section 205A (5) of the Companies Act, 1956 dividend for the financial year ended 30th September, 2006 and thereafter which remain unclaimed for a period of 7 years will be transferred by the Company to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government pursuant to section 205C of the Companies Act, 1956.

<b>Financial Year Ended</b>	<b>Date of declaration of Dividend</b>	<b>Last date for claiming unpaid Dividend</b>	<b>Due date for transfer to IEPF</b>
30.09.2006	15.03.2007	14.03.2014	15.04.2014
30.09.2009	10.02.2010	09.02.2017	10.03.2017
31.03.2011	01.08.2011	31.07.2018	01.08.2018
31.03.2012	15.09.2012	14.09.2019	15.10.2019

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/S. Alankit Assignments Limited immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.

9. Non-Resident Indian Shareholders are requested to inform M/s Alankit Assignments Limited immediately:
  - a) The change in the Residential Status on return to India for a permanent settlement.
  - b) The particulars of the Bank Account maintained in India with complete name, branch, and account type, account number and address of the Bank, if not furnished earlier.
10. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
11. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/S. Alankit Assignments Limited.
12. The shares of the Company are compulsorily traded in demat mode. Hence, the Members who are still holding physical share certificates are advised that it is in their own interest to dematerialize their shareholding to avail benefit of dematerialization viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificate to M/s Alankit Assignments Ltd., Registrar & Transfer Agent for consolidation into a single folio.
14. Members are requested to register their email address and changes in their particulars like change in Address from time to time with M/s Alankit Assignments Ltd., Registrar & Transfer Agent for shares held in physical form and with their respective Depository Participants for shares held in demat.
15. Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number of all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish a copy of PAN card to Company/ Share Transfer Agent for registration of such transfer of shares.
16. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this initiative of the Government in full measure, Members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail address along with details of name, address, Folio No., shares held:
  - (a) To the registrar and share transfer agent, M/s Alankit Assignments Ltd. for shares held in physical form and;
  - (b) In respect of shares held in demat mode, also provide DP ID/ Client ID with the above details and register the same with their respective Depository Participants directly.
17. Brief profile of Shri V.K. Goel, Shri A.K. Goel, Shri Priya Brat and Shri Rahul Bedi, seeking re-appointment has been given in Report on Corporate Governance forming part of Annual report.
18. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business is annexed.



## **DHAMPUR SUGAR MILLS LIMITED**

**Dhampur, Distt. Bijnor (U.P.)**

### **EXPLANATORY STATEMENT**

**(Pursuant to Sec. 173 (2) of the Companies Act, 1956)**

#### **Item No. 9**

The Board of Directors resolved to re-fix the remuneration of Shri V.K. Goel for a period of three years w.e.f. 1st February, 2013, along with perquisites and commission in accordance with recommendation of the Remuneration Committee subject to approval of the members.

The Resolution and other terms and conditions of appointment require approval of the Company in General Meeting pursuant to Sections, 198, 269, 309 and 311 read with Schedule XIII of the Companies Act, 1956 and the resolution set out in item no. 9 is intended for that purpose.

This may be treated as an Abstract and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956.

Shri V. K. Goel and his relatives Shri A.K. Goel and Shri Gautam Goel, Directors are interested in the above resolution.

#### **Item No. 10**

The Board of Directors resolved to re-fix the remuneration of Shri Gautam Goel for a period of three years w.e.f. 1st February, 2013 along with perquisites and commission in accordance with recommendation of the Remuneration Committee subject to approval of the members.

The Resolution and other terms and conditions of appointment require approval of the Company in General Meeting pursuant to Sections, 198, 269, 309 and 311 read with Schedule XIII of the Companies Act, 1956 and the resolution set out in item no. 10 is intended for that purpose.

This may be treated as an Abstract and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956.

Shri Gautam Goel and his relative Shri V.K. Goel, Director is interested in the above resolution.

#### **Item No. 11**

Section 309(4) of the Companies Act, 1956 provides that in the case of Directors who are neither Managing Director nor in the whole-time employment of the Company, may by a Special resolution, be paid commission upto 1% of the net profits of the Company in addition to the fee for attending the meetings of the Board where such Directors are rendering useful advice to the Company. The company owes all such non-executive directors for their incredible guidance and with a view to pay honour to such non-executive/independent Directors (except the Managing Directors, Executive Directors and Institutional Directors), it is recommended that they should be paid commission of such an amount as may be decided by the Board but to the extent of 1% of the net profit of the company in financial year 2013-14. The proposed Resolution seeks authority for such payment to the Directors for the financial year 2013-14 effective from 1st April, 2013.

Shri Ashwani K Gupta, Shri M.P Mehrotra, Shri Priya Brat, Shri Rahul Bedi, Shri B.B Tandon and Shri Harish Saluja, are interested in the Resolution to the extent the commission is payable to them in accordance with the proposed Resolution.

**ATTENDANCE SLIP****DHAMPUR SUGAR MILLS LIMITED**

Registered Office: Dhampur (N.R.) District Bijnor 246 761 (U.P.)  
(Particulars to be completed by the Member)

DP ID*	Master Folio No.:
CLIENT I D*	No. of Shares held :

Name of Member (In Block letters):

Shri/Mrs/Ms.: \_\_\_\_\_

Name of Proxy, if attending for Member (In Block Letters):

Shri/Mrs/Ms.: \_\_\_\_\_

I hereby record my presence at the 78th Annual General Meeting of the Company, held on Friday, 20th September, 2013 at 2.00 P.M. at Sugar Mill Compound, Dhampur, District Bijnor, U.P.

- Note:**
1. Please sign the attendance slip and handover at the reception.
  2. Please bring your copy of the Notice at the Meeting.

For Office use

Signature of Member/Proxy\*

Applicable for Investors holding shares in Electronic Form

**PROXY FORM****DHAMPUR SUGAR MILLS LIMITED**

Registered Office: Dhampur (N.R.) District Bijnor 246 761 (U.P.)  
(Particulars to be completed by the Member)

DP ID*	Master Folio No.:
CLIENT I D*	No. of Shares held :

I/We \_\_\_\_\_

of \_\_\_\_\_ being a Member/ Members of Dhampur Sugar

Mills Limited hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf to attend the 78th Annual General Meeting of the Company to be held on Friday, 20th September, 2013 at 2.00 P.M. and/or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

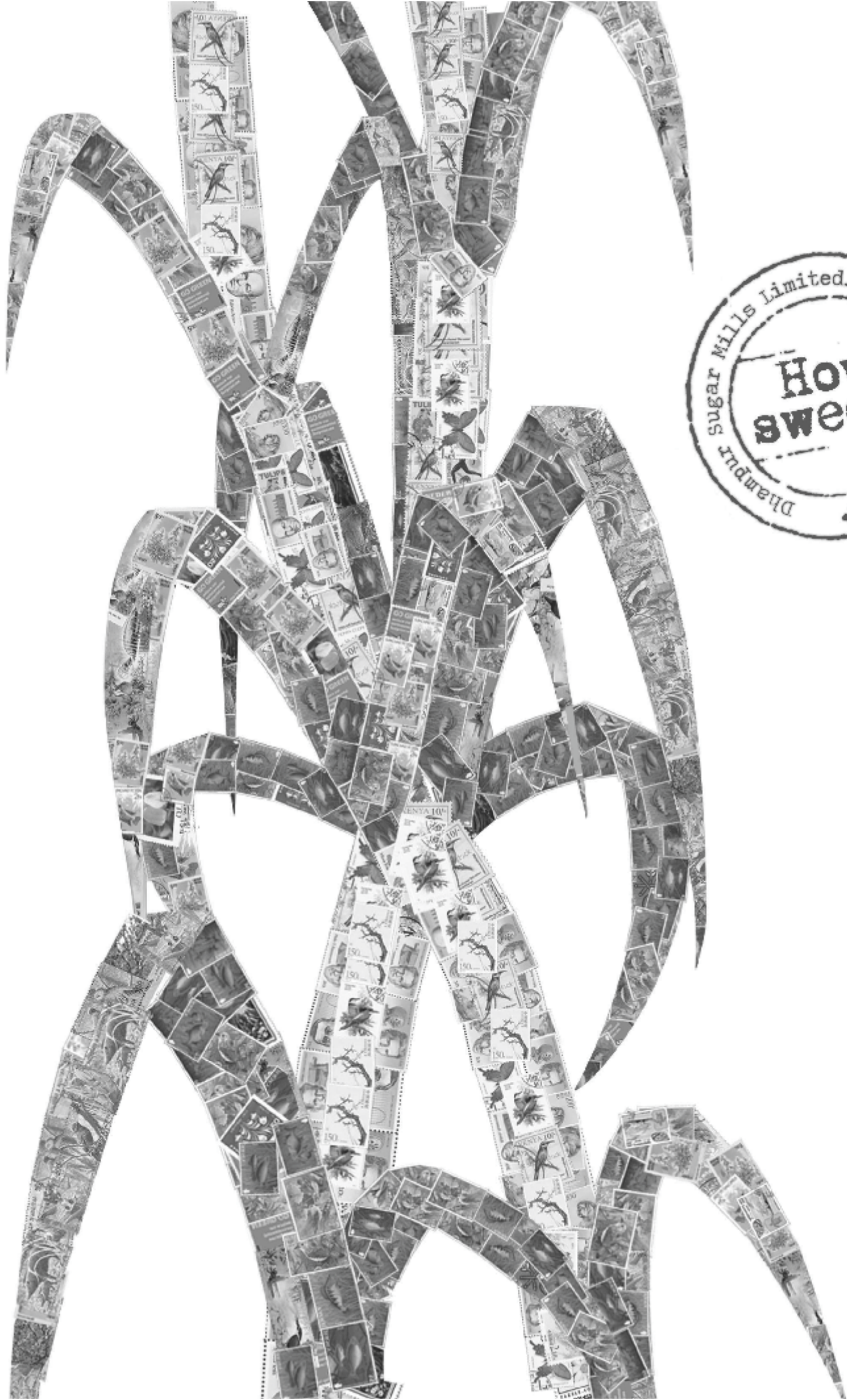
Affix the  
Revenue  
Stamp of  
₹ 1/-

Signature(s) of the Member(s)

\* Applicable for Investors holding shares in Electronic Form

- Note:**
1. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.
  2. A proxy need not be member.





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## **Cautionary statement**

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

The world is faced with the daunting problem of vehicular pollution. It needs companies engaged in the manufacture of clean fuel.

The world is faced with the challenge of producing energy from renewable sources. It needs companies generating power from sustainable resources.

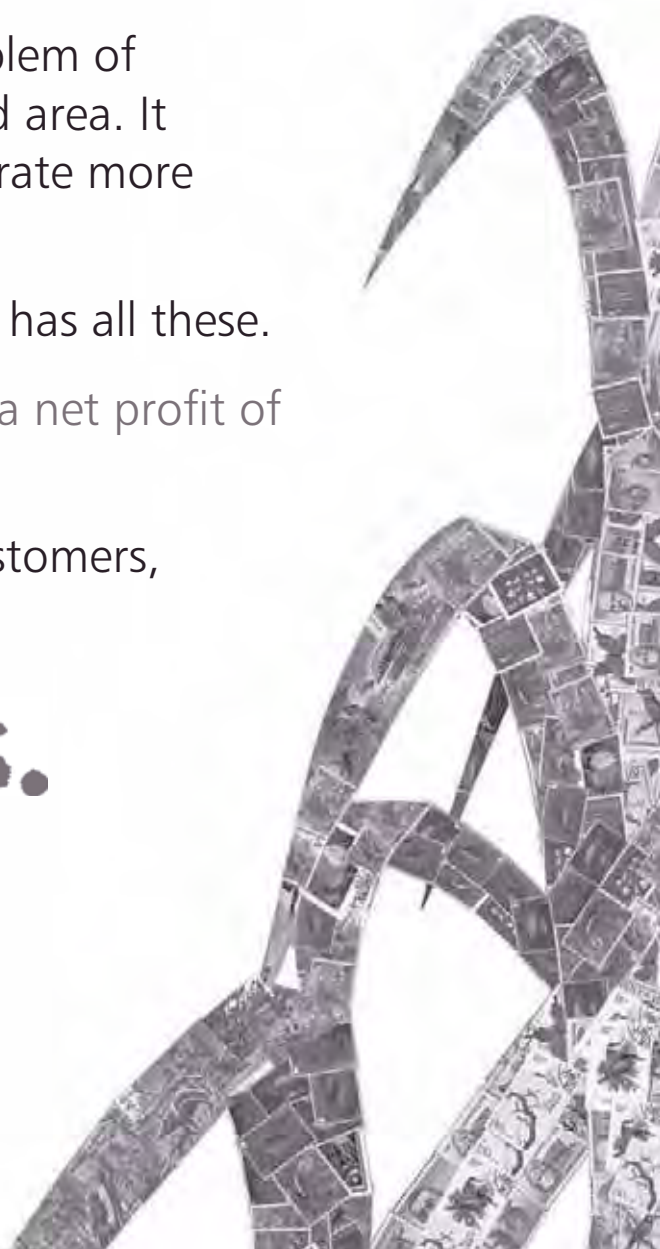
The world is faced with the problem of generating more from finite land area. It needs companies who can generate more from less.

Now think of one company that has all these.

Dhampur Sugar Mills. Reported a net profit of ₹22.71 crore in 2012-13.

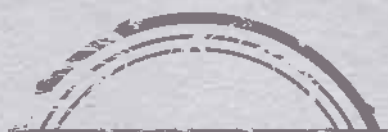
Enhancing value for farmers, customers, shareholders and itself.

# How sweet.





# This is what we achieved in 2012-13



4.51

million tonnes of  
cane crushed



0.42

million tonnes of  
sugar produced



0.30

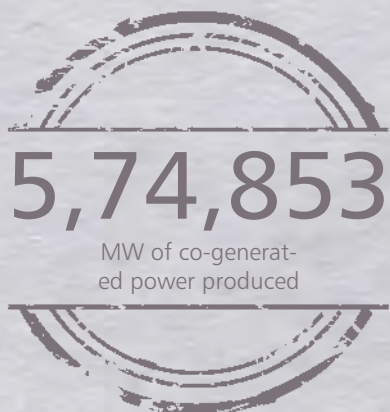
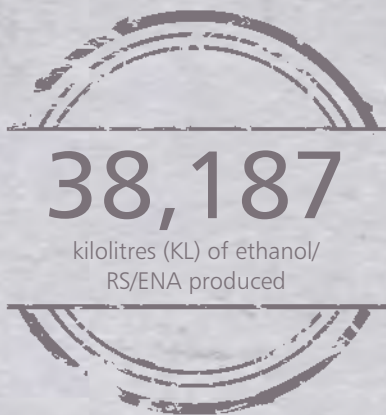
million tonnes of  
sugar sales achieved



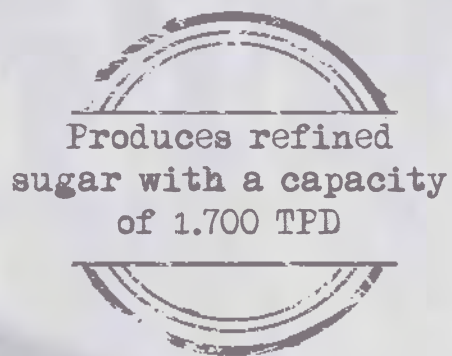
38,130

metric tonnes of  
chemicals produced









### Vision

- To de-risk from the cyclical nature of a commodity business by enhancing value and generating revenues from by-products
- To be one of the most efficient and profitable companies in our sector
- To incorporate technology as the key differentiator, leading to growth and industry leadership
- To create value for customers and stakeholders

### Identity

Dhampur Sugar Mills Limited (founded by the late Shri Ram Narain in 1933 at Dhampur, Uttar Pradesh) is headquartered in New Delhi.

The Company possesses five integrated units located at Dhampur, Asmoli, Mansurpur, Rajpura and Meerganj (all in Uttar Pradesh).

The Company was among the first in the industry to extend from the manufacture of sugar to ethanol and power co-generation.



## Plant-wise capacity allocation

### Dhampur

- Produces cane sugar with a capacity of 15000 TCD
- Produces co-generated power with a capacity of 65 MW
- Produces RS/ENA/Ethanol with a capacity of 1,70,000 LPD
- Engaged with more than 65,000 farmers

### Asmoli

- Produces cane sugar with a capacity of 9,000 TCD
- Produces refined sugar with a capacity of 900 TPD
- Produces co-generated power with a capacity of 40 MW
- Produces RS/ENA/Ethanol with a capacity of 1,00,000 LPD
- Engaged with more than 37,000 farmers

### Mansurpur

- Produces cane sugar with a capacity of 8,000 TCD
- Produces refined sugar with a capacity of 800 TPD
- Produces co-generated power with a capacity of 33 MW
- Engaged with more than 23,000 farmers

### Rajpura

- Produces cane sugar with a capacity of 7500 TCD
- Produces co-generated power with a capacity of 12 MW
- Engaged with more than 27,000 farmers

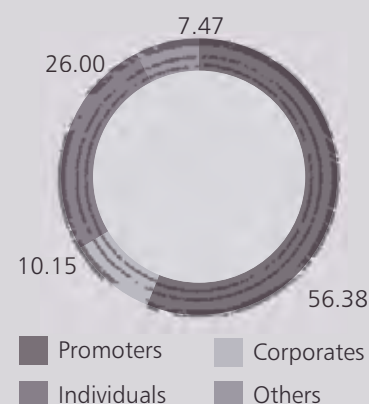
### Meerganj (formerly J. K. Sugar Ltd)

- Produces cane sugar with a capacity of 5,000 TCD

- Produces co-generated power with a capacity of 19 MW
- Engaged with more than 35,000 farmers
- Acquired by Dhampur in 2012-2013

### Shareholding pattern

(as on 31 March 2013) (percent)



\*excludes 33,08960 Equity Shares pending for allotment consequent to merger of JKSL with the Company

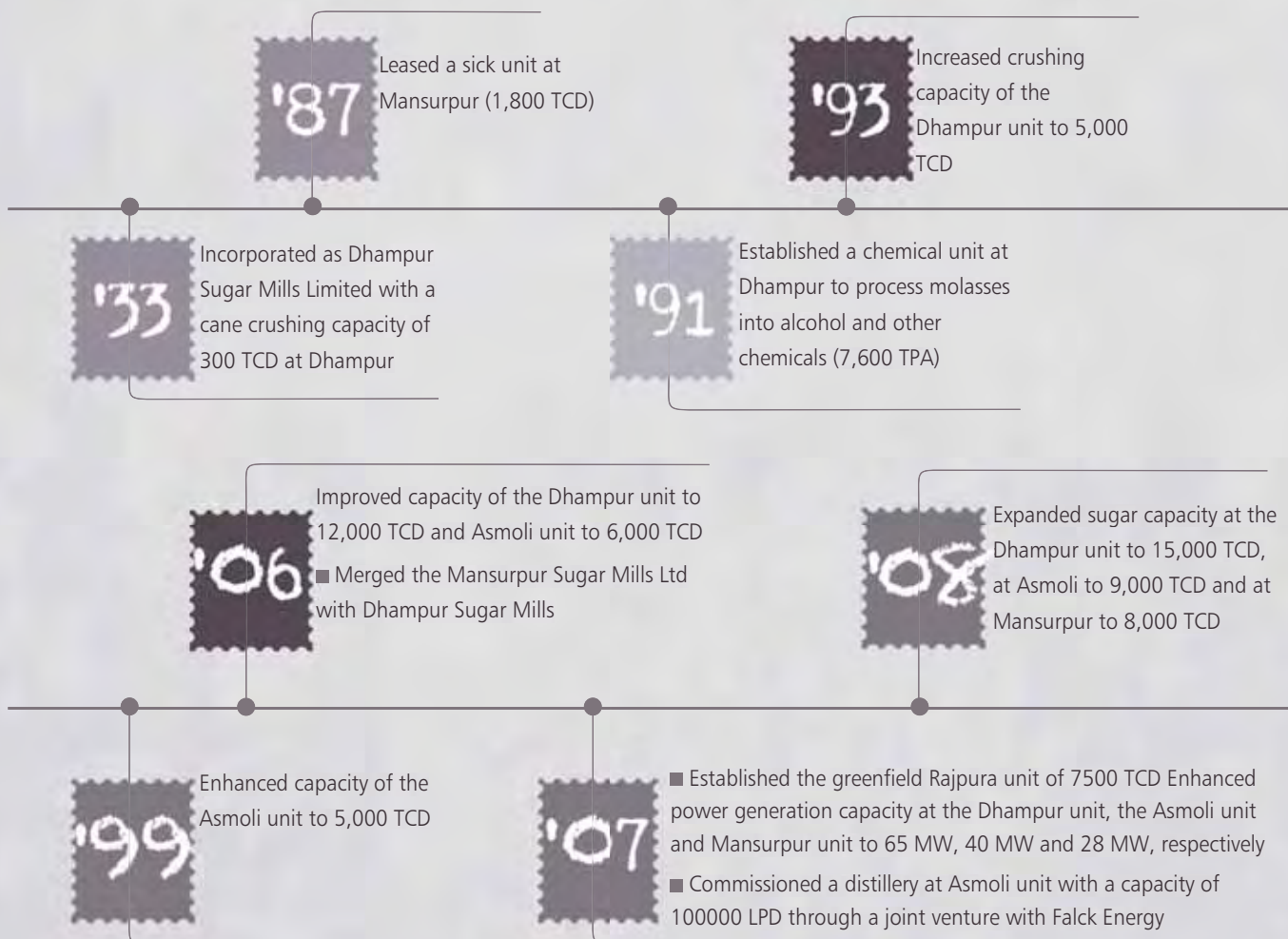
## Production capacities (as on 31 March 2013)

Business segment	Installed capacity
Sugar	44500 TCD
Refinery (sugar)	1700 TPD
Cogeneration	169 MW
Distillery	270000 LPD

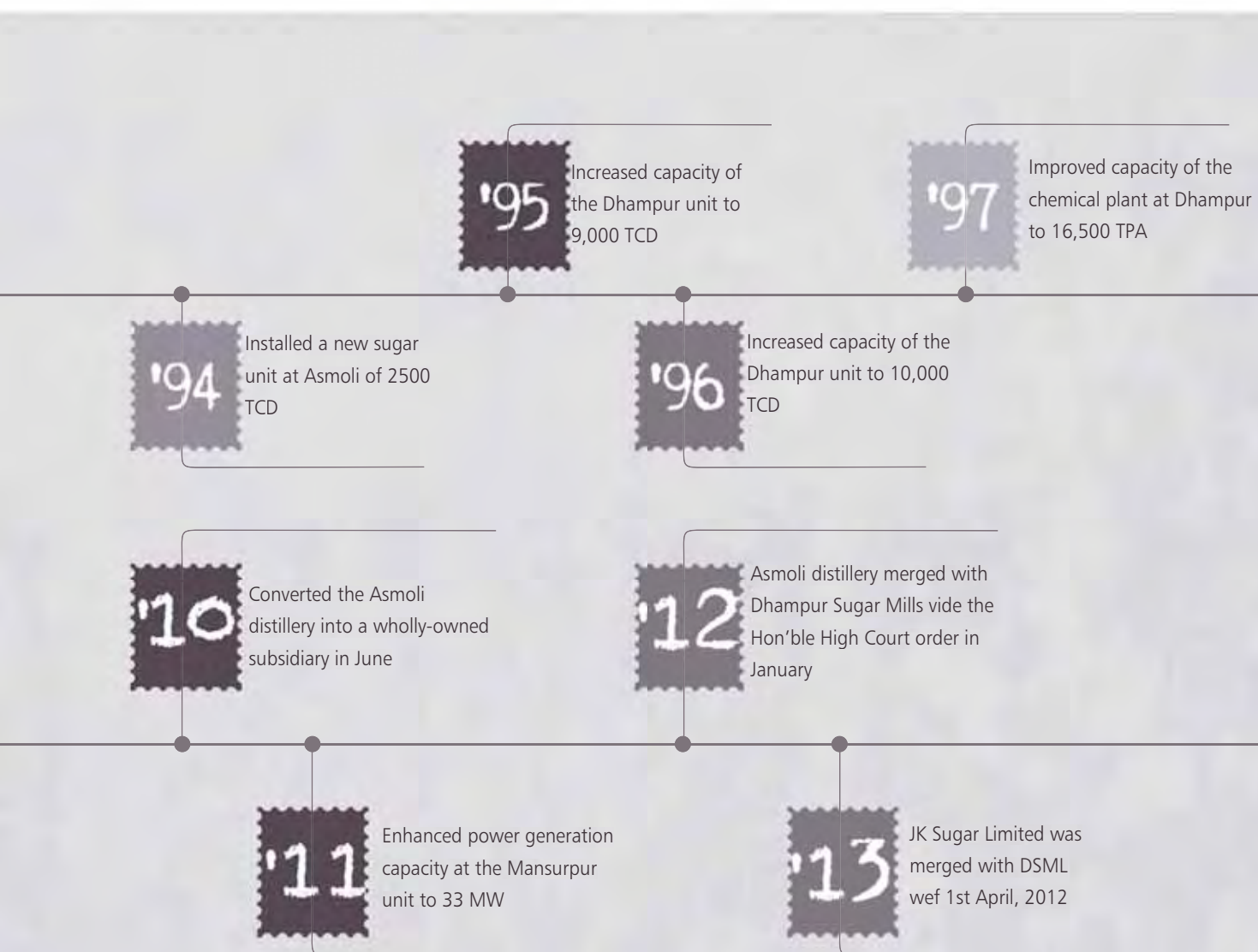
## Product basket


Sugar	Power	Chemical
Refined sugar, white sugar and retail sugar (branded as Dhampur)	Exportable capacity of 96 MW	Ethanol, Rectified Spirits, Extra Neutral Alcohol (ENA) and Ethyl Acetate

# Sweet success









"Sticking to our core focus of deriving the most out of sugarcane has enabled us to enter a sweet spot."

Mr. Gaurav Goel and Mr. Gautam Goel provide an insight into Dhampur's focus on sustainable performance.

### *Dear stakeholders,*

It would be reasonable to expect that during an industry downtrend a company would select to look inward and focus on consolidation.

Eight decades of being engaged in the sugar industry have taught us to do just the opposite. We have always believed that the worst of times provide the best of opportunities. The result is that during 2012-13, when the sugar industry continued to pass through a challenging phase, Dhampur reinforced its competitive industry position through the merger of JK Sugar Mills.

We believe that this acquisition will widen our scale, enhance cane access, strengthen capacity utilisation and reinforce our profitability across industry cycles.

### **Challenging markets**

The years 2011-12 and 2012-13 continued to be challenging for the Indian sugar industry. The industry was impacted by rising sugarcane costs on the one hand and sluggish sugar prices on the other. Sugarcane costs, which account for almost 80 percent of the total raw material expenditure for the sector, grew almost 17 percent to ₹280 a quintal during the year even as sugar realisations hovered around ₹32-33 per kg on account of large spillover stocks from the previous year.

### **Dhampur emerged stronger**

Dhampur countered the industry downtrend with the Company reporting a turnover of ₹1532.87 crore for 2012-13 and net profit ₹22.71 crore in 2012-13.

If there was one reason behind this distinctive counter-industry performance, it was the conscious decision to extend from the standalone focus on sugar manufacture to downstream by-product utilisation. These are the numbers: one MT sugar cane helped generate 0.093 MT of sugar, 127.4 KWH of co-generated power and 8.5 L of distillery output in 2012-13. The big picture is that our non-sugar revenues increased from 25.37 per cent in 2011-12 to 35.72 per cent in 2012-13.

### Acquisition rationale

At a time when most sugar companies are operating below their rated capacities, a number of analysts will be tempted to ask why we acquired a unit during a challenging industry period.

Our non-cash acquisition of JK Sugar Limited – funded through the issue of equity shares in the ratio of 275:1000 without affecting cash flow - is expected to yield the following benefits:

- Strengthen annual cane crushing capacity by 12.66 percent to 44,500 TCD and increase co-generated power capacity 12.67 percent to 169 MW
- Enhance operational efficiency due to asset contemporariness (plant commissioned in 1995)
- Reduce logistic costs related to inter-unit resource transfers. Higher availability of Molasses and Bagasse for enhancing integrated module.

The acquisition, is expected to add to the topline with attractive bottomline implications. The identification of attractive opportunities will reaffirm our position as one of the largest, most profitable and most integrated sugarcane companies in India.

### Operational performance

**Sugar division:** We processed 4511623 MT of sugarcane in 2012-13, 20.46 percent higher than in the previous year. Revenue from operations and net profit stood at ₹1532.87 crore and ₹22.71 crore during the year under report. We increased our sugar asset capacity utilisation from 68 percent in 2011-12 to 78 percent in 2012-13.

**Downstream divisions:** During the year under review, the Company generated 57.49 crore units of power and exported 37.75 crore units, generating a revenue of ₹355.30 crore in 2012-13. This was almost 6.4 percent higher than the revenue generated in 2011-12. The distillery segment's share of revenue increased from 8.7 percent in 2011-12 to 17.2 percent in 2012-13 on account of a growth in sales volumes and realisations. The division recorded revenues of ₹329.62 crore in 2012-13 (₹174.54 crore in 2011-12). The share of sugar in the total income mix declined from 70.9 percent in 2007-08 to 64.3 percent in 2012-13.

The division reported higher efficiency on account of the following: it expanded the capacity of its ethyl acetate plant leading to an increase in sales volumes by 130 percent.

### Regulatory expectations

A strong instance of optimism for the ₹80,000 crore Indian sugar industry stems from the partial decontrol of the sugar industry announced by the Indian government. This partial de-control will do away with the miller obligation to supply sugar for subsidised distribution under the Public Distribution System (PDS) and abolishment of the monthly release mechanism. This now means

that mills no longer have to sell sugar to the government at a discount. Secondly, there will be no levy obligation on millers translating into zero fixed percentage of production set aside for PDS at cheaper rates. Thirdly, eradication of the release order mechanism ensures the government will no longer dictate when and how much sugar will need to be supplied. The removal of these can potentially strengthen mill bottomlines and nurse the industry back to health, generating potential savings for the Company over the years.

### Sugar and more

Going ahead, Dhampur will continue to invest in enhanced energy cogeneration while expanding and improving its existing units. Our Meerganj unit will enhance downstream capacities and strengthen raw material security even during the off-season, leading to higher capacity utilisation for our cogeneration and distillery assets.

### Outlook

The proposed mandate by the government to free ethanol supply and prices could catalyse green fuel demand. With an integrated business model, we are well-poised to create and capitalise on upcoming industry trends.

At Dhampur, what has worked for us until now will work for us going ahead, translating into superior value for our shareholders and other stakeholders.

Sincerely,

**Gaurav Goel**

*Managing Director*

**Gautam Goel**

*Managing Director*



# Sweet spot







# Goals and objectives

## Strategic intent

- To be the most efficient sugar and downstream products manufacturing company in India (the world's second-largest sugar producing nation) and the world
- To emerge as the lowest-cost sugar and sugarcane derivatives producer in the world
- To optimise returns from cane through the value-added utilisation of bagasse, molasses and pressmud
- To increase profits sustainably in real terms and maximise returns on

the capital employed through cost leadership, innovative technology and employee engagement

## Objectives

- To enhance shareholder value by optimising long-term returns and business growth
- To emerge among the world's most efficient and least-cost sugar producers
- To achieve balanced operational, societal and environmental performance
- To provide employees with a safe and healthy working environment

## Goals

### Growth

- To expand the Company's sugar, power and distillery production
- To consolidate and improve profitability of downstream products and develop newer applications
- To maximise the use of bagasse and biomass to co-generate electricity
- To seek newer opportunities for sugar and downstream products

### Asset management

- To manage investments in fixed assets and working capital leading to the most efficient use of funds employed.

### Human resources

- To promote employee career development on an ongoing basis
- To offer equal opportunity to all employees

### Profitability

- Achieve a competitive return on shareholders' funds; increase profits on an ongoing basis in real terms
- Enhance the quality and quantity of the bottomline

### Product development

- To be proactive in identifying customer needs
- To consistently deliver quality products and high levels of service to customers
- To undertake R&D to improve returns and develop new products and applications from core products

### Corporate governance

- To manage the Company in an efficient, accountable, responsible and transparent manner
- To be socially responsible; maintain appropriate ethical, environmental and risk management standards
- To take cognisance of all stakeholder interests

# Strategic roadmap

Objectives	Performance	Validation	Roadmap
Wealth creation	<ul style="list-style-type: none"> <li>■ Maintained business profitability backed by robust integration</li> <li>■ Registered a net profit of ₹22.71 crore in 2012-13. Market capitalisation of ₹224.25 crore at the end of 2012-13</li> </ul>	Declared 12.50% percent dividend in 2012-13	<ul style="list-style-type: none"> <li>■ Optimise growth by exploiting the Company's growing production capacities and leveraging market linkages</li> </ul>
Enhance the production of sugar and derivatives – power and chemicals	<ul style="list-style-type: none"> <li>■ Registered a 20 percent increase in sugar production in 2012-13</li> <li>■ Improved chemical and co-generated power production to 381.87 lac litres and 57.49 crore units, respectively</li> </ul>	Derived 127.4 Kwh of power and 8.5 litres of distillery output from 1 MT of sugarcane crushed	<ul style="list-style-type: none"> <li>■ Improve sugar production in the next sugar season, riding on a larger sugarcane crop sowed in the state and a favourable monsoon</li> <li>■ Run power and distillery operations throughout the year with availability of raw material bagasse and molasses from Meerganj</li> </ul>
Operate our downstream plants at maximum utilisation	<ul style="list-style-type: none"> <li>■ Increased capacity utilisation of plants owing to a higher quantum of cane crushed in 2012-13</li> <li>■ Witnessed record ethanol production and power generation on the back of higher molasses and bagasse availability</li> </ul>	13% operating margin from the chemical business segment	<ul style="list-style-type: none"> <li>■ Increase the number of crushing days to enhance the production and sales of sugar, power and chemicals</li> </ul>
Increase downstream revenues by developing new products	<ul style="list-style-type: none"> <li>■ Set-up a 500 LPD bio-fertiliser plant with 14 variants to increase crop productivity for farmers and extend our value chain</li> </ul>	Reported 40.8 percent growth in revenues from the non-sugar businesses in 2012-13	<ul style="list-style-type: none"> <li>■ Drive downstream businesses to strengthen margins</li> </ul>

# Key statistics of 2012-13

Crushed  
**45.11**  
lac MT of sugarcane

Recoveries stood at  
**9.35%**

Distributed a record  
**₹ 12,442** million  
to the farmer ecosystem  
for supply of sugarcane

More than  
**187,000**  
farmers are directly  
associated with the Company

Share of co-generated power  
to total revenue increased to  
**18.5%**

Expand co-generated  
power by another  
**35.5 MW**  
by the end of 2013

RS/ENA/Ethanol output increased by  
**28.40%**

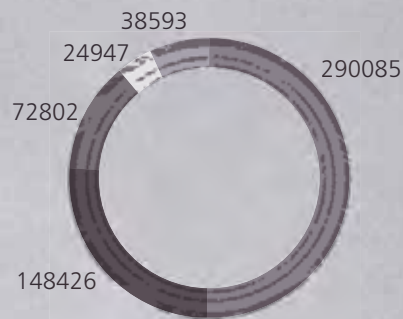
Number of years the Company is  
distributing dividends uninterrupted by  
**4** years

## Sugar production (‘000 tonnes)



■ Dhampur ■ Rajpura  
■ Asmoli ■ Meerganj  
■ Mansurpur

## Power generated (in MW)



■ Dhampur ■ Rajpura  
■ Asmoli ■ Meerganj  
■ Mansurpur

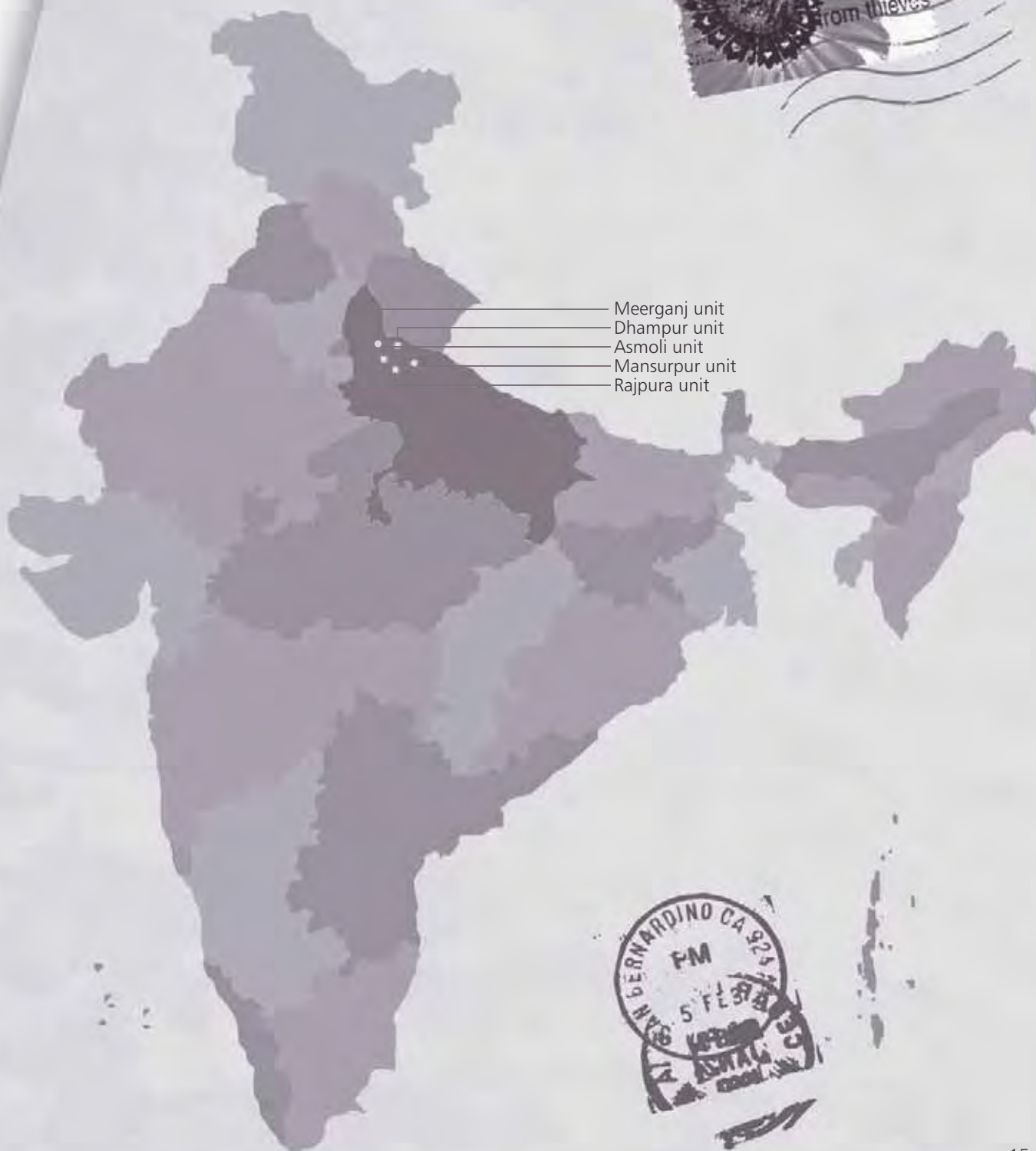
## —(in Lac BLE)



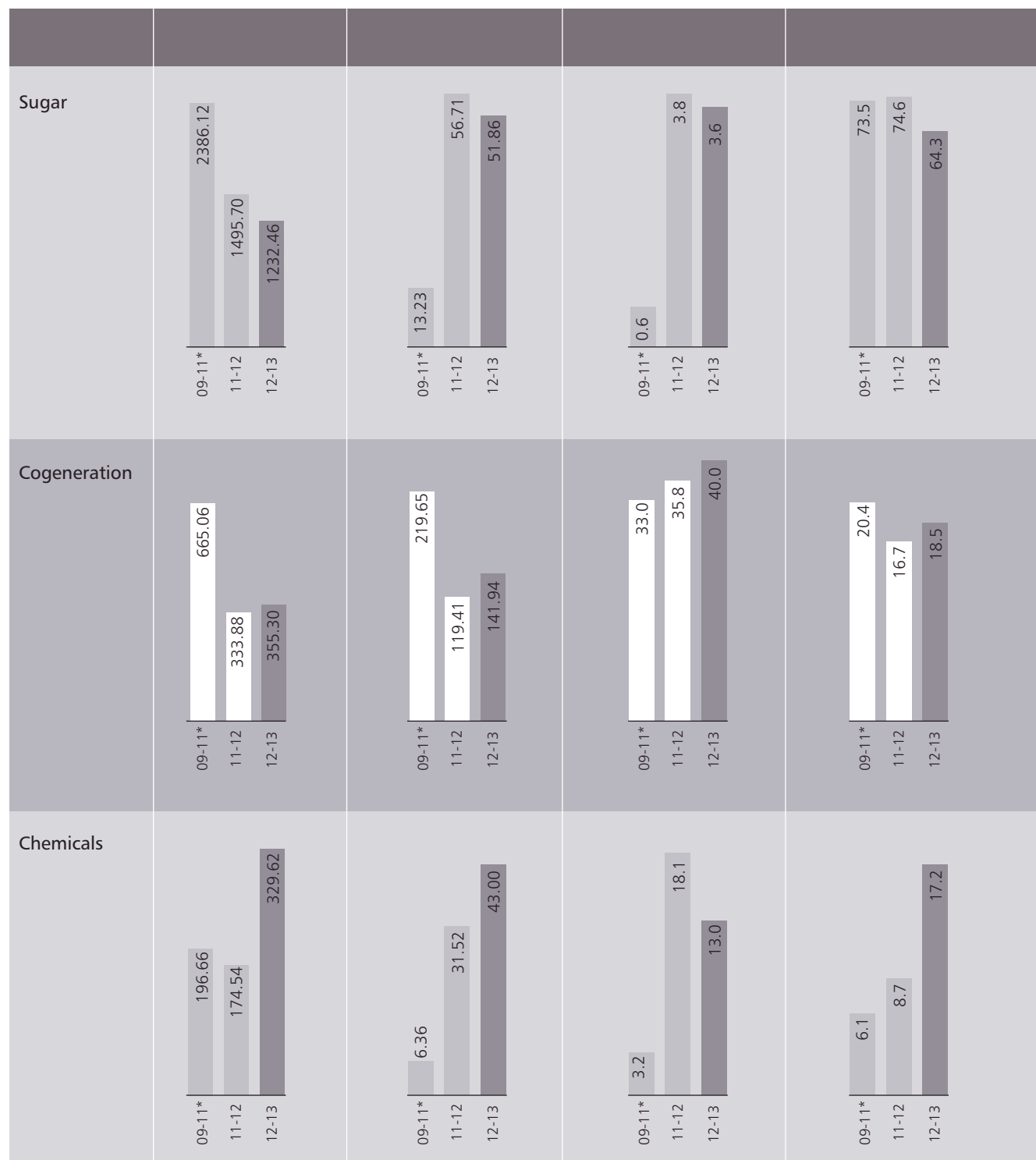
■ Dhampur  
■ Asmoli



# Our geographic presence



# Segment-wise snapshot of our business



\* The financial year 2009-11 comprises 18 months ending March 2011

	Key developments, 2012-13	Road ahead
Sugar	<ul style="list-style-type: none"> <li>■ Suffered a sharp rise in the cost of sugarcane from ₹240 per quintal to ₹280 per quintal in 2012-13</li> <li>■ Realisation of free sale sugar prices stabilized at ₹32-33 per kg throughout the year</li> <li>■ Enhanced sugarcane crushing days owing to higher cane availability and improved crushing time</li> </ul>	<ul style="list-style-type: none"> <li>■ Focus on strengthening cane development activities to secure supplies</li> <li>■ Focus on lowering steam consumption resulting in increased bagasse savings</li> <li>■ Focus on controlling operating costs</li> <li>■ Streamline Meerganj operation and enhance productivity</li> </ul>
Cogeneration	<ul style="list-style-type: none"> <li>■ Maximised energy production and reduced steam consumption through the efficient utilisation of high pressure boilers</li> <li>■ Exported 37.75 crore units of power at an average realisation of ₹4.26 per unit</li> <li>■ Became eligible for the Renewable Energy Certificate (REC) under the NAPCC programme</li> </ul>	<ul style="list-style-type: none"> <li>■ Lower steam consumption</li> <li>■ Explore exports under open access to newer geographies</li> <li>■ Enhance power plant PLFs</li> <li>■ Prudently deploy the higher quantities of bagasse, post-acquisition, to enhance production</li> </ul>
Chemicals	<ul style="list-style-type: none"> <li>■ Improved realisations from chemicals, RS/ENA/Ethanol</li> <li>■ Increased chemicals production due to higher molasses availability</li> </ul>	<ul style="list-style-type: none"> <li>■ The government's focus on increasing ethanol blending is expected to generate a higher demand and realisations for the commodity</li> <li>■ Focus on product R&amp;D, customisation and cost-effective manufacture</li> <li>■ Make optimum utilisation of Meerganj molasses and increase overall production</li> </ul>
Bio-fertiliser	<ul style="list-style-type: none"> <li>■ Set up a 500 litres per day bio-fertiliser capacity</li> <li>■ Products include over 14 liquid and solid bio-fertilisers</li> </ul>	<ul style="list-style-type: none"> <li>■ Expand capacity to 1000 litres per day by December 2013</li> <li>■ Focus on product R&amp;D to enhance crop yields</li> </ul>



## A partial decontrol of the Indian sugar industry is good news for Dhampur.

Since decades, Dhampur marketed sugar to the public distribution system at subsidised rates fixed by the government (lower than market prices). The result was an annual loss of ₹3000 crore to the sugar industry with negative margin implications.

The 2013 reform of the Indian sugar industry will strengthen Dhampur's business through the following:

- Strengthen its ability to forecast demand and market sugar accordingly
- Develop a pre-defined sales strategy based on demand forecasts, enhancing cash flows and profitability
- Stronger liquidity will lead to increased sugarcane purchases, quicker farmer payments, investments in growing capacities, enhanced debt payback and increased shareholder value

The result: The abolition of the levy scheme and release mechanism will result in improved Dhampur profitability.





**A normal sugar manufacturing company will extract 9 tonnes of sugar out of 100 tonnes of sugarcane.**

**At Dhampur, we make sugarcane work harder. By producing 9.35 tonnes of sugar, 846 Litre of RS/ENA/Ethanol and 12.74 MW of co-generated power from the same quantity of cane.**

Dhampur's focus on integration has not only helped diversify income streams but insulate relatively from industry cyclicality.

Over the years, the Company invested substantially in creating by-product processing assets (co-generated power and distillery).

Besides, the Company strengthened its business model through the following initiatives:

- Expanded its sugar manufacturing capacity 44500 TCD
- Set up cogeneration power plants (169 MW)
- Increased the capacity of distillery plants to 270000 LPD of RS/ENA/Ethanol and other chemicals
- Incorporated state-of-the art multi-fuel boiler technology, enabling the use of rice husk, coal and bagasse to generate power during the off-season as well
- Established high-end turbines and large capacity high pressure boilers ensuring a larger quantum of bagasse-based steam generation

The Company proposed an investment of ₹131 crore in expanding power generation capacity by 35.5 MW at Rajpura unit.

The result: The Company's bottomline increased from ₹3.45 crore in 2007-08 to ₹22.71 crore in 2012-13 even as the share of non-sugar revenue climbed from 29.1 percent in 2007-08 to 35.7 percent of total revenue.



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## The acquisition of JK Sugar Mills, Meerganj is expected to be game-changing.

In a business where greenfield expansion is strictly regulated by the government, Dhampur selected to acquire JK Sugar Mills, a unit operating in the Bareilly district of Uttar Pradesh.

- The acquired company's standalone manufacturing capacity (5000 TCD of cane crushing and 19 MW of power generation) will strengthen overall throughput and value-addition
- The manufacturing facilities of Meerganj are within the vicinity of Dhampur's sugar plants, ensuring low logistic costs related to the probable inter-unit transfer of by products as well as supervisory benefits
- The acquired assets will leverage plant newness (set up in 1995) leading to stronger operational efficiency and capacity utilisation

The result: The proposed mandate by the central government to enhance ethanol blending will strengthen realisations for Dhampur, already one of the largest ethanol producers due to a higher availability of molasses from the Meerganj unit.







**Larger sugarcane availability is directly proportional to a higher production of sugar, power and alcohol/chemical. In an industry-first, Dhampur commissioned a 500 TPD bio-fertiliser unit that will enhance cane yields.**

Dhampur's presence in a cyclical business translated into a need to extend to the first mile – the field. In line with this priority, the company established a 500 TPD bio-fertiliser unit with a view to secure its cane resource, strengthen farmer relationships and enhance community prosperity.

Towards this extent, some of the initiatives undertaken by it include:

- Dhampur invested in setting up a world-class bio-fertiliser unit with a capacity of 500 TPD, the first such facility in Uttar Pradesh
- Dhampur projected scale-up of the manufacturing capacity to 1000 TPD by December 2013 at a lower incremental capex
- Dhampur's strong portfolio of 14 bio-fertiliser strains with two first-of-its-kind bio-fertilisers, catalysing soil enrichment
- Sale of all products under the umbrella Dhampur brand with a strong distribution team
- Ready availability of the principal raw material resource (press mud) derived from the sugar manufacturing process

The result: A strong focus on bio-fertiliser cost, purity and quality manufactured has enabled Dhampur to enjoy a first mover's advantage, which can potentially increase cane availability, asset utilisation and profits.









## Establishing a modern soil fertility centre

The usual industry practice is to refer the farmer to a third-party soil assessment agency. Dhampur directly engages in soil assessment, comprehensive analysis and advice.

Dhampur enjoys enduring relationships with over 187,000 farmers across the command areas of its various units. The company enjoys the distinction of being the first Indian sugar company to commission a dedicated laboratory, providing farmers with extensive soil fertility diagnosis.

Some of the initiatives undertaken by it include:

- Established a modern soil diagnosis centre
- Dedicated experienced personnel
- Providing solutions to farmers on crop rotation and soil fertility nutrient enrichment
- Getting certified company's "Ramganga Farm," located at Afzalgarh, in the state of Uttar Pradesh as certified organic farm.

The result: Dhampur's direct engagement with farmers will progressively catalyse farm productivity and resource availability.

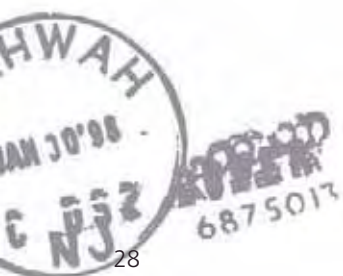
**Our business strategy can be summed up in exactly seven words: "Extracting more sugar from each sugarcane stick."**

Dhampur's widespread production assets are located in the prime sugarcane belts of Uttar Pradesh. The company has complemented this natural advantage with a sense of urgency in cane crushing as well as technology investments, which have translated into a sugar recovery that has been consistently higher than the regional average. This incremental recovery has, in turn, helped produce more sugar, reducing the business risks associated with rising cane prices and sluggish realisations.

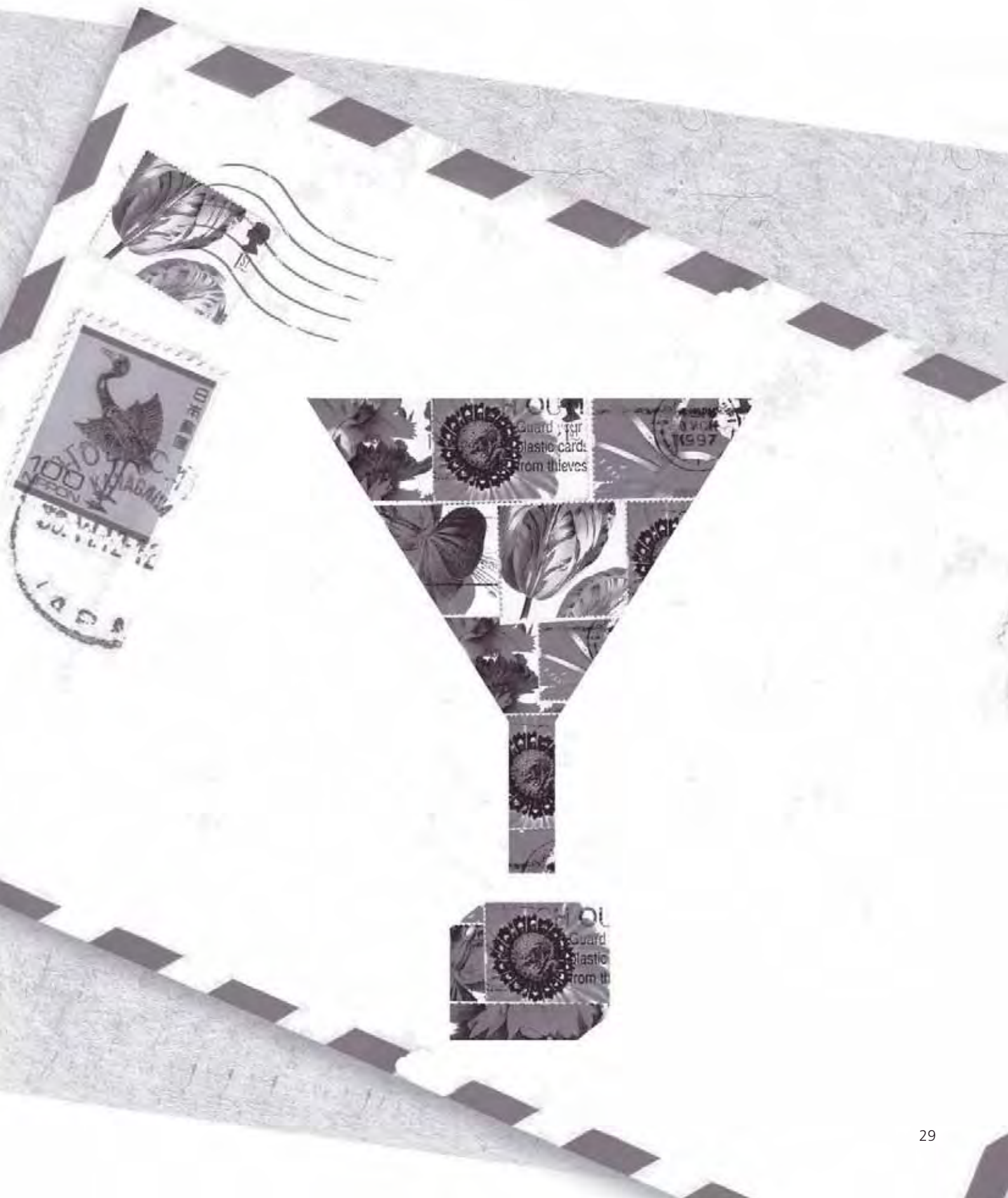
During the 2012-13, the company had the following to show:

- Crushed 4.51 million tonnes of sugarcane
- Produced 0.42 million tonnes of sugar
- Established additional cane centres, resulting in a quicker delivery of sugarcane from farm to mill
- Strengthened recovery percent on the back of stronger farm economics

The result: Improved technology and mechanisation enabled Dhampur to report one of the highest recovery rates in Uttar Pradesh.







## Business drivers

**Position:** One of the largest Sugar, co-generation and alcohol manufacturing capacities in India.

**Presence:** Located in the rich sugarcane belts of Central and Western Uttar Pradesh, the Company's manufacturing location makes it possible to crush sugarcane within an average of 30 hours post-harvest, leading to enhanced sugar extraction. The Company's average recovery stood at 9.34 percent in sugar season 2012-13 compared with an average UP recovery of 9.19 percent.

**Skill sets:** With an experienced senior management team in the sugar, distillery and cogeneration industries, the Company enjoys a focused and results-oriented discipline to reduce costs and enhance revenue. The senior Dhampur management has headed the apex industry body (Indian Sugar Mills Association) for years.

**Integrated:** Integrated across the value chain, the Company enjoys a presence in the sugar, power and ethanol industries. Further, its foray into the manufacture of bio-fertilisers has strengthened vertical integration.

**Asset utilisation:** The Company's energy conservation measures resulted in a high bagasse saving as multi-fuel boilers consume alternative fuels like coal and rice husk during the off-season, enhancing cash flows throughout the year.

**Expanding capacities:** The Company enjoys a track record of enhancing asset capacity through industry cycles: cane crushing capacity increased from 20,000 TCD in 2001-02 to 44,500 TCD in 2012-13; exportable cogeneration capacity increased from 10 MW in 2003-04 to 96 MW in 2012-13 and distillery capacity from 1,00,000 LPD in 2004-05 to 2,70,000 LPD in 2012-13.

**Farmer relationships:** The Company enjoys cordial relations with over 187,000 farmers, strengthened by the lowest cane arrears in the state leading to a cane availability higher than the regional average.

**Logistics:** Almost 58 percent of the annual sugarcane supply is sourced from the 'Gate' area surrounding the sugar mill, resulting in a quicker raw material availability and higher sugar extraction







Company enjoys  
cordial relations with  
over 187,000 farmers

## Business segment review

# Sugar

Dhampur (cane crushing capacity of 44,500 TCD) is one of the largest integrated sugar companies in India with one of the largest Indian raw sugar refining assets of 1,700 TPD.

The Company's manufacturing units are located at Dhampur, Asmoli, Mansurpur, Rajpura and Meeraganj in the cane-rich belt of Uttar Pradesh.

## Highlights, 2012-13

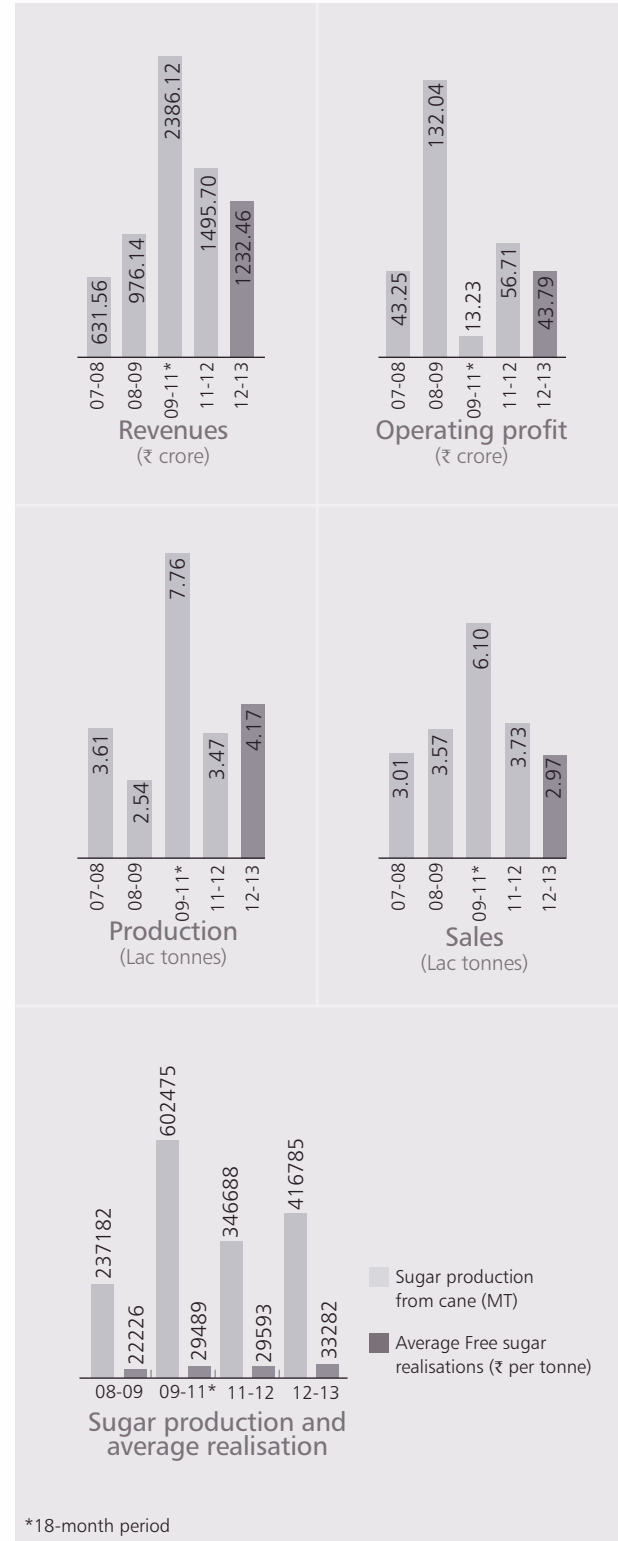
- Crushed 47.00 lac tonnes of sugarcane in sugar season 2012-13 as against 37.45 lac tonnes crushed in sugar season 2011-12
- Produced 4.39 lac tonnes of sugar in sugar season 2012-13 compared with 3.45 lac tonnes in sugar season 2011-12
- Sugarcane recovery for the sugar season 2012-13 stood at 9.34 percent as against average recovery in UP of 9.19 percent
- Maintained an average sugar inventory of 3.42 lac tonnes at an average cost of ₹31.35 per kg (free and levy sugar combined)
- Established new cane collection centers resulting in quicker raw material availability

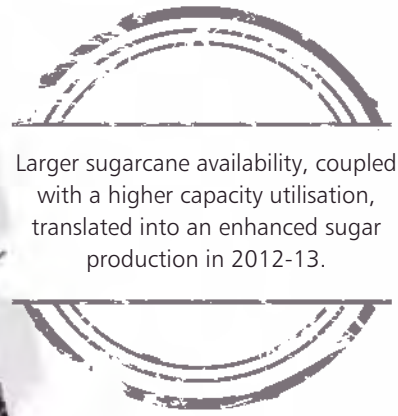
## Outlook

- Improve earnings through higher sales of refined sugar
- Strengthen cane development activities
- Engage in policy decisions that influence the fair pricing for cane
- Improve crushing days; increase sugar production

## 2012-13 in brief

₹1232.46 crore Revenue	4.17 lac tonnes Sugar produced
₹43.79 crore Operating profit	2.97 lac tonnes Sugar sales





Larger sugarcane availability, coupled with a higher capacity utilisation, translated into an enhanced sugar production in 2012-13.





## Business segment review

# Co-generation

The Company's total power generation capacity increased to 169 MW in 2012-13. Of the total production, 377547 MW was exported to the state electricity grid while the rest was available for captive consumption.

The Company installed multi-fuel boilers (first in Uttar Pradesh's sugar sector), which enabled it to reduce its dependence on bagasse with the objective to generate power during the off-season. The company strengthened its PLF and enjoyed average realizations of ₹4.26 per unit.

## Highlights, 2012-13

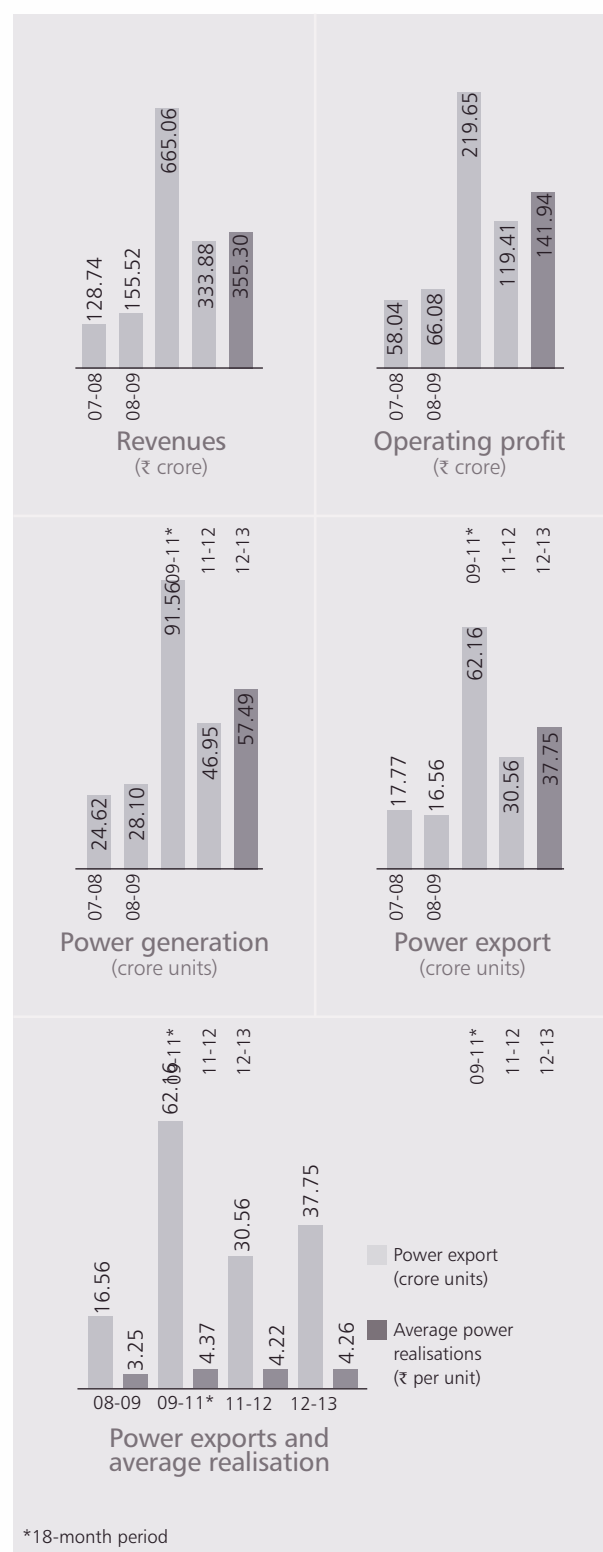
- Exported 37.75 crore units of power to the state grid
- Reported a revenue of ₹355.30 crore
- Modern bagasse dryers were installed, enabling generation of more heat from the steam, thereby increasing the yield ratio of steam from bagasse
- Optimum bagasse usage translated into a higher plant availability during the off-season with corresponding cost benefits

## Outlook

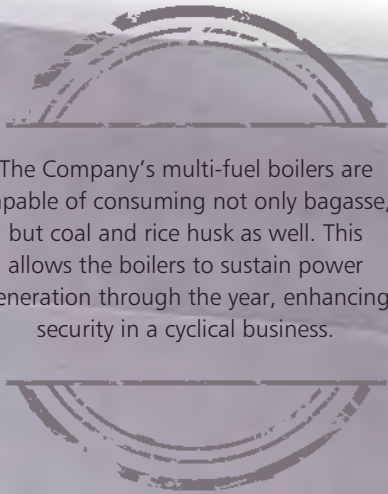

- The JK Sugar acquisition will provide larger bagasse quantities, enabling a higher power generation during the off-season
- Fast-track plans for expanding power generation capacity by another 35.5 MW at Rajpura unit by end of 2013

## 2012-13 in brief

<b>₹355.30</b> crore Revenue	<b>57.49</b> crore units Power generated
<b>₹141.94</b> crore Operating profit	<b>37.75</b> crore units Power exported







The Company's multi-fuel boilers are capable of consuming not only bagasse, but coal and rice husk as well. This allows the boilers to sustain power generation through the year, enhancing security in a cyclical business.

Business segment review

# Distillery

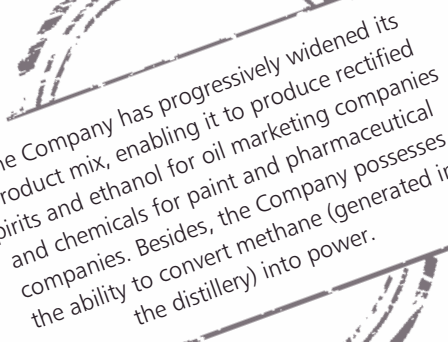
Being one of the largest manufacturers of chemicals and other sugarcane derivatives, Dhampur today derives a growing share of its profitability through its distillery division. Its distillery capacity of 270,000 LPD makes it one of the most integrated players in the industry. The diversified distillery output includes ethanol, rectified spirits, extra neutral alcohol, ethyl acetate, carbon dioxide and bio-fertilisers, among others

## Highlights, 2012-13

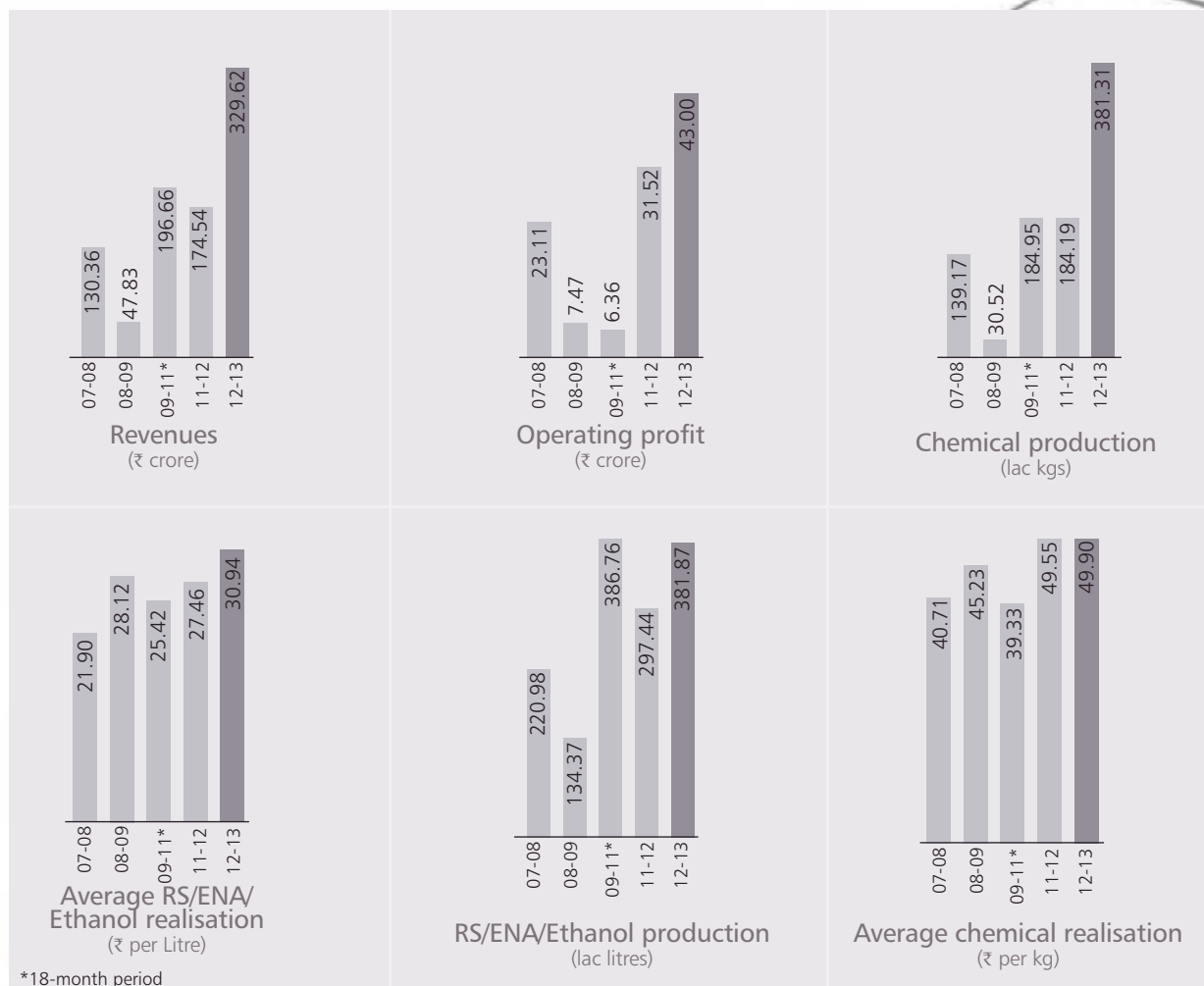
- Registered RS/ENA/Ethanol sales volume of 373.37 Lac litre and chemicals sales volume of 380.38 lac kgs
- Commenced bio-fertiliser production with a capacity of 500 LPD, which can be ramped to 1000 LPD by December 2013
- Reported revenues at ₹329.62 crore during the year ended March 2013 on account higher volumes and enhanced realisations

## Outlook

- Additional molasses availability from Meerganj will help increase the production of chemicals, ethanol and rectified spirits
- The enhanced ethanol prices will strengthen margins and profitability
- The Company expects to expand bio-fertiliser capacity to 1000 LPD by December 2013 and widen the product basket



The Company has progressively widened its product mix, enabling it to produce rectified spirits and ethanol for oil marketing companies and chemicals for paint and pharmaceutical companies. Besides, the Company possesses the ability to convert methane (generated in the distillery) into power.



₹ <b>329.62</b> crore Revenue	<b>381.87</b> lac litres RS/ENA/Ethanol	<b>381.31</b> lac kg Chemicals production
₹ <b>43.00</b> crore Operating profit	₹ <b>30.94</b> per Litre RS/ENA/Ethanol realisation	₹ <b>49.90</b> per kg Chemicals realisation



# Analysis of financial statements

## Accounting policy

Dhampur Sugar Mills follows the accrual basis of accounting. Its accounts were prepared on the basis of accounting standards as per Section 211(3C) of the Companies Act, 1956, issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

In a challenging year, the Company registered stable growth, vindicating the resilience and robustness of its business model to deliver superior returns in both good times and bad times.

## A. PROFIT AND LOSS STATEMENT

**Revenue:** The Company's revenues stood at ₹1532.87 crore in 2012-13 as against ₹1595.08 crore in 2011-12. The Company maintained volumes across all its three core products inspite of increase in raw material cost. The Company generated revenue from three segments – sugar, cogeneration and distillery.

**Sugar:** Revenue from the sugar segment stood at ₹1232.46 crore in 2012-13 against ₹1495.70 crore in 2011-12, contributing 64.3 percent of the Company's revenue. The average

realisations strengthened from ₹29.59 per kg in 2011-12 to ₹33.28 per kg in 2012-13.

**Cogeneration:** The cogeneration segment contributed 18.5 percent to the total revenue at ₹355.30 crore in 2012-13 as against ₹333.88 crore in 2011-12, contributing 16.7 percent of the total revenue. The Company generated 57.49 crore units of power and exported 37.75 crore units in 2012-13. The average realisation per unit stood at ₹4.26 per unit in 2012-13 compared to ₹4.22 unit in 2011-12.

**Distillery:** The Company's distillery segment comprised ethanol, alcohol, rectified spirit (RS) and value-added chemical ethyl acetate. The segment revenue stood at ₹329.62 crore in 2012-13 as against ₹174.54 crore in 2011-12, contributing 17.2 percent and 8.7 percent to the total revenue, respectively. The improvement was on account of improved volumes and average realisations at ₹30.94 per litre (RS/ENA/Ethanol) and ₹49.90 per kg (chemicals) in 2012-13 as against ₹27.46 per litre (RS/ENA/Ethanol) and ₹49.55 per kg (chemicals) in 2011-12.

## Other income

The Company's other income stood at ₹7.39 crore in 2012-13 as against ₹4.52 crore in 2011-12, comprising income from rent, dividend and interest income. Other income accounted for only 0.48 percent of the total income, reflecting the Company's emphasis on its core business.

## Operational cost

The Company witnessed an increase in raw material cost and interest cost due to high sugar cane price announced by the U.P. Government correspondingly, the Company enhanced its working capital outlay to sustain a higher inventory.

**Raw materials:** Raw material cost stood at ₹1517.79 crore in 2012-13 as against ₹1032.07 crore in 2011-12.

**Employee cost:** Employee cost stood at ₹71.10 crore in 2012-13 as against ₹58.96 crore in 2011-12.

**Other expenses:** The Company's other expenses stood at ₹168.12 crore in 2012-13 as against ₹133.10 crore in 2011-12. The major components of other expenses comprised stores, spares, packing material, power and fuel, rent, rates, insurance, selling expenses and



miscellaneous expenses, among others.

**Interest:** The interest cost stood at ₹112.67 crore in 2012-13 compared with ₹94.87 crore in 2011-12. Due to higher availment of Working Capital limits on account of higher sugar stock.

### EBIDTA

Notwithstanding the adverse external environment, EBIDTA stood at ₹228.68 crore in 2012-13 as against ₹207.66 crore in 2011-12. The EBIDTA margin stood at 14.85 percent in 2012-13 as against 12.98 percent in 2011-12.

### Net profit

The net profit maintained at ₹22.71 crore in 2012-13 as against ₹29.63 in 2011-12, inspite of the increased cane cost.

## B. BALANCE SHEET

### Capital employed

The capital employed in the business stood at ₹1935.10 crore in 2012-13 against ₹1460.32 crore in 2011-12. The Company's well-timed business strategies and rightly-funded practices helped maintain the return on capital employed.

### Net worth

Net worth (shareholder funds) stood at ₹487.06 crore in 2012-13.

### Equity share capital

The Company's equity share capital comprised 5,39,05,975 equity shares of ₹10 each and 4,13,940 cumulative redeemable preference shares of ₹100 fully paid-up and 4,69,013 1 percent redeemable preference shares of ₹100 each fully paid-up.

### Share capital pending for allotment

Pursuant to the amalgamation of the JKSL with the Company, 33,08,960 Equity shares of ₹10 each and 18,01,817 8% Cumulative Redeemable Preference shares of ₹100 each will be issued and allotted by the Company

### Reserves and surplus

The Company's reserves and surplus stood at ₹403.70 crore in 2012-13

### External funds

The Company's external funds comprised non-current, current borrowings (including working capital) and unsecured loans. Its total external debt stood at ₹1439.12 crore as on 31 March 2013 against ₹992.33 crore as on 31 March 2012, mainly owing to increased working capital borrowings.

### Gross block

The Company's gross block stood at ₹1642.74 crore in 2012-13 as against ₹1446.76 crore in 2011-12, owing to the addition of plant and machinery and other assets.

**Depreciation:** The Company's accumulated depreciation stood at ₹569.73 crore in 2012-13 against ₹461.78 crore in 2011-12, owing to an increase in the gross block. The accumulated depreciation as a percentage of gross block stood at 34.68 percent in 2012-13, reflecting asset contemporariness.

### Current assets

The Company's total current assets stood at ₹1538.47 crore in 2012-13 against ₹1003.50 crore in 2011-12, owing to increased inventory.

**Inventory:** The Company's inventory

stood at ₹1311.26 crore in 2012-13 as against ₹710.23 crore in 2011-12, owing to an increase in finished goods inventory.

**Trade receivables:** The Company's total trade receivables reduced to ₹144.06 crore in 2012-13 compared to ₹216.27 crore in 2011-12.

**Cash and cash equivalents:** The Company's cash and bank balances stood at ₹23.73 crore in 2012-13 against ₹13.21 crore in 2011-12.

**Short-term loans and advances:** The Company's loans and advances stood at ₹54.71 crore in 2012-13 against ₹60.81 crore in 2011-12.

**Other current assets:** Other current assets stood at ₹4.71 crore in 2012-13 against ₹2.98 crore in 2011-12.

### Current liabilities

The total current liabilities stood at ₹1749.54 crore in 2012-13 as against ₹1109.90 crore in 2011-12, owing to an increased working capital borrowings.

**Short-term borrowings:** The Company's short-term borrowings stood at ₹905.52 crore in 2012-13 against ₹454.05 crore, owing to increased working capital borrowings due to higher inventories.

**Trade payable:** The Company's Creditors stood at ₹618.41 crore in 2012-13 against ₹433.12 crore in 2011-12.

**Other current liabilities:** The other current liabilities stood at ₹199.75 crore in 2012-13 against ₹204.53 crore in 2011-12.

**Short-term provisions:** The Company's short-term provisions stood at ₹25.86 crore in 2012-13 against ₹18.20 crore in 2011-12, owing to an increase in provisions for employees and dividend.

## Management discussion and analysis

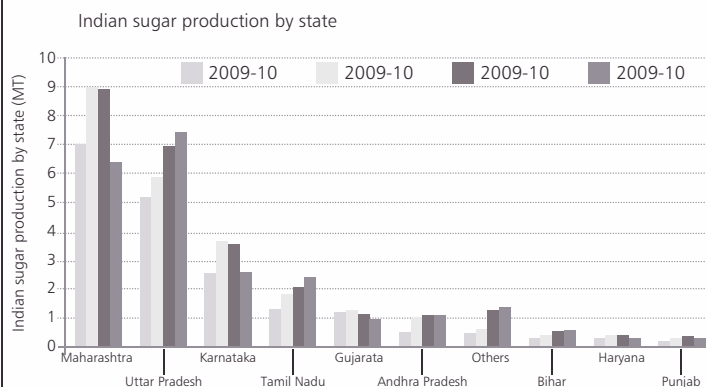
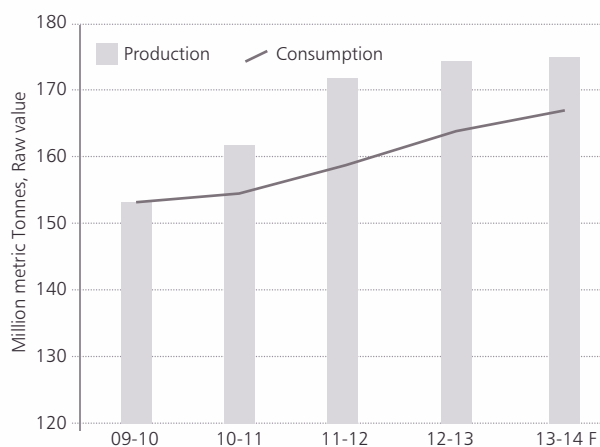
### Global sugar industry

International raw sugar prices are at levels not seen in nearly three years with prices less than half the peak set in February 2011. These low prices are expected to stimulate global consumption and trade, with

exports forecast 4 percent higher at 59 million tonnes. The global sugar market continues to be in a surplus. The previous year saw a surplus of 10.9 million tonnes, but in 2013-14, the USDA expects lower prices to drive consumption up.

### Forecast overview

Brazil's production is forecast at a record 40.4 million tonnes, up 1.8 million on higher yields as a result of good weather and adequate sugarcane renewal. Record exports are forecast at 29.3 million tonnes despite mills



Source: USDA, ISMA, CBA

expanding ethanol production to fill a domestic increase in the ethanol content blended with gasoline. The share of the sugarcane crop for sugar is down slightly to 48 percent, as opposed to an even 50/50 sugar to ethanol split the prior year. China is Brazil's top market, though rising exports to the United Arab Emirates, Algeria, Indonesia, Russia and India are expected to continue.

India's sugar production is expected to dip by 3% to 24.52 million tonnes in 2012-13 following lower yields. Declining production and low world prices are expected to push imports higher to 1.5 million tonnes to augment supplies for the world's largest sugar consumer.

### Indian sugar industry

Production by the world's second largest producer and biggest consumer, is pegged at 24.52 million tonnes in the 2012-13 marketing year (October-September) with the annual domestic consumption is about 22 million tonnes. In April 2013, the Government deregulated sugar sales and eliminated the levy on sugar mills, giving the industry more flexibility to respond to market dynamics.

India's sugar production is projected to fall by eight per cent to 23.2 million tonnes in 2013-14 marketing year starting October mainly due to lower output of sugarcane. The expected decline in sugar production can be attributed to lower cane production and higher diversion for alternative sweetener. Following sugar decontrol,

the government's reform of marketing controls is expected to provide millers with greater flexibility in managing sales and cash flows leading to timely cane payments. The abolition of levy sugar and release mechanism will provide the industry flexibility to manage inventories and sales timing.

### Sugar Production

Till April, 2013, sugar mills had crushed about 2430 lakh tonne of sugarcane, to produce 245.2 lakh tonne of sugar with 10.09% reported recoveries across states. Sugarcane crush is about 1% lower, but sugar production about 3% lower compared to the corresponding period of the previous year due to lower recoveries.

Maharashtra was the leading sugar producing state producing about 79.7 lakh tonnes of sugar by crushing 699 lakh tonne of sugarcane with 11.40% reported recovery. Uttar Pradesh produced 74.3 lakh tonne of sugar with 808 lakh tonne of sugarcane crushing. Western & Central UP reported better recoveries, but Eastern reported lower. Karnataka closed crushing operations with 33.6 lakh tonne of sugar production as against of 37.2 lakh tonne of sugar production in the previous last year. Andhra Pradesh had only two mills crushing and produced 9.9 lakh tonne of sugar as against 11.1 lakh tonne last year (*Source: ISMA*).

### Area under sugarcane cultivation

India's area under cultivation could see a 1.5 per cent drop for the crushing

season starting October 2013 following lower planting in Maharashtra, Karnataka and Tamil Nadu. The Indian Sugar Mills' Association, based on satellite images in June and field visits by its research team, expects cane acreage for the 2013-14 sugar year to be 51.50 lakh ha, about 1.52 per cent lower than the previous year's 52.30 lakh ha. The estimates are based on current crop growth, rainfall, reservoir levels and input applications, among others.

The cane area in Uttar Pradesh is expected to be 3.1 per cent higher at 25 lakh ha, despite pending cane payments of about ₹4,000 crore to farmers. The substantially higher sugar cane prices in comparison to other competing crops in UP (paddy and wheat) are seen luring more farmers to the crop. The other sub-tropical States including Haryana, Bihar and Madhya Pradesh also reported an upward trend in sugarcane acreage.

However, the drought in Maharashtra last year could shrink the cane area by 12.5 per cent to around 8.2 lakh ha against last year's 9.4 lakh ha. The impact of last year's lesser rainfall available for the 15-18 month crop and pre-seasonal crop plantation actually impacted the overall acreage in 2013-14. Similarly, in Karnataka the acreage is expected to be lower by 8 per cent at 3.9 lakh ha for the 2013-14 season. However, the worst affected among the tropical States is Tamil Nadu, where cane area could decline 16 per cent at 2.7 lakh ha over last year's 3.2 lakh ha (*Source: ISMA*).

### Sugarcane acreage in India (lakh hectares)

2008-09	2009-10	2010-11	2011-12	2012-13
44.15	41.75	49.44	50.93	52.30



## Cogeneration sector

Cogeneration comprises the production of two forms of energy (one must be heat and the other electrical or mechanical) from one fuel. Cogeneration is an established process in the sugar industry with practically every phase in sugar manufacturing (juice extraction, bagasse/pulp drying, juice purification, evaporation and crystallisation) requiring heat. Relatively low-steam temperature installations generate sufficient electricity to meet the processing needs of a plant. However, high efficiency boilers will not only provide sugar processing with cheaper heat but can also produce electrical output much higher than the internal processing needs (captive consumption).

**Opportunity:** India is the fourth-largest energy consumer in the world, trailing only the United States, China, and Russia. In 2012 India had the tenth-largest economy in the world as measured in terms of US dollars

(converted at official exchange rates), and the third largest economy in the world when GDP is adjusted for inflation and purchasing power. This inflation-adjusted GDP has grown at over 7% per year since 2000, although it slowed to just over 5% in 2012 according to the Indian Central Statistical Organisation. As a result, the growth rate for total energy consumption understandably fell from prior-year levels. However, forecasts suggest higher real GDP growth in 2013, which EIA expects to be accompanied with greater growth in energy consumption (Source: US Energy Information Administration).

The Central Electricity Authority of India, in its Load Generation Balance Report 2012-13, pointed out that India would suffer an average electrical energy shortage of 9.3% and a peak power shortage of 10.6% during the 2012-13 fiscal. Compared to this, cogeneration is a viable option. As the low-pressure steam has a large

quantum of heat which is lost in the process of condensing, the efficiency of conventional power plants is only around 35%. In a cogeneration plant, very high efficiency levels in the range of 75% - 90% can be reached. Cogeneration therefore offers energy savings ranging between 15-40% when compared with supply of electricity from conventional power stations.

**Demand:** The National Electricity Plan 2012 released by the Ministry of Power, Government of India predicts that a capacity addition of 79,690 MW and 79,200 MW would be required by the end of the 12th and 13th Five Year Plans, respectively, in order to meet the increasing demand for electricity in our country.

## Ethanol

The annual ethanol requirement is estimated at about 1,000 million litres based on 5% blended petrol, which is already available in some states. In

## Conventional Bioethanol Production and Distribution (Million Litres)

Calendar Year	2006	2007	2008	2009	2010	2011	2012
Opening Stock	483	747	1,396	1,673	1,283	1,085	1,049
Production	1,898	2,398	2,150	1,073	1,435	1,934	2,130
Imports	29	15	70	320	150	50	100
Total Supply	2,410	3,160	3,616	3,066	2,868	3,069	3,279
Exports	24	14	3	3	3	10	10
Consumption							
Industrial use	619	650	700	700	720	750	775
Potable Liquor	745	800	850	880	900	950	1010
Blended petrol	200	200	280	100	50	250	300
Other use	75	100	110	100	110	110	110
Total Consumption	1,639	1,750	1,940	1,780	1,780	2,010	2,095
Ending Stocks	747	1,396	1,673	1,283	1,085	1,049	1,024
Total Distribution	2,410	3,160	3,616	3,066	2,868	3,069	3,279

Source: FAS

a significant move that could mark a turnaround in the fortunes of sugar mills, India's public-sector oil marketing companies (OMCs) started placing orders for ethanol procurement at an average ex-factory price of around ₹36 a litre as against ₹27 a litre earlier. OMCs need green fuel blended directly with petrol to decrease dependence on imported fuel and save foreign exchange. The sugar industry is confident of meeting almost the full quantity of OMCs' requirement next season and do not require to import at a premium to petrol.

**Ethanol production and distribution:** India's ethanol production capacity in 2013 was 1,620 mn litre, of which Maharashtra owned 928 mn litres of capacity. Ethanol production in India was expected to rise by 29% to 2.1 billion litres in 2012 in a year marked by high sugar production, therefore higher production of molasses, from which ethanol is made. Domestic ethanol consumption rose by 4.5% to 2.09 billion litres. However, only an estimated 300 million litres were available to be

blended with petrol

India has 330 distilleries which produce over 4 billion litres of rectified spirit (alcohol) per year. Of the total distilleries, about 120 distilleries have the capacity to distillate 1.8 billion litres (an additional annual ethanol production capacity of 365 million litres was built up in last three years after the government provided funds to the sugar mills) of conventional ethanol per year and meet the demand for 5% blending with petrol. Currently, India produces conventional bio-ethanol from sugar molasses and production of advanced bio-ethanol is in its nascent phase (research and development).

### Internal control systems and their adequacy

Internal control systems give authenticity to the information, reports, records, documents, transactions and serve as a strong foundation for decision-making for the management. The Company has established proper internal control systems and procedures which are compatible with the size of its

operations and business. With a view to ensure that the aforementioned systems are adhered to and the controls are not flouted, Internal Audit of operations, is conducted on quarterly basis. The Audit Committee reviews the reports of the Internal Audit and monitors the overall effectiveness and the operational efficiency of the internal control systems. The Audit Committee provides valuable suggestions from time to time towards improving the business processes, systems and internal controls.

### Human resources

Your Company's human resource agenda for the year was mediated towards strengthening four key areas: building a robust and diverse talent pipeline, enhancing individual and organisational capabilities so as to be future-ready, driving greater employee engagement and strengthening employee relations through the espousal of progressive shopfloor practices. The Company took proactive measures like organising trainings drills, people review processes and employee engagement initiatives.

## Managing risks at Dhampur



At Dhampur, risk mitigation is a comprehensive and integrated procedure that provides a clear understanding of strategies, policies, initiatives and norms, leading to structured reporting and control.

### 01

#### Industry risk

The Company's growth is largely dependent on the growth of the sugar industry.

#### Mitigation

India's low per capita sugar consumption of 18.9 kg compared with a global per capita income pegged at 23.7 kg provides enough room for growth in the sector, especially since the domestic market is under-served and home to 1.3 billion individuals. India is also the world's second largest sugar producer, estimated to produce 24.52 MT in 2012-13, provides adequate scope for growth. Further, since sugar is an essential and preferred sweetener, it seldom faces any slackening demand in the country.

### 02

#### Raw material risk

Rising sugarcane prices and non-availability could adversely affect the Company.

#### Mitigation

The Company's plants are located in the cane-rich areas of western Uttar Pradesh. Its focused cane development team encourages farmers to enhance yield and plantation acreage. The proposed sector de-control in terms of introducing the Fair price mechanism for purchase of raw material will adequately help the ailing industry to recover. Moreover, the proposed revenue-sharing formula by the Rangarajan Committee will ensure cane prices are fixed at 75 percent of the sugar price realisation, strengthening the industry's global competitiveness.

### 03

#### Cyclicality risk

Operating in a cyclical business, weak operational efficiency could affect profitability.

#### Mitigation

The Company's integrated business model has yielded sustainable profit growth over the last few years even in the face of wide-scale mill shutdowns. Dhampur is among the few in the sector to have progressively invested more in its ancillary businesses (ethanol and co-generated power), imparting a robust competitive edge to protect fortunes from cyclicality. Moreover, its 1700 TPD sugar refining capacity enables the Company to convert raw sugar into white sugar, thereby enabling it to run its assets beyond the sugar season.



## 04

**Location risk**

It is critical to locate mills proximate to command areas to ensure quicker harvesting and higher recoveries.

**Mitigation**

The Company's mills are located within 50 km (average) of its command area, being well-connected to railway lines and state and national highways. This ensures cane delivery within 30 hours after harvest. The Company has also established several cane gate centres in its command area for larger and quicker intake of cane, freeing land for farmers to plant the second crop faster.

## 05

**Regulatory risks**

Unfavourable government policies could derail business plans.

**Mitigation**

The government constituted the Rangarajan Committee to progressively de-control the sugar sector. Moreover, the mandate by the central government on blending ethanol with automotive fuel will further boost the growth of the ethanol sale and help the ailing sector grow.

## 06

**Competition risk**

Unorganised sugar mills could adopt aggressive pricing for cane, thereby enforcing abnormal rise in cane prices.

**Mitigation**

The Company purchases cane from more than 187,000 farmers located within its command area through assured buyback and fair remuneration. Further its newly formed bio-fertiliser unit along with the special soil testing laboratory goes a long way in providing quality support to farmers to increase quality of the crop and assure raw material linkages.

## 07

**Liquidity risk**

In a capital-intensive industry, raising adequate and rightly-priced working capital or long-term funds might pose a challenge.

**Mitigation**

The Company's recent JK Sugar Mills acquisition was a non-cash transaction, routed completely through equity allocation. Besides, the Company's track record of timely loans repayment has earned it a favourable reputation among banks and financial institutions for sourcing low-cost funds. The same is reflected in its low gearing maintained over the last few years.

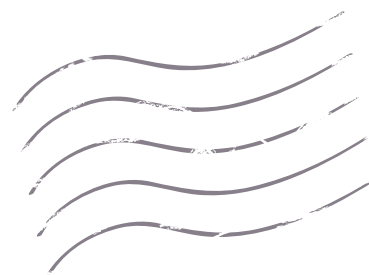
# Directors' Report



*Dear members*

Your Directors are pleased to present their 78th Annual Report together with the Company's audited accounts for the year ended 31st March, 2013.

		(₹ Crores)
Financial results	31st March, 2013	31st March, 2012
Total turnover	1540.26	1598.37
Operating profit (before interest, depreciation, extraordinary items and tax)	228.73	206.57
Interest	112.67	94.87
Depreciation	76.76	67.66
Extraordinary items	0.00	0.00
Profit before tax	39.30	44.04
Provision for tax	16.54	15.50
Profit after tax	22.76	28.54
Proposed dividend	8.89	7.04
Tax on proposed dividend	1.51	1.14
Transferred to Debenture Redemption Reserve	1.26	0.00
Transferred to General Reserve	15.00	50.00
Balance brought forward	21.27	46.61
Surplus carried to Balance Sheet	17.37	21.27



### Merger of JK Sugar Limited with the Company:

Hon'ble High Courts of Allahabad and Kolkata have approved merger of JK Sugar Limited with the Company with effect from 1st April 2012 vide their orders dated 18th March, 2013 and 17th May, 2013 respectively. Consequent to the same, 33,08,960 (Thirty Three Lacs Eight Thousand Nine Hundred Sixty only) Equity Shares of ₹10 each and 18,01,817 (Eighteen Lacs One Thousand Eight Hundred Seventeen only) 8% Redeemable Preference Shares

of ₹100 each of Dhampur Sugar Mills Limited (Transferee Company) will be allotted to the shareholders of JK Sugar Limited.

### Dividend:

Your Directors recommend a dividend of ₹1.25/- per equity share (12.50%) on 5,72,14,935 equity shares of ₹10 each (including 33,08,960 equity shares of ₹10 each to be issued pursuant to the amalgamation of JK Sugar Limited with the Company) for the period ended 31st March, 2013 which, if approved at the

ensuing Annual General Meeting, will be paid to the following:

- i) All those members whose names appear in the register of members as on 13th September, 2013.
- ii) All those members whose names appear on that date as beneficial owners as furnished by NSDL and CDSL.

### Operational performance:

#### Sugar units:

The key operational data of sugar/co-generation/chemical units are as follows:

Sugar operations at a glance		
	31st March, 2013	31st March, 2012
Cane crushed (lac-qtls.)	451.16	375.44
Recovery (per cent)	9.35	9.23
Sugar produced (lac-qtls.)	41.68	34.67

Co-generation operations at a glance		
	31st March, 2013	31st March, 2012
Power generated (M.W.)	5,74,853	4,69,480
Sale to UPPCL (M.W.)	3,77,547	3,05,596

Chemical operations at a glance		
	31st March, 2013	31st March, 2012
RS/ENA/Ethanol produced ( in lacs BL)	381.87	297.44
Chemicals produced (net) (in lacs KG)	381.31	184.19



## Subsidiaries and promoted company:

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary Companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary Companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary Companies.

## Public deposits:

Public deposits as on 31st March, 2013 stood at ₹24.86 crore as against ₹21.82 crore as on 31st March, 2012. There were unclaimed deposits amounting to ₹0.73 crore pertaining to 163 depositors as on that date. Out of these, depositors with deposits aggregating ₹0.42 crore have subsequently claimed/renewed their deposits. However, the balance amount of ₹0.31 crore still remains unclaimed.

## Directors:

Shri. V.K Goel, Shri A.K Goel, Shri. Priya Brat, and Shri Rahul Bedi, Directors of the Company will retire by rotation and being eligible offer themselves for re-appointment.

During the year Shri S K Wadhwa, Circle Head, PNB Moradabad, and Mr. M.K Jain, GM, Risk Department, IDBI were appointed as Nominee Directors in the Company on behalf of Punjab National Bank and IDBI Bank respectively.

During the year Nomination by IFCI Limited in the Board was withdrawn and accordingly Mr. S.P Arora, nominee of IFCI ceased to be Director of the Company.

## Directors' responsibility statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- i) That the applicable accounting standards have been followed in the preparation of the Annual Accounts;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the Company's state of affairs at the end of the financial period and of the profit or loss of the Company for

that period;

- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a 'going concern' basis.

## Auditors and Auditors' Report:

M/s S. Vaish & Co., Chartered Accountants, Kanpur, and M/s Mittal Gupta & Co., Chartered Accountants, Kanpur, the joint auditors of your Company will retire at the ensuing Annual General Meeting and being eligible are proposed to be re-appointed.

The observations of the Auditors in their report read with the accounts are self-explanatory and therefore do not require further explanation.

M/s S.S Kothari Mehta & Company, Chartered Accountants, New Delhi are proposed to be appointed as branch auditors of the Meeraganj unit of the company for the year 2013-14.

## Corporate Governance:

In compliance with Clause 49 of the Listing Agreement with the stock exchanges, a detailed Corporate

Governance Report has been given elsewhere in this report, along with the Management discussion and analysis report, which form an integral part of the Annual Report.

A certificate from Shri Saket Sharma, FCS, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

### Particulars of Employees:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1) (b) (iv) of the said Act, the Annual Report excluding the

aforesaid information is being sent to all the Company Members and others entitled thereto. Members interested in obtaining such particulars may write to the Company Secretary at the Company's Registered Office.

### Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The particulars as required by the Companies (Disclosure of particulars in the Board of Directors report) Rules, 1988, with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure.

### Industrial relations:

The industrial relations remained cordial during the period.

### Acknowledgements:

Your Directors place on record their acknowledgement and sincere appreciation to the shareholders for their confidence in the management of the Company, the Central Government, the State Government, banks and financial institutions for their continued support, the cane growers for their efforts in ensuring timely cane supply, the Company's officers and staff for their relentless and dedicated efforts, resulting in the Company's growth and look forward to a bright future.

By order of the Board of Directors

Place: New Delhi

Date: 25th July, 2013

V. K. Goel

Chairman



# Annexure - I. to Directors' Report

for the year ended 31st March, 2013

## Conservation of energy:

a) Energy conservation measures taken for saving steam:

- i) Utilising lower grade heat in plate heat exchangers and pans.
- ii) Automation/Instrumentation in the process for precise control and steam reduction.

b) Utilisation of heat in flue gases for bagasse drying to achieve additional bagasse saving and thereby producing more power from own renewable source.

I.	Power and fuel consumption		31st March, 2013	31st March, 2012
1	Electricity			
	A	Purchased: Units (kwh)	33,99,725	22,39,688
		Total value (₹)	2,04,87,120	1,23,67,241
		Rate (₹/Unit)	6.03	5.52
	B	Own generation:		
		i.	Through diesel generator:	
			Units (kwh)	10,09,635
			Unit per litre of diesel	3.30
			Cost/unit	12.72
		ii.	Through steam turbine::	
			Units (KWH)	11,92,70,623
			Unit per litre of fuel/oil/gas	Steam produced mainly by use of own and purchased bagasse, paddy husk and coal.
2	Coal			
	Quantity (tonnes)		-	57,556
	Total cost (₹ in lac)		-	3,137.38
	Average rate (₹ / tonnes)		-	5,451
3	Furnace oil			
	Quantity (lts.)		-	-
	Total cost (₹)		-	-
	Average rate		-	-



I.	Power and fuel consumption		31st March, 2013	31st March, 2012
	4	Other/Internal generation:		
		Quantity (tonnes)	-	-
		Total cost (₹)	-	-
		Average rate	-	-
II.	Consumption per unit of production			
	A	Sugar (qtls.)	41,67,850	34,57,876
		- Electricity (kwh/qtls.)	32.68	31.92
		- Furnace oil	-	-
		- Coal (tonnes)	-	-
	B	Chemical (qtls.)	-	-
		- Electricity (kwh/qtls.)	25.74	25.26
		- Furnace oil	-	-
		- Coal (tonnes)	-	-

### Technology absorption:

#### Research and development

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

Further development of new liquid bio-fertilizer and decomposing culture for compost to produce improved bio-compost.

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

Better sugarcane yields for farmers by usage of this bio-compost in the fields.

#### 3. Future plan of action:

Installation of planetary gear drive with AC Motor at mills for reduction in power consumption and maintenance.

#### 4. Expenditure on R&D:

₹2.77 crore compared with previous year's ₹16.73 crore

### Technology absorption, adoption and innovation:

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

Bagasse dryer drawing and design imported and implemented.

2. Benefit derived as a result of above efforts e.g. product improvement, cost reduction, product development and import substitution, among others:

a) Technology imported – No.

b) Year of import - N.A.

c) Has technology been fully absorbed - N.A.

d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action - N.A.


#### Foreign exchange earnings and outgo:

a) Activities related to exports:

Steps were taken to increase export, development of new export markets for products, services and export plans.

During the period, the Company has undertaken export of extra neutral alcohol for the first time.

b) Total foreign exchange used and earned:	(₹ Crores)	
	Current Year	Previous Year
Export and foreign exchange earnings	189.25	145.53
Imports and expenditure in foreign currency	3.30	132.35



## Report on Corporate Governance

### Company's philosophy on Corporate Governance:

The Company believes that an ethical mindset is the bedrock of good Corporate Governance practices. This entails garnering support from diverse individuals and agencies. The following attributes are indispensable towards instituting good Corporate Governance practices:

- a) Transparency in policies and action.
- b) Independence to develop and maintain a healthy working culture.
- c) Accountability of performance.

d) Responsibility towards the society and the core values it espouses.

e) Growth for stakeholders.

The Company makes an honest endeavour to uphold these attributes in all its operational aspects.

### Board of Directors:

The Company's Board of Directors comprises Promoters, Executives, Non-executives, Nominee(s) and Independent Directors. There are 13 Directors on the Board as on 31st March, 2013, of whom five are Whole-time Directors, including Chairman and Vice Chairman.

During the period from 1st April, 2012 to 31st March, 2013, six Board meetings were held on:

- 1) 15th May, 2012
- 2) 30th May, 2012
- 3) 10th June, 2012
- 4) 30th July, 2012
- 5) 30th October, 2012
- 6) 8th February, 2013

The attendance of each Director at Board meetings, the last Annual General Meeting and number of other directorships and chairmanships/ memberships of committees of each Director in various companies:



Name of Director(s)	Category	No. of Board meeting attended	Last AGM attended	No. of other directorships and committee memberships/chairmanships		
				Other directorships	Committee memberships	Committee chairmanships
Shri V. K. Goel	P,C & ED	6	Yes	4	None	None
Shri A. K. Goel	P & VC	5	Yes	1	1	None
Shri Gaurav Goel	P & MD	6	Yes	10	2	None
Shri Gautam Goel	P & MD	4	Yes	6	None	None
Shri A. K. Gupta	ID & NED	4	Yes	14	2	1
Shri M. P. Mehrotra	ID & NED	6	Yes	16	6	4
Shri Harish Saluja	ID & NED	4	No	5	1	None
Shri Rahul Bedi	ID & NED	5	No	None	None	None
Shri J. P. Sharma	WTD	1	Yes	1	None	None
Shri Priya Brat	ID & NED	6	No	3	5	2
Shri B. B. Tandon	ID & NED	5	No	15	19	3
Shri S.K Wadhwa	ID,ND & NED	3	No	None	None	None
Shri M.K Jain	ID,ND & NED	2	No	None	None	None
Mrs. Romi Chakravorty (ceased w.e.f 06.06.2012)	ID,ND & NED	0	No	None	None	None
Shri S. P. Arora (Ceased W.e.f 05.03.2013)	ID,ND & NED	6	No	12	1	None
Mr. R.K Chaujar (ceased w.e.f 10.06.2012)	ID,ND & NED	2	No	None	None	None



P, C & ED: Promoter, Chairman and Executive Director;

VC : Vice Chairman;

MD : Managing Director;

ID : Independent Director;

WTD : Whole-time Director;

NED : Non-Executive Director;

ND : Nominee Director.

Brief resumes of the Directors being reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and the membership of committees of the Board are furnished here under:

a) **Shri V.K Goel** : Chairman of the Company . He is well-known sugar technologist and entrepreneur with an industry experience spanning 53 years. He has been responsible for the innovation and R&D initiative undertaken by the Company and has placed it among the global leaders in sugarcane technology. He has been the President of Indian Sugar Mills Association (ISMA), an apex body of sugar manufacturers of India. An avid sportsperson, he is also the Founder President of the Delhi Squash Association.

He has been associated with the Company as a Promoter Director, since 1960.

Age : 73 years

Qualification : Chemical engineer

Experience : 53 years

Directorship in other companies: 1) Goel Investments Limited, 2) Delton Cables Limited 3) Saraswati Properties Limited, 4) Khandelwal Laboratories Private Limited

Committee/Executive position held in other Companies: - None

b) **Shri A.K Goel** : Vice Chairman of the Company, he has a vast experience of over 44 years in the domestic sugar industry and paper industry. He has been the President of the Indian Sugar Mills Association (ISMA) and also the President of UTTAR PRADESH Sugar Mills Association (UPSMA). He is also the Founder President of Indian Agro Paper Mills Association (IAPMA). He is a dedicated bridge player and Founder President of Contract Bridge Association. He has represented India at the Bridge Olympiad and the Bermuda Bowl. He has been associated with the Company as a promoter Director since 1969.

Age : 67 years

Qualification : Commerce graduate

Experience : 44 years

Directorship in other Companies: Goel Investments Limited

Committee/Executive position held in other Companies: - One

c) **Mr. Rahul Bedi**: Independent Director, aged 59 years. An experienced Journalist, he is the Indian Correspondent for the Daily Telegraph,

UK and the Irish Times, Dublin. He specialises in military and security-related issues. An MA in English Literature from Delhi University he was also at Oriel College, Oxford as the Reuters Fellow in the mid 1980's. He has co-authored several books. In the 1970's he was Assistant Master at The Mayo College, Ajmer and The Doon School where he taught English, History and Mathematics.

Age : 61 years

Qualification : Post graduate

Experience : 34 years

Directorship in other companies: None

d) **Shri Priya Brat** : Independent Director of the Company. He is a science graduate and started his career as an academician but has been a banker since 1959 and retired as Deputy Managing Director of State Bank of India. During his remarkable career he has been associated with several major financial institutions. He has been on the boards of State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Travancore, State Bank of Saurashtra, Madhya Pradesh State Development Corporation, Madhya Pradesh State Electronic Development Corporation and OPTEL.

Age : 77 years

Qualification : M.Sc ( Hons)

Experience : 54 years

Directorship in other companies : 1) Dhanuka Agritech Limited, 2) Eicher Motors Limited, 3) South Asian Enterprises Limited .

Committee/Executive position held in other Companies: Five

### Audit Committee:

The Committee discharges such duties and functions generally as set out in

Clause 49 of the Listing Agreement with the Stock Exchanges and such other functions as may be specifically delegated to the Committee by the Board from time to time. The constitution of the Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956. The members of the Audit Committee comprise three Independent

Non-Executive Directors and the Vice Chairman.

During the period from 1st April, 2012 to 31st March, 2013, four Audit Committee meetings were held on:

- 1) 15th May, 2012
- 2) 30th July, 2012
- 3) 30th October, 2012
- 4) 8th February, 2013

#### Details of the composition of the Audit Committee and the attendance at the meetings held are as follows:

Sl. No.	Name of Directors	Meetings attended
1	Shri M. P. Mehrotra, Chairman	4
2	Shri A. K. Goel	3
3	Shri A. K. Gupta	2
4	Shri Priya Brat	4

The Committee, inter alia, reviewed the financial statements including Auditors' Reports for the year ended 31st March, 2013 and recommended its adoption, records of related party transactions, reports related to compliance of laws and risk management.

Shri Arhant Jain, Executive President (Finance)-cum Company Secretary also acts as the Secretary to the Committee.

### Remuneration Committee:

The Remuneration Committee recommends/review the remuneration package of the Managing/whole-time

Directors, based on their performance and defined assessment criteria.

During the period from 1st April, 2012 to 31st March, 2013, two remuneration committee meetings were held on:

- 1) 15th May, 2012
- 2) 8th February, 2013

#### Details of the composition of the Remuneration Committee and the attendance at the meetings held are as follows:

Sl. No.	Name of Directors	Meetings attended
1	Shri M. P. Mehrotra, Chairman	2
2	Shri Harish Saluja	2
3	Shri A. K. Gupta	–
4	Shri Priya Brat	2
5	Shri B.B Tandon	1

## Details of remuneration paid to Directors for the year ended 31st March, 2013

(₹ in lac)

Name of Director(s)	Category	Salary and perquisites	Sitting fee
Shri V.K. Goel	P,C & ED	93.76	-
Shri A.K. Goel	P & VC	93.76	-
Shri Gaurav Goel	P & MD	133.76	-
Shri Gautam Goel	P & MD	53.76	-
Shri A.K. Gupta	ID & NED		1.43
Shri M.P. Mehrotra	ID & NED		1.58
Shri Harish Saluja	ID & NED		0.98
Shri Rahul Bedi	ID & NED		0.75
Shri J. P. Sharma	WTD		-
Shri Priya Brat	ID & NED	-	1.88
Shri B.B. Tandon	ID & NED	-	0.75
Mrs. Romi Chakravorty (ceased w.e.f 06.06.2012)	ID,ND & NED	-	-
Shri S. P. Arora (ceased w.e.f 05.03.2013)	ID,ND & NED	-	1.20
Mr. R.K Chaujar (ceased w.e.f 10.06.2012)	ID,ND & NED	-	0.15
Shri. M.K Jain( appointed w.e.f 06.06.2012)	ID,ND & NED		0.45
Shri S.K Wadhwa ( appointed w.e.f 10.06.2012)	ID,ND & NED		0.45

\*\* Payment to Non-Executive Directors is done in the form of sitting fees for attending Board Meetings and Committee Meetings.

### Shareholders'/Investors' Grievance Committee:

The Board had reconstituted the Shareholders'/ Investors' Grievance Committee( the Committee) on 28th November, 2008, comprising Shri A. K. Gupta, Chairman; Shri Priya Brat; Shri S. P. Arora and Shri Harish Saluja.

The Committee, inter alia, reviews issue of duplicate certificates and oversees and reviews all matters connected with the Company's transfers of securities. It looks into the redressal

of shareholders'/investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, among others. It oversees the performance of the Company's Registrars and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. Besides, it monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider

Trading) Regulations, 1992. The Board delegated the power of approving transfer of securities to Shri Gaurav Goel, the Company's Managing Director.

During the period from 1st April, 2012 to 31st March, 2013, four Investors Grievance Committee meetings were held on:

- 1) 15th May, 2012
- 2) 30th July, 2012
- 3) 30th October, 2012
- 4) 8th February, 2013

### The attendance at the meetings are as follows:

Sl. No.	Name of Directors	Meetings attended
1	Shri A. K. Gupta, Chairman	2
2	Shri Priya Brat	4
3	Shri Harish Saluja	4
4	Shri S. P. Arora (ceased w.e.f 05.03.2013)	4

## Status of Investors' Grievances:

The total number of letters/complaints received is 265 and all of them have been dealt with to the satisfaction of the shareholders during the period ending

on 31st March, 2013 and no demat request/transfer was pending as on that date.

### Compliance Officer

Mr. Arhant Jain, Executive President (Finance) & Company Secretary, is the

Compliance Officer of the Company.

The Company has made operational a separate e-mail id i.e. investordesk@dhampur.com for the benefit of the investors which is also provided at the website of the Company.

## General body meetings:

Details of Annual General Meetings are as follows:

### i. Location and time, where last three AGMs were held.

Year	Location	Date	Time
2011-2012	Registered office P.O. Dhampur (Bijnor)	30th August, 2012	2.00 p.m
2009-2011	Registered office P.O. Dhampur (Bijnor)	1st August, 2011	2.00 p.m
2008-2009	Registered office P.O. Dhampur (Bijnor)	10th February, 2010	2.00 p.m

i. Whether special resolutions were passed in the previous three AGMs?

Yes, Mr. V.K Goel was reappointed as Chairman.

ii. Whether any special resolutions were put through the postal ballot last year?

No

iii. Are any votes proposed to be conducted through postal ballot this year?

No

## Disclosures

I. The Company does not have any materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors, the management, their subsidiaries and relatives, among others that may have potential conflict with the interest of the Company at large. However, disclosures of transactions with related parties are set out in the notes to Accounts, forming

part of Annual Report.

II. The Company has followed the existing accounting standards and other applicable laws and regulations.

III. The Company has laid down procedures for Risk Assessment and Minimization, and the same is periodically reviewed by the Board. The Company has adequate internal control systems to identify risk and ensuring their effective control.

IV. The Company has duly complied with the requirements of regulatory authorities on capital markets and no penalties/strictures were imposed against it during the last three years.

V. There was no public issue or rights issue during the year.

VI. Shri. Ashwani K Gupta and Shri Harish saluja, Non –Executive Directors hold 8,237 and 3,000 Equity Shares respectively in the Company as on 31st March, 2013.

## Means of communication

I. The Company's quarterly results in the proforma prescribed by the Stock Exchanges pursuant to Clause 41 of the Listing Agreement are approved and taken on record by the Board of Directors and submitted to the Stock Exchanges. The results are normally published in Business Standard/Financial Express/Economics Times (in English) and Jan Satta/Amar Ujala/Veer Arjun (in Hindi).

II. As per the requirement of Clause 52 and 54 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern among others is posted on corpfilng website and also on the Company's website (www.dhampur.com) within the time prescribed in this regard. The Company's website also displays presentations made to the media, analysts, institutional investors, fund managers, among others, from time to time.



## General shareholder information

### 78th Annual General Meeting:

Date : 20 September, 2013

Time : 2 p.m.

Venue : Registered office at Dhampur, Dist.Bijnor (UTTAR PRADESH)

### Tentative financial calendar

Board meeting to approve quarterly financial results :

#### Period quarter ending

30th June, 2013

30th September, 2013

31st December, 2013

31st March, 2014

#### Proposed Board meeting dates

End July, 2013

End October, 2013

End January, 2013

End May, 2014

Annual General Meeting for the year ended 31st March, 2014: September, 2014

### Date of book closure

From Friday, 13th September, 2013 to Friday 20th September, 2013. (both days inclusive)

### Listing on stock exchanges

- The Bombay Stock Exchange Limited (BSE)
- The National Stock Exchange of India Limited (NSE)

The annual listing fees for the year 2013-14 have been duly paid to all the above stock exchanges.

### Stock code

#### Stock exchanges

- The Bombay Stock Exchange Limited (BSE)
- The National Stock Exchange of India Limited (NSE)

#### Stock code

500119

Dhampursug

The Equity Shares available for dematerialisation are as follows

ISIN No.INE041A01016 with NSDL and CDSL.

### Stock market data from 1st April, 2012 to 31st March, 2013

Months	National Stock Exchange		Bombay Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	50.15	41.40	50.50	41.15
May, 2012	50.00	41.20	50.00	41.10
June, 2012	52.00	41.15	52.00	41.50
July, 2012	70.50	49.50	70.25	49.55
August, 2012	73.10	55.95	73.00	64.50
September, 2012	75.40	64.60	75.40	64.50
October, 2012	75.35	64.25	75.25	65.10
November, 2012	69.00	57.55	69.35	57.60
December, 2012	66.70	51.60	67.00	51.45
January, 2013	54.50	44.60	54.35	44.55
February, 2013	49.70	41.10	50.00	41.25
March, 2013	49.70	41.10	52.55	40.60

## Registrars & Share Transfer Agents

M/s Alankit Assignments Limited,

Alankit House, 2E/21 Jhandewalan Extension, New Delhi 110 055

Ph: 011-42541953, Fax : 011-42541201

E- mail : rta@alankit.com

## Share Transfer System

At present, the share transfers which are received in physical form are processed and the share certificates returned within the stipulated period from the date of receipt, subject to the documents being valid and complete in all respects.

As per the latest SEBI circular, it has become mandatory for transferee(s) to furnish a copy of his/her/their PANCARD for registration of transfer of shares in Physical form.

### 9. Distribution of shareholding as on 31st March, 2013

Sl. No	Shareholding of normal value of ₹10 each	No. of share- holders	Per cent of total shareholders	Share amount (₹)	Per cent of total equity
1	1 to 5,000	34,415	90.425	42204950	7.829
2	5,001 to 10,000	1,898	4.987	15400170	2.857
3	10,001 to 20,000	811	2.131	12259990	2.274
4	20,001 to 30,000	276	0.725	7104190	1.318
5	30,001 to 40,000	145	0.381	5235920	0.971
6	40,001 to 50,000	123	0.323	5835480	1.083
7	50,001 to 100,000	172	0.452	12792390	2.373
8	100,001 and above	219	0.575	438226660	81.295
<b>Total</b>		<b>38059</b>	<b>100</b>	<b>539059750</b>	<b>100</b>

Sl. No.	Category	Holding	%
1	Promoter	7692767	14.27
2	Associate Company *	13122273	24.34
3	Director and Relatives	77,864	0.14
4	Person Acting in Concert	9490396	17.61
5	Banks	474,668	0.881
6	FI	1487336	2.759
7	FII	1281447	2.377
8	Corporate Bodies	5234831	9.711
9	Resident Indian Public	14278296	26.487
10	NRI/OCB/Foreign Nationals	740,647	1.374
11	Mutual Funds	23,350	0.043
12	Trust	2,100	0.004
	<b>Grand Total</b>	<b>53905975</b>	<b>100</b>

\*Excludes 25,000 Equity Shares purchased by Saraswati Properties Limited, for which delivery was not received by 31st March, 2013.

## Dematerialisation of Shares

Over 99.06 per cent of the outstanding shares have been dematerialised up to 31st March, 2013. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f October/ November, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

## Code of Conduct

The Company has adopted a Code of Conduct for its Board of Directors and Senior Management personnel and the same has been posted on the Company's website.

## Non Mandatory Requirements

Mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the Company. The non-mandatory requirements complied are mentioned hereunder :

**The Board :** As the Company has an Executive Chairman, the applicability of this provision does not arise. The Maximum tenure of Independent Directors as mentioned has not been adopted.

**Remuneration Committee :** The Company has already constituted Remuneration Committee, which was reconstituted on 21st January, 2009 .The Committee comprises of Non-Executive Chairman and Independent Directors.

**Shareholders rights :** The quarterly/ half-yearly results are published in the newspapers and hosted on the Company's website [www. dhampur. com](http://www.dhampur.com) and corpfiling websites, therefore the same are not sent to shareholders individually.

**Audit qualifications :** The Company is always striving towards ensuring the unqualified financial Statements are adequately audited.

**Training of Board members :** The Board of Directors consists of professionals having considerable experience and expertise in their respective fields and industry. So, the Company has not adopted any systematised training procedure for its Board members or undertaken any performance evaluation of its Non-Executive Directors.

**Whistleblower policy :** There is no whistleblower policy operational currently. However the Company recognises the importance of reporting any unethical behaviour or suspected fraud in violation of the Company's Code of Conduct or any other point of concern to the management by any employee from any level.

## Plant Locations:

### Sugar units:

Dhampur, Dist. Bijnor (Uttar Pradesh)  
Asmoli, Dist. Sambhal (Uttar Pradesh)  
Mansurpur, Dist. Muzaffarnagar (Uttar

Pradesh)

Rajpura, Dist. Sambhal (Uttar Pradesh)  
Meerganj, Dist. Bareilly (Uttar Pradesh)

### Chemical units:

Dhampur, Dist. Bijnor (Uttar Pradesh)  
Asmoli, Dist. Sambhal (Uttar Pradesh)

### Cogeneration units:

Dhampur, Dist. Bijnor (Uttar Pradesh)  
Asmoli, Dist. Sambhal (Uttar Pradesh)  
Mansurpur, Dist. Muzaffarnagar (Uttar Pradesh)  
Rajpura, Dist. Sambhal (Uttar Pradesh)  
Meerganj, Dist. Bareilly (Uttar Pradesh)

## Address for correspondence:

Dhampur Sugar Mills Limited,  
241 Okhla Industrial Estate,  
Phase – III, New Delhi 110 020  
Ph: 011-30659400, Fax: 011-26935697  
E-mail: [investordesk@dhampur.com](mailto:investordesk@dhampur.com)

## Declaration on the Code of Conduct

Pursuant to Clause 49 of the Listing Agreement with stock exchanges, I, Arhant Jain, Executive President (Finance) and Company Secretary of Dhampur Sugar Mills Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended on 31st March, 2013.

## **Certificate by CEO/CFO for the period from 1st April, 2012 to 31st March, 2013**

We Vijay Kumar Goel, Chairman and Arhant Jain, Executive President (Finance) and Company Secretary of Dhampur Sugar Mills Limited, to the best of our knowledge and belief, certify that;

- a) We have reviewed the Balance Sheet, Profit and Loss Account, Cash Flow Statement and the Director's report for the period from 1st April, 2012 to 31st March, 2013 and based upon our knowledge and information certify that :-
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain the statement that might be misleading,
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards and other applicable laws and regulations.
- b) There are, to best of our knowledge and belief no transactions entered into by the company during the period, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal control for financial reporting for the Company and we have:
  - i) Evaluated the effectiveness of the internal control systems of the Company;
  - ii) Disclosed to the Statutory Auditors and Audit Committee of the Board, deficiencies in the design or operation of internal controls, if any, of which we are aware, and;
  - iii) Necessary steps taken /proposed to be taken to ratify these deficiencies.
- d) We have indicated to Statutory Auditors and the Audit Committee of the Board that there have been:
  - i) No significant changes in internal control over the financial reporting during the period;
  - ii) No significant changes in accounting policies during the period;
  - iii) No 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.

Place: New Delhi  
Date: 25.07.2013

**Vijay Kumar Goel**  
*Chairman*

**Arhant Jain**  
*Executive President (Finance)  
& Company Secretary*



## Certificate on Corporate Governance

To  
The Members of  
Dhampur Sugar Mills Limited

I have examined the compliance of conditions of Corporate Governance by Dhampur Sugar Mills Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management, our examination was limited to procedures and in implementations there of, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforementioned Listing Agreement.

I state that in respect of any investor grievance(s) received during the year ended 31st March, 2013, no such grievances are pending for a period exceeding one month against the Company as per the records maintained by Company and presented to the Investor Grievance Committee.

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

Place: Kanpur  
Dated: 25.07.2013

**Saket Sharma**  
*Company Secretary*  
C.P. No. 2565

## Independent Auditors' Report

To  
The Board of Directors  
Dhampur Sugar Mills Limited

### Report on the Consolidated Financial Statements

We have audited the attached revised financial statements of Dhampur Sugar Mills Limited ('the Company') and its Subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. The original consolidated financial statements of the Company for the year ended March 31, 2013 were audited by us and our audit report dated May 21, 2013 expressed an unqualified opinion in the same.

The original consolidated financial statements were prepared without giving effect to the Scheme of Amalgamation of J.K. Sugar Limited with the company, since the order of the Hon'ble High Court of Judicature at Calcutta was not received till that date. In order to give effect to the Scheme of the aforesaid amalgamation, which has become effective on July 16, 2013 from the appointed date i.e. April 01, 2012 as approved by the Hon'ble High Court of Judicature at Allahabad vide order dated 18.03.2013 and Hon'ble High Court of Judicature at Calcutta vide order dated 17.05.2013 as explained and referred to in Note No. 1.A, these financial accounts have now been revised by the Company.

### Management's Responsibility for the Consolidated 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 accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's 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 consolidated financial statements are free from material misstatements.

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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the Company's preparation and presentation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 and based on the consideration of report of the other auditor on the financial statement of the subsidiary as noted below, the attached consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:

- i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2013;
- ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- iii) in the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date

### Other Matter

We did not audit the financial statements of the subsidiary viz. Dhampur International Pte Limited whose financial statements reflect total assets of ₹ 10.69 crore as at 31st March, 2013 and total revenues of ₹ Nil for the year ended on that date (these figures include intra group balances and intra group transactions eliminated on consolidation). The figures of this subsidiary has been incorporated on the basis of audited financial statements for the year ended 30th September, 2012 and unaudited financial statements for the six months ended 31st March, 2013.

Our opinion is not qualified in respect of other matter.

For S. VAISH & CO., Chartered Accountants FRN 00001C	For MITTAL GUPTA & CO., Chartered Accountants FRN 01874C
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	( S.P.AGRAWAL ) Partner	(B. L. GUPTA ) Partner
Kanpur Dated: 25-07-2013	M No. 07269	M No. 073794

## Consolidated Balance Sheet as at 31st March, 2013

		(₹ crores)			
Particulars	Note No.	As at 31.03.2013		As at 31.03.2012	
<b>Equity and Liabilities</b>					
Shareholders' funds					
Share capital	1C	83.36		62.81	
Reserves and surplus	2	403.70	487.06	422.43	485.24
<b>Non-current liabilities</b>					
Long-term borrowings	3	391.22		426.23	
Deferred tax liabilities	4	5.59		1.62	
Other long-term liabilities	7	5.44		5.75	
Long-term provisions	5	18.03	420.28	15.03	448.63
<b>Current liabilities</b>					
Short-term borrowings	6	905.52		454.05	
Trade payables	7	618.41		433.12	
Other current liabilities	7	199.75		204.53	
Short-term provisions	8	25.86	1749.54	18.20	1109.90
<b>Total</b>			<b>2656.88</b>		<b>2043.77</b>
<b>Assets</b>					
<b>Non-current assets</b>					
Fixed assets					
Tangible assets	9	1073.01		984.98	
Capital work-in-progress		19.42		34.83	
Non-current investments	10	0.78		8.96	
Long-term loans and advances	11	24.95		11.12	
Other non-current assets	12	0.25	1118.41	0.38	1040.27
<b>Current assets</b>					
Inventories	13	1311.26		710.23	
Trade receivables	14	144.06		216.27	
Cash and cash equivalents	15	23.73		13.21	
Short-term loans and advances	11	54.71		60.81	
Other current assets	12	4.71	1538.47	2.98	1003.50
<b>Total</b>			<b>2656.88</b>		<b>2043.77</b>
<b>Significant Accounting Policies</b>					
<b>Notes on Financial Statements</b>	1 to 33				

This is the Balance Sheet referred to in our report of even date

For S. Vaish & Co.,

For Mittal Gupta & Co.

For and on behalf of the Board of Directors

S. P. Agrawal

Partner

Chartered Accountants

B. L. Gupta

Partner

Chartered Accountants

Arhant Jain

Executive President (Finance)  
& Secretary

V. K. Goel

Chairman

A. K. Goel

Vice Chairman

Gaurav Goel

Managing Director

Gautam Goel

Managing Director

Place : Kanpur

Dated : 25th July, 2013

A. K. Gupta

Director

M.P. Mehrotra

Director

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

(₹ crores)

Particulars	Note No.	Year ended 31.03.2013		Year ended 31.03.2012	
<b>Income</b>					
Revenue from operations	16	1532.87		1595.08	
Less : Excise duty and other taxes		51.65	1481.22	57.56	1537.52
Other income	17		7.39		4.52
<b>Total revenue</b>			<b>1488.61</b>		<b>1542.04</b>
<b>Expenses</b>					
Cost of materials consumed	18		1517.79		1032.07
Purchases of Stock-in-Trade	16		24.68		149.93
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	19		(521.76)		(39.68)
Employee benefits expense	20		71.10		58.96
Other expenses	21		168.12		133.10
<b>Total</b>			<b>1259.93</b>		<b>1334.38</b>
<b>Earnings before interest, tax, depreciation and amortization</b>			<b>228.68</b>		<b>207.66</b>
Depreciation and amortization expense		78.19		67.66	
Less : transferred from general reserve		(1.43)	76.76	0.00	67.66
Finance costs	22		112.67		94.87
<b>Profit before exceptional and extraordinary items and tax</b>			<b>39.25</b>		<b>45.13</b>
Exceptional items {Net gain/(loss)}	23	(8.19)		(48.04)	
Less : transferred from general reserve		8.19	0.00	48.04	0.00
<b>Profit before extraordinary items and tax</b>			<b>39.25</b>		<b>45.13</b>
Extraordinary items {Net gain/(loss)}			0.00		0.00
<b>Profit/(loss) before tax</b>			<b>39.25</b>		<b>45.13</b>
Tax expense:					
Current tax			(5.97)		0.00
Less: MAT credit entitlement			5.95		0.00
Deferred tax assets/(liability) (Net)			(16.52)		(15.50)
<b>Profit/(loss)</b>			<b>22.71</b>		<b>29.63</b>
<b>Earning per equity share (nominal value of share ₹ 10/- each)</b>					
Basic ( ₹ per share)			3.61		5.43
Diluted ( ₹ per share)			3.61		5.43
<b>Significant Accounting Policies</b>					
<b>Notes on Financial Statements</b>	1 to 33				

This is the Profit and Loss Statement referred to in our report of even date

For S. Vaish &amp; Co.,

For Mittal Gupta &amp; Co.

For and on behalf of the Board of Directors

S. P. Agrawal  
Partner  
Chartered Accountants

B. L. Gupta  
Partner  
Chartered Accountants

Arhant Jain  
Executive President (Finance)  
& Secretary

V. K. Goel  
Chairman

A. K. Goel  
Vice Chairman

Gaurav Goel  
Managing Director

Gautam Goel  
Managing Director

Place : Kanpur  
Dated : 25th July, 2013

A. K. Gupta  
Director

M.P. Mehrotra  
Director



## Consolidated Cash Flow Statement for the year ended 31st March, 2013

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
<b>A. Cash flow from operating activities:</b>				
Net Profit/(Loss) before tax and exceptional items		39.25		45.13
<b>Adjustment for:</b>				
Depreciation	76.76		67.66	
Loss on sale of fixed assets (net)	(0.81)		0.09	
Finance costs	112.67		94.87	
Interest and other investment income	(0.71)		(3.16)	
Molasses storage fund	0.19		0.25	
Provision for doubtful debts	7.95		0.03	
		196.05		159.74
<b>Operating profit before working capital changes</b>		<b>235.30</b>		<b>204.87</b>
<b>Adjustments for:</b>				
Trade and other receivables	72.70		(130.07)	
Inventories	(542.02)		(39.13)	
Trade and other payables	90.56	(378.76)	(10.64)	(179.84)
<b>Cash generated from operation</b>		<b>(143.46)</b>		<b>25.03</b>
Taxes refund/(paid)		(5.15)		26.62
<b>Net cash from operating activities (A)</b>		<b>(148.61)</b>		<b>51.65</b>
<b>B. Cash flow from investing activities :</b>				
Purchases of fixed assets		(89.08)		(59.25)
Loans (net)		12.43		1.67
Sale of fixed assets		3.03		3.01
Purchases of investments		(0.01)		(0.03)
Interest and other investment income		1.04		3.01
<b>Net cash used in investing activities (B)</b>		<b>(72.59)</b>		<b>(51.59)</b>
<b>C. Cash flow from financing activities :</b>				
Redemption of preference shares		(0.78)		0.00
Proceeds from borrowings (net)		345.02		90.92
Dividend including dividend distribution tax		(8.11)		(6.72)
Finance costs paid		(115.60)		(95.31)
<b>Net cash used in financing activities (C)</b>		<b>220.53</b>		<b>(11.11)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(0.67)</b>		<b>(11.05)</b>
Opening Balance of Cash and Cash Equivalents		13.21		24.26
Opening Balance from Amalgamated Company		11.19		0.00
<b>Closing balance of Cash and Cash Equivalents</b>		<b>23.73</b>		<b>13.21</b>

This is the Cash Flow Statement referred to in our report of even date

For S. Vaish & Co.,

For Mittal Gupta & Co.

For and on behalf of the Board of Directors

S. P. Agrawal  
Partner  
Chartered Accountants

B. L. Gupta  
Partner  
Chartered Accountants

Arhant Jain  
Executive President (Finance)  
& Secretary

V. K. Goel  
Chairman

A. K. Goel  
Vice Chairman

Gaurav Goel  
Managing Director

Gautam Goel  
Managing Director

Place : Kanpur  
Dated : 25th July, 2013

A. K. Gupta  
Director

M.P. Mehrotra  
Director

## System of Accounting and Significant Accounting Policies

### I System of Accounting:

- (i) Financial statements are based on historical cost.
- (ii) The Company and its Subsidiary companies follow the mercantile system of accounting and recognize income and expenditure on an accrual basis, except in case of those with significant uncertainties.

### II Significant Accounting Policies :

#### 1 Principles of consolidation

The consolidated financial statements relate to Dhampur Sugar Mills Limited ('the Company') and its subsidiary companies.

The consolidated financial statements have been prepared on following basis :

- a) The financial statement of the Company and its subsidiary companies 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 the intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- b) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, for like transaction and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- c) The excess of cost to the Company of its investments in the subsidiary company is recognized in the financial statement as goodwill and the excess of company's portion of equity of the subsidiary over the cost of the investments therein is treated as capital reserve.
- d) Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority share holders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above. If, the amount of losses applicable to the minority on consolidation exceeds the minority interest in the equity of the subsidiary, the excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.
- e) The following subsidiary companies are considered in the consolidated financial statements:-

Name of the Subsidiary Company	Country of Incorporation	% of Voting Power held 31st March, 2013	Financial year ended on
Dhampur International Pte Limited	Singapore	100.00%	30th Sept, 2012

- f) These consolidated financial statements are based, in so far as they relate to amounts included in respect of the subsidiary, on the audited financial statements for twelve months ended 30th September, 2012 and unaudited financial statements for six months ended 31st March, 2013 prepared for consolidation.

- 2 Accounting for investment in Associates as per Accounting Standard (AS) - 23 "Accounting for Investments" is not applicable.

#### 3 Other Significant Accounting Policies :

These are set out in the statement of significant accounting policies of the financial statements of the holding Company and its subsidiary.

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

### 1.A.Revision of Accounts and Amalgamation of J.K.Sugar Limited (JKSL)

Hon'ble High Court of Judicature at Allahabad and Calcutta by their orders dated 18th March, 2013 and 17th May, 2013 respectively approved the Scheme of Amalgamation of J K Sugar Ltd. with the company which has become effective on 16th July, 2013 from the appointed date 1st April, 2012 in accordance with the provisions of section 391 & 394 of the Companies Act, 1956. The Board of the directors of the company had approved the original financial statements for the year ending March 31, 2013 without giving the effect of amalgamation as aforesaid, in the meeting held on 21st May, 2013 with the condition that if the Scheme become effective before 15th August, 2013, the annual accounts should be revised to give effect to the scheme of amalgamation and revised accounts be placed before the Board for approval.

The scheme of amalgamation became effective on filing of orders with the respective Registrar of Companies and to give effect the amalgamation in the books of accounts for the year ended 31st March, 2013, accounts of the Company have been reopened and revised. The present financial statements are revised for the limited purpose of amalgamation of JKSL with the Company in accordance with the accounting policies followed by the Company.

### 1.B Salient features of the Scheme of Amalgamation

JKSL was engaged in the manufacture of Sugar and Co-generation power.

The appointed date for the purpose of this amalgamation is 1st April, 2012.

In accordance with the scheme approved, the accounting for this amalgamation has been done in accordance with the "Pooling of Interest Method" referred to in Accounting Standard 14 - "Accounting for Amalgamation" of the Companies (Accounting Standard) Rules 2006.

Accordingly, DSML has accounted for the Scheme in its books of accounts with effect from the Appointed Date i.e. 1st April, 2012 as under:

- i) With effect from the appointed date, all assets and liabilities appearing in the books of JKSL have been transferred to and vested in DSML and have been recorded by DSML at their respective book values.
- ii) In consideration of the transfer of the business as a going concern, the Company shall issue the shares as under :
  - a) 275 fully paid-up of equity shares of ₹10/- each of the Company for every 1000 equity shares of ₹10/- each fully paid-up of JKSL to equity shareholders of JKSL. Pending allotment, the outstanding equity shares to be issued aggregating to ₹ 3.31 crore representing 33,08,960 equity shares of ₹ 10/- each of the company is shown as Equity Share pending for allotment under Share Capital.

The amalgamation will result in exchange of 5.78% of post issue equity shares of DSML.

  - b) 9 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten 8% Cumulative redeemable preference shares (Series A) of ₹ 90/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 13.50 crore representing 13,50,000 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.
  - c) 9 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten 8% Cumulative redeemable preference shares (Series B) of ₹ 90/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 1.67 crore representing 1,66,804 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.
  - d) 1 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten Zero coupon fully convertible redeemable preference shares of ₹ 10/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 2.85 crores representing 2,85,013 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.
- iii) The equity and preference share capital of the JKSL has been cancelled under the scheme.
- iv) The difference between the book value of net identifiable assets and liabilities of JKSL transferred to DSML pursuant to this

**Notes on Consolidated Financial Statements** for the year ended 31st March, 2013

scheme and the consideration being the value of New Equity Shares to be issued and allotted by DSML, amounting to ₹ 8.72 crores has been credited to Amalgamation Reserve.

- v) Accordingly, 33,08,960 equity share of ₹ 10/- each fully paid up and 18,01,817, 8% CRPS of ₹ 100/- each fully paid up of DSML are to be issued to the shareholders of JKSL under this amalgamation. The record date fixed for this purpose is 6th August, 2013.
- vi) All inter company transactions have been eliminated on incorporation of the accounting of JKSL in the company.
- vii) The company shall proceed to issue these equity share and 8% CRPS to the respective shareholders of JKSL in due course of time.
- viii) To align the method and rates of Depreciation charged by the amalgamating company (JKSL) with those of the amalgamated company (DSML), method of depreciation on assets of JKSL, other than building and plant & machinery has been changed from SLM to WDV and additional depreciation of ₹1.51 crore (including ₹1.43 crore upto appointed date i.e. 1st April, 2012) has been charged to the Profit and Loss statement and ₹ 1.43 crore, additional depreciation upto 1st April, 2012 has been withdrawn from the General Reserve pursuant to the scheme of Amalgamation. Due to this change depreciation for the year (Net of withdrawn from General Reserve) is higher by ₹ 0.08 crore, Reserve & Surplus and Tangible Asset is lower by ₹1.51 crore
- ix) The expenses incurred towards the execution of the Amalgamation Scheme have been adjusted from the Amalgamation Reserve and the resultant credit balance has been transferred to the Capital Reserve Account as per the Scheme.

In view of the aforesaid amalgamation, the figures for the current year are not comparable to those of the previous year.

**1.C Share capital**

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Authorized shares</b>				
11,38,26,000 (9,70,00,000) equity shares of ₹ 10/- each		113.83		97.00
69,17,400 (51,00,000) preference shares of ₹ 100/- each		69.17		51.00
<b>Issued , subscribed and paid-up shares</b>				
<b>Equity</b>				
5,39,05,975 equity shares of ₹ 10/- each fully paid-up	53.91		53.91	
3,25,496 equity shares forfeited	0.07		0.07	
Less : Calls in arrears	#	53.98	#	53.98
<b>Preference</b>				
4,13,940 6% Cumulative redeemable preference shares of ₹ 100/- each fully paid-up		4.14		4.14
4,69,013 1% Cumulative redeemable preference shares of ₹ 100/- each fully paid-up		3.91		4.69
33,08,960 (0) Equity share pending for allotment (Refer Note no. 1.B)		3.31		0.00
18,01,817 (0) 8% Cumulative Redeemable Preference share pending for allotment (Refer Note no. 1.B.)		18.02		0.00
<b>TOTAL</b>		<b>83.36</b>		<b>62.81</b>



## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

### 1.C.a Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :

Particulars	31.03.2013		31.03.2012	
	No.	(₹ crores)	No.	(₹ crores)
<b>Authorized shares</b>				
<b>Equity shares</b>				
At the beginning of the period	97000000	97.00	87000000	87.00
Added as per scheme of amalgamation	16826000	16.83	10000000	10.00
Outstanding at the end of the period	113826000	113.83	97000000	97.00
<b>Preference shares</b>				
At the beginning of the period	5100000	51.00	5100000	51.00
Added as per scheme of amalgamation	1817400	18.17	0	0.00
Outstanding at the end of the period	6917400	69.17	5100000	51.00
<b>Issued , subscribed and paid-up shares</b>				
<b>Equity shares</b>				
At the beginning of the period	53905975	53.91	53905975	53.91
Issued during the period - conversion of equity warrant	0	0	0	0.00
Outstanding at the end of the period	53905975	53.91	53905975	53.91
<b>Preference shares</b>				
At the beginning of the period	882953	8.83	882953	8.83
Change during the period	0	0.00	0	0.00
Outstanding at the end of the period	882953	8.83	882953	8.83

### 1.C.b Details of shareholders holding more than 5% shares :

Particulars	31.03.2013		31.03.2012	
	No.	% holding	No.	% holding
<b>Equity shares of H 10 each fully paid-up</b>				
Goel Investments Ltd.	11255515	20.88	11255515	20.88
Sonitron Ltd.	4940716	9.17	4940716	9.17
Shudh Edible Products Ltd.	4549680	8.44	4549680	8.44
Mr. Gautam Goel	3481038	6.46	3009702	5.58
Mr. Gaurav Goel	3452843	6.41	2993095	5.55
<b>6% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up</b>				
IFCI Ltd.	413940	100.00	413940	100.00
<b>1% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up</b>				
IFCI Ltd.	469013	100.00	469013	100.00

### 1.C.c Calls unpaid of equity shares

Particulars	31.03.2013		31.03.2012	
	No.	Amt. (in ₹)	No.	Amt. (in ₹)
i) Calls unpaid by directors and officers	Nil	Nil	Nil	Nil
i) Calls unpaid by others	2185	10705	2185	10705

**Notes on Consolidated Financial Statements** for the year ended 31st March, 2013**1.C.d Terms/right attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

**1.C.e Terms of redemption of Preference shares**

(i) 4,69,013 - 1% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 12 equal quarterly installments commencing from December, 2012.

(ii) 4,13,940 - 6% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 3 equal yearly installments commencing from December, 2013.

(iii) 18,01,817 - 8% Cumulative Redeemable Preference Shares of ₹ 100 each to be issued on amalgamation of JKSL are redeemable in 3 equal yearly installments commencing from April 01, 2014.

**1.C.f The Board of directors recommended the following dividend :**

Particulars	(₹ crores)	
	31.03.2013	31.03.2012
Proposed dividend per equity share of ₹ 10/- each	1.25	1.25
Proposed dividend per 1% Cumulative Redeemable Preference Share of ₹ 100/- each	1.00	1.00
Proposed dividend per 6% Cumulative Redeemable Preference Share of ₹ 100/- each	6.00	6.00
Proposed dividend per 8% Cumulative Redeemable Preference Share of ₹ 100/- each	8.00	N.A.

1.C.e As per the Scheme of Amalgamation, the entire authorized share capital of J K Sugar Limited equal to ₹ 35.00 crores divided into equity and preference is added to the authorized share capital of the company as 1,68,26,000 equity shares of ₹ 10 each amounting to ₹ 16.83 crores and 18,17,400 preference shares of ₹ 100 each amounting to ₹ 18.17 crores.

**2 Reserves and surplus**

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Capital reserve</b>				
Balance as per last account	2.96		6.66	
Add : transferred from amalgamation reserve	7.68		0.00	
Less: adjustment on amalgamation of subsidiary	0.00	10.64	(3.70)	2.96
<b>Securities Premium Reserve</b>				
Balance as per last account	317.67		317.67	
Addition on amalgamation of JKSL	2.69		0.00	
Less: provision for premium on redemption of Zero Coupon Non-convertible Debentures	(0.40)	319.96	0.00	317.67
<b>Reserve for construction of Molasses Storage Tank</b>				
Balance as per last account	2.31		2.06	
Addition on amalgamation of JKSL	0.53		0.00	
Add: provided during the period	0.19		0.25	
Less: Transferred to General Reserve	(1.59)	1.44	0.00	2.31
<b>Debenture redemption reserve</b>				
Addition on amalgamation of JKSL	1.14		0.00	
Add : transferred from general reserve	1.26	2.40	0.00	0.00

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Amalgamation reserve</b>				
Reserve credited on amalgamation of JKSL	8.72		0.00	
Less : transferred to capital reserve on amalgamation	(7.68)		0.00	
Less : adjustment of expenses incurred on amalgamation	(1.04)	0.00	0.00	0.00
<b>General reserve</b>				
Balance as per last account	78.31		76.35	
Add : Transferred from Reserve for Construction of Molasses Storage Tank	1.59		0.00	
Add: transferred from statement of profit & loss	15.00		50.00	
Debit balance of Profit/Loss of JKSL upto 31-03-2012 on amalgamation	(33.25)		0.00	
Less: transferred to statement of profit & loss	(9.62)	52.03	(48.04)	78.31
<b>Surplus</b>				
Balance as per last account	21.18		49.73	
Profit for the year	22.71		29.63	
Less : Appropriations				
Proposed equity dividend	7.15		6.74	
Dividend on preference shares	1.74		0.30	
Tax on dividend	1.51		1.14	
Transferred to debenture redemption reserve	1.26			
Transferred to general reserve	15.00		50.00	
Net surplus		17.23		21.18
<b>TOTAL</b>		<b>403.70</b>		<b>422.43</b>

### 3 Long-term borrowings

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-current	Current	Non-current	Current
<b>Debentures - Secured</b>				
Zero Coupon Non-convertible debentures including premium	0.00	2.40	0.00	0.00
<b>Term loans</b>				
<b>Secured</b>				
Rupee term loans from banks	275.57	66.20	256.25	54.59
Foreign currency term loan from bank (ECB)	0.00	21.72	20.36	20.35
Rupee term loans from financial institutions	0.00	0.00	0.00	3.41
Zero coupon rupee term loans from banks	6.19	4.12	18.06	3.80
Rupee term loans from sugar development fund	102.64	39.15	122.18	26.59
	<b>384.40</b>	<b>131.19</b>	<b>416.85</b>	<b>108.74</b>
<b>Unsecured</b>				
<b>Deposits - from directors &amp; their relatives</b>	1.98	1.60	1.65	0.40
- from public	4.48	1.98	3.25	2.91
<b>Buyers' credit from banks</b>	0.00	4.86	4.48	0.00
<b>Deferred payment liabilities</b>	0.36	0.35	0.00	0.00
	<b>6.82</b>	<b>8.79</b>	<b>9.38</b>	<b>3.31</b>
<b>Total</b>	<b>391.22</b>	<b>142.38</b>	<b>426.23</b>	<b>112.05</b>

**Notes on Consolidated Financial Statements** for the year ended 31st March, 2013**3.a Nature of security**

Zero Coupon Non-convertible debentures (ZCNCD) are secured by a first pari passu charge in favour of the trustee on movable and immovable assets of the Meerganj unit

Term loans from bank of ₹ 2.09 crores are secured by subservient sixth charge on all movable and immovable assets of the company.

Term loans from Sugar Development Fund are secured by exclusive second charge on all movable and immovable assets excluding current assets of the company.

All other term loans from financial institutions and banks (including ECB and Zero coupon loans) are secured by first pari passu charge on all movable and immovable assets except book debts, stock-in-trade, raw materials, spare parts and other assets and personal guarantee of promoters directors and part of above are also secured by pledge of equity shares of Kashipur Sugar Mills Limited.

**3.b Maturity profile and Rate of interest of long term borrowings are as set out below :**

Particulars	ROI (%) as on 31.03.2013	(₹ crores)			
		1-2 years	2-3 years	3-4 years	Beyond 4 years
<b>Secured</b>					
Term Loans from banks	14.00	12.00	15.00	15.00	2.00
	13.50	29.46	22.00	22.00	25.50
	13.25	9.27	5.83	5.00	4.87
	12.75	18.00	18.00	16.50	21.42
	12.00	8.50	7.00	7.00	10.75
	10.50	0.97	0.24	-	-
	7.00	0.84	0.42	-	-
<b>Sub-total</b>		<b>79.04</b>	<b>68.49</b>	<b>65.50</b>	<b>64.54</b>
Zero coupon rupee term loans from banks		4.12	2.07	0.00	0.00
Rupee term loans from sugar development fund	7.50	0.73	0.73	0.73	0.73
	7.00	0.00	0.76	2.86	7.54
	4.00	27.27	25.30	21.86	14.13
<b>Sub-total</b>		<b>28.00</b>	<b>26.79</b>	<b>25.45</b>	<b>22.40</b>
<b>Total secured</b>		<b>111.16</b>	<b>97.35</b>	<b>90.95</b>	<b>86.94</b>
Unsecured Deposits	11 to 12	6.46	-	-	-
Deferred payment liabilities		0.36			
<b>Grand-total</b>		<b>117.98</b>	<b>97.35</b>	<b>90.95</b>	<b>86.94</b>



## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

### 4 Deferred Tax (Liability)/Asset (Net)

Particulars	(₹ crores)	
	As at 31.03.2013	As at 31.03.2012
<b>Deferred Tax Asset :</b>		
i) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years	8.10	7.33
ii) On account of carried forward losses and unabsorbed depreciation	97.24	86.74
	105.34	94.07
<b>Deferred Tax Liability :</b>		
i) On account of differences in written down value of fixed assets	110.93	95.69
<b>Net Deferred Tax (Liability)/Asset</b>	<b>(5.59)</b>	<b>(1.62)</b>

### 5 Long-term provisions

Particulars	(₹ crores)	
	As at 31.03.2013	As at 31.03.2012
<b>Provision for employee benefits :</b>		
Provision for gratuity	18.03	15.03
<b>Total</b>	<b>18.03</b>	<b>15.03</b>

### 6 Short-term borrowings

Particulars	(₹ crores)	
	As at 31.03.2013	As at 31.03.2012
<b>Secured</b>		
Cash credit from banks	774.01	330.39
Rupee term loans from banks	115.00	110.34
	889.01	440.73
<b>Unsecured</b>		
<b>Deposits - from directors &amp; their relatives</b>	0.00	1.04
- from public	14.09	11.86
Loans and advances from related parties	2.42	0.42
	16.51	13.32
<b>Total</b>	<b>905.52</b>	<b>454.05</b>

#### 6.a Nature of security

All Cash credit limits from banks other than District Co-operative Banks are secured by pledge of stocks of sugar and hypothecation of consumable stores and spare parts, chemicals, molasses etc. by third charge over the fixed assets of the company and personal guarantee of promoter directors

Cash credit accounts from District Co-operative Banks are secured by pledge of stocks of sugar and personal guarantee of promoter directors

Rupee term loans from banks are secured by pledge of stock of sugar and personal guarantee of promoter directors

**Notes on Consolidated Financial Statements** for the year ended 31st March, 2013**7 Trade payables and Other Current Liabilities**

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-current	Current	Non-current	Current
Trade payables (refer note 30 of dues to micro and small enterprises)	0.00	618.41	0.00	433.12
<b>Other liabilities</b>				
Current maturities of long term borrowings (refer note 3)	0.00	142.38	0.00	112.05
Interest accrued but not due on borrowings	5.44	7.67	5.75	4.64
Interest accrued and due on borrowings	0.00	1.10	0.00	2.44
Investor Education and Protection Fund will be credited by following amounts (as and when due) :				
Unpaid dividend	0.00	0.28	0.00	0.21
Unpaid matured deposits	0.00	0.73	0.00	0.71
Advance from customers	0.00	2.55	0.00	55.68
Others :				
Security deposits	0.00	2.58	0.00	1.90
Statutory dues payable	0.00	42.46	0.00	26.90
sub-total	5.44	199.75	5.75	204.53
<b>Total</b>	<b>5.44</b>	<b>818.16</b>	<b>5.75</b>	<b>637.65</b>

**8 Short-term provisions**

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Provision for employee benefits</b>				
Provision for employees	9.51		8.29	
<b>Other provisions</b>				
Provision for tax	5.95		1.73	
Provision for dividend (including dividend distribution tax)	10.40		8.18	
<b>Total</b>	<b>25.86</b>		<b>18.20</b>	

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

### 9 Tangible assets

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Railway sidings	Weighbridge	Computers	Office Equipments	Electrical Appliances	Vehicles	Live Stock	Farm Asset & Equipment	Total
<b>Cost</b>													
As on 01-04-2012	41.03	106.24	1259.40	6.60	0.00	6.21	6.54	2.12	3.66	14.50	0.01	0.45	1446.76
Addition through merger of JKSL	6.53	18.47	90.98	0.28	0.00	1.07	0.63	0.04	0.20	0.35	0.00	0.00	118.55
Additions	0.35	32.46	46.33	3.65	0.00	0.12	1.09	0.12	3.96	2.39	0.00	0.00	90.47
Disposals	0.05	0.00	18.22	0.01	0.00	0.00	0.00	0.00	0.01	1.79	0.00	0.00	20.08
Other adjustments : - Exchange differences	0.00	0.00	2.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.79
- Borrowing costs	0.00	2.78	1.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.25
As at 31-03-2013	47.86	159.95	1382.75	10.52	0.00	7.40	8.26	2.28	7.81	15.45	0.01	0.45	1642.74
<b>Depreciation</b>													
As on 01-04-2012	0.00	22.26	412.37	4.44	0.00	4.50	5.09	1.65	2.83	8.35	0.00	0.29	461.78
Addition through merger of JKSL	0.00	4.28	41.89	0.19	0.00	0.49	0.41	0.01	0.08	0.26	0.00	0.00	47.61
Charges for the year	0.00	3.49	69.95	0.70	0.00	0.60	1.05	0.09	0.46	1.83	0.00	0.01	78.18
Disposals	0.00	0.00	16.50	0.00	0.00	0.00	0.00	0.00	0.00	1.34	0.00	0.00	17.84
As at 31-03-2013	0.00	30.03	507.71	5.33	0.00	5.59	6.55	1.75	3.37	9.10	0.00	0.30	569.73
<b>Net Block</b>													
As on 31-03-2012	41.03	83.98	847.03	2.16	0.00	1.71	1.45	0.47	0.83	6.15	0.01	0.16	984.98
As on 31-03-2013	47.86	129.92	875.04	5.19	0.00	1.81	1.71	0.53	4.44	6.35	0.01	0.15	1073.01

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

## 10 Non-current Investments

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-current	Current	Non-current	Current
<b>Trade Investments :-</b>				
Ramganga Sanyukta Sahkari Kheti Samiti Limited (Unquoted)				
01 (01) Equity share of ₹ 100/- each fully paid-up		#		#
<b>Other Investments :-</b>				
<b>In Other Companies :</b>				
<b>Investment in Equity shares</b> (fully paid-up unless otherwise stated)				
Kashipur Sugar Mills Limited (Quoted)				
0 (7562061) Equity shares of ₹ 10/- each	0.00		8.19	
VLS Finance Limited (Quoted)				
263142 (263142) Equity shares of ₹ 10/- each	0.44		0.44	
South Asian Enterprises Limited (Quoted) (**)				
250000 (250000) Equity shares of ₹ 10/- each	#		#	
(At cost less provision for diminution in value				
₹ 0.25 crores (P.Y. ₹ 0.25 crores))				
Glenesia Industries Limited (Unquoted)				
500000 (500000) Equity shares of ₹ 10/- each	0.05	0.49	0.05	8.68
<b>Investment in Mutual fund</b>				
Baroda Pioneer PSU Bond Fund - Monthly Dividend Plan (Quoted)				
294056 (274830) Units of ₹ 10/- each		0.29		0.28
<b>Total</b>		<b>0.78</b>		<b>8.96</b>

Disclosure of non-current investments	As at 31.03.2013		As at 31.03.2012	
	Non-current	Current	Non-current	Current
Aggregate amount of quoted investments		0.73		8.91
Aggregate amount of unquoted investments		0.05		0.05
Total investments net of provision for diminution		0.78		8.96
Aggregate provision for diminution in value of investments (**)		0.25		0.25
Aggregate market value of quoted investments		0.57		4.41

## 11 Long and short term loans and advances

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-current	Current	Non-current	Current
(Unsecured considered good unless otherwise stated)				
Capital advances	12.12	0.00	1.75	0.00
Security deposits:-				
Considered good	3.12	0.50	3.41	0.70
Considered doubtful	0.26	0.00	0.00	0.00
Less : Provision for doubtful	(0.26)	0.00	0.00	0.00
Loans and advances to related parties :				
Considered good	0.00	0.11	0.00	12.54



## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-current	Current	Non-current	Current
Considered doubtful	0.00	0.00	0.00	10.00
Less : Provision for doubtful	0.00	0.00	0.00	(10.00)
Other loans and advances :				
Advances recoverable in cash or in kind:				
Considered good	0.00	10.23	0.00	21.14
Considered doubtful	0.00	1.13	0.00	0.00
Less : Provision for doubtful	0.00	(1.13)	0.00	0.00
Balances with excise authorities	0.00	23.95	0.00	17.22
Income tax and wealth tax payments	0.00	5.65	0.00	2.23
MAT credit entitlement	9.03	0.00	3.08	0.00
Payments of taxes under protest/appeal	0.68	0.00	2.88	0.00
Prepaid expenses	0.00	1.95	0.00	1.32
Others	0.00	12.32	0.00	5.66
<b>Total</b>	<b>24.95</b>	<b>54.71</b>	<b>11.12</b>	<b>60.81</b>

### 12 Other non-current and current assets

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-current	Current	Non-current	Current
(Unsecured considered good unless otherwise stated)				
Others :				
Inventory - Loose tools and equipments	0.25	0.00	0.38	0.00
Claim receivable:				
- Considered good	0.00	4.06	0.00	2.12
- Considered doubtful	0.00	1.50	0.00	0.00
- Provision for doubtful	0.00	(1.50)	0.00	0.00
Interest receivable	0.00	0.65	0.00	0.86
<b>Total</b>	<b>0.25</b>	<b>4.71</b>	<b>0.38</b>	<b>2.98</b>

### 13 Inventories

Particulars	As at 31.03.2013		As at 31.03.2012	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Raw materials	24.07	35.17		
Goods-in-process	29.67	14.21		
Standing cane and other crops	0.22	0.33		
Finished goods	1217.83	623.35		
Traded goods	0.39	0.26		
Stores, Spare parts, Gunny/P.P. bags, Chemicals etc.	39.08	36.91		
<b>Total</b>	<b>1311.26</b>	<b>710.23</b>		

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

## 14 Trade receivables

Particulars	As at 31.03.2013		As at 31.03.2012	
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding six months from the date they are due for payment :				
- Considered good	1.53		4.52	
- Considered doubtful	6.88		2.70	
- Provision for doubtful	(6.88)	1.53	(2.70)	4.52
Other receivables		142.53		211.75
<b>Total</b>		<b>144.06</b>		<b>216.27</b>

## 15 Cash and cash equivalents

Particulars	As at 31.03.2013		As at 31.03.2012	
Cash and cash equivalents				
Balances with banks :				
On Current accounts	14.82		2.13	
On unpaid dividend account	0.28	15.10	0.21	2.34
Cash on hand		2.28		2.43
Other bank balances :				
Deposits pledged against margin money/guarantee	2.77		4.38	
Deposits with original maturity more than 3 months but upto 12 months	3.58	6.35	4.06	8.44
<b>Total</b>		<b>23.73</b>		<b>13.21</b>

## 16 Revenue from Operations / Purchases of stock-in-trade / inventories

Particulars	As at 31.03.2013			
	Opening stock	Purchases	Sales	Closing stock
Revenue from operations				
Sale of Products				
Finished goods				
Sugar	614.07	-	961.81	1080.19
Previous year	(550.75)	-	(1091.49)	(565.13)
Molasses	34.93	-	11.04	66.76
Previous year	(29.39)	-	(14.75)	(31.25)
Chemicals	16.55	-	320.95	31.87
Previous year	(5.58)	-	(172.97)	(16.54)
Farm produce	0.05	-	1.12	0.05
Previous year	(0.03)	-	(0.93)	(0.05)
Power	0.00	-	160.46	0.00
Previous year	0.00	-	(132.30)	0.00
Others	26.65	-	28.91	38.96
Previous year	(10.52)	-	(4.71)	(25.48)
<b>Sub-total finished goods</b>	<b>692.25</b>		<b>1484.29</b>	<b>1217.83</b>
<b>Previous year</b>	<b>(596.27)</b>		<b>(1417.15)</b>	<b>(638.45)</b>

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ crores)

Particulars	Opening stock	Purchases	Sales	Closing stock
Traded goods				
Coaking coal	0.00	0.00	0.00	0.00
Previous year		(121.74)	(121.75)	0.00
P. P. Bags		11.35	10.59	
Previous year		(5.26)	(6.01)	
Sugar		0.00	0.00	
Previous year		(12.86)	(13.36)	
Other purchases	0.26	13.33	13.50	0.39
Previous year	(0.24)	(10.07)	(10.27)	(0.26)
<b>Sub-total traded goods</b>	<b>0.26</b>	<b>24.68</b>	<b>24.09</b>	<b>0.39</b>
Previous year	(0.24)	(149.93)	(151.39)	(0.26)
<b>Stock-in-process :</b>				
Sugar (Qtls.)	10.35			22.10
Previous year	(7.75)			(8.18)
Molasses (Qtls.)	0.47			1.36
Previous year	(0.49 )			(0.42)
Chemicals (Qtls.)	5.61			6.21
Previous year	(11.74 )			(5.61)
Standing crops	0.33			0.22
Previous year	(0.24)			(0.33)
<b>Sub-total Stock-in-process</b>	<b>16.76</b>			<b>29.89</b>
Previous year	(20.22)			(14.54)
<b>Revenue from operations (Gross) (A)</b>	<b>709.27</b>	<b>24.68</b>	<b>1508.38</b>	<b>1248.11</b>
Previous year	(616.73)	(149.93)	(1568.54)	(653.25)

**Note:** The stock figures of JKSL as on 01-04-2012 merged with the opening stock of the Company on account of merger of JKSL with the Company.

### Other operating revenue

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Miscellaneous income	5.11	3.48
Scrap sale	1.96	0.95
Balances written back	1.92	0.58
Insurance claim received	0.05	0.00
Income/adjustments realting to earlier years	8.68	2.76
Duty Draw Back / Sale of export licence (OGL)	6.77	18.77
<b>Other operating revenue (B)</b>	<b>24.49</b>	<b>26.54</b>
<b>Total Revenue from operations (Gross) (A+B)</b>	<b>1532.87</b>	<b>1,595.08</b>

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

## 17 Other income

Particulars	(₹ crores)	
	Year ended 31.03.2013	Year ended 31.03.2012
Rent	1.10	1.20
Profit on sale of assets	0.86	0.16
Interest income	0.69	3.13
Excess provision written back	1.14	0.00
Foreign exchange differences (net)	3.58	0.00
Dividend income	0.02	0.03
<b>Total</b>	<b>7.39</b>	<b>4.52</b>

## 18 Cost of materials consumed

Particulars	(₹ crores)	
	Year ended 31.03.2013	Year ended 31.03.2012
Sugar cane	1311.13	944.01
Molasses consumed	66.28	6.42
Bagasse / coal / rice husk & other fuel consumed	52.54	38.52
Chemicals and others	87.84	43.12
<b>Total</b>	<b>1517.79</b>	<b>1032.07</b>

## 19 (Increase)/Decrease in inventories

Particulars	(₹ crores)	
	Year ended 31.03.2013	Year ended 31.03.2012
<b>Inventories at the end of the year</b>		
Finished goods	1217.83	638.46
Stock-in-process	29.89	14.54
Traded goods	0.39	0.26
	<b>1248.11</b>	<b>653.26</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	692.25	596.27
Stock-in-process	16.76	20.22
Traded goods	0.26	0.24
	<b>709.27</b>	<b>616.73</b>
Net excise duty on account of (Increase)/decrease in inventories	17.08	(3.15)
<b>(Increase)/Decrease in inventories</b>	<b>(521.76)</b>	<b>(39.68)</b>



## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

### 20 Employees benefits expense

Particulars	(₹ crores)	
	Year ended 31.03.2013	Year ended 31.03.2012
Salaries , wages and bonus (including contract labour)	57.84	46.75
Contribution to provident and other funds	5.23	4.66
Workmen and staff welfare expenses	3.96	1.72
Gratuity	3.24	2.67
Voluntary retirement compensation	0.83	3.16
<b>Total</b>	<b>71.10</b>	<b>58.96</b>

### 21 Other expense

Particulars	(₹ crores)			
	Year ended 31.03.2013		Year ended 31.03.2012	
Consumption of stores, spares and other manufacturing expense		29.17		21.84
Packing material expense		16.60		14.74
Expenditure on crops		0.39		0.43
Power and fuel		6.33		4.21
Repairs and maintenance :				
Plant and machinery	29.55		27.62	
Buildings	2.48		2.21	
Others	1.33	33.36	1.30	31.13
Rent		4.67		4.80
Rates and taxes		1.36		1.16
Duties and Taxes		4.70		0.25
Charity and donation		0.18		0.17
Insurance		1.89		2.72
Molasses fund		0.19		0.25
Selling expenses :				
Commission to selling agents	11.61		6.89	
Other selling expense	23.19	34.80	5.97	12.86
Payment to auditors :				
Audit fee	0.18		0.14	
Tax audit fee	0.03		0.05	
Management and other services	0.05		0.04	
Reimbursement of expenses	0.01	0.27	0.01	0.24
Miscellaneous expenses		23.03		20.63
Cane development expense		2.77		16.73
Expenses relating to earlier year		0.07		0.28
Foreign exchange difference		0.00		0.31
Balances written-off		0.26		0.00
Provision for doubtful debts		7.95		0.03
Directors sitting fee		0.10		0.07
Loss on sale of fixed/discarded assets		0.03		0.25
<b>Total</b>		<b>168.12</b>		<b>133.10</b>

**Notes on Consolidated Financial Statements** for the year ended 31st March, 2013**22 Finance costs**

Particulars	(₹ crores)	
	Year ended 31.03.2013	Year ended 31.03.2012
Interest	111.12	91.34
Documentaion and other bank charges	1.83	3.04
Foreign exchange difference	3.02	2.92
	115.97	97.30
Less : Interest capitalized during the period	(3.30)	(2.43)
<b>Total</b>	<b>112.67</b>	<b>94.87</b>

- 23 Exceptional item for the year amounting to ₹ 8.19 crores represents write-off on investments in equity shares of Kashipur Sugar Mills Limited (KSML). Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has ordered for winding-up of the KSML in their meeting held on 08-05-2013. Therefore, it has been decided to write-off the investments in the equity shares of KSML and an equivalent amount has been withdrawn from the General Reserve.
- 24 The accounts have been prepared without accounting for any incentive entitlements under U.P. Sugar Incentive Promotion Policy, 2004 as the scheme has been subsequently withdrawn by the State Government. The Company has filed writ petition before Hon'ble Allahabad High Court (Lucknow Bench) for enforcement of the scheme and settlement of incentive claims. As per the erstwhile incentive policy, the company is eligible for capital subsidy of ₹ 89.89 crores i.e. @10% of the investments made (already vetted ₹ 50.80 crores) and for reimbursement of taxes and other charges aggregating to ₹ 54.12 crores upto 31st March, 2013 (including ₹ 9.40 crores for the current year).
- 25 In th opinion of the Board, current assets and loans and advances have realisable value in the ordinary course of business at least equal to the value at which they are stated in the balance sheet.
- 26 Employees Benefits :

The required disclosures of employees benefits as per Accounting Standard -15 are given hereunder :-

- (i) In respect of Short Term Employee Benefits :

The Company has at present only the scheme of cumulative benefit of leave encashment payable at the end of each calender year and the same have been provided for on accrual basis.

- (ii) In respect of defined Benefit Scheme (Based on actuarial valuation) of Gratuity :

Particulars	(₹ crores)	
	2012-2013	2011-2012
A) Change in Obligation over the year ended 31.03.2013		
Present value of defined obligation as on 01.04.2012	16.68	16.04
Addion on amalgamation of JKSL	1.25	0.00
Current Service Cost	1.13	0.97
Interest Cost	1.42	1.34
Actuarial Gains/Losses	0.15	(0.69)
Benefits Paid	(0.89)	(0.98)
Present value of defined obligation as on 31.03.2013	19.76	16.68
B) Expenses recognised during the year ended 31.03.2013		
Current Service Cost	1.13	0.97
Interest Cost	1.42	1.34
Actuarial Gains/Losses	0.15	(0.69)
Current Service Cost & Actuarial losses in respect of seprated employees	0.54	1.05
<b>Total</b>	<b>3.24</b>	<b>2.67</b>

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

Particulars	(₹ crores)	
	2012-2013	2011-2012
C) Principal Actuarial Assumptions :		
Mortality Table (LIC)	1994-96 (duly modified)	
Discount Rate (per Annum)	8.50%	(8.50%)
Rate of Escalation in Salary (per Annum)	6.00%	(6.00%)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors

### (iii) Defined Contribution Plan :

Provision for contribution to defined contribution plan recognised as expense during the period are as under :

Particulars	(₹ crores)	
	2012-2013	2011-2012
Employer's Contribution to Provident Fund :	2.85	2.40
Employer's Contribution to Pension Fund :	2.37	2.26

## 27 Segment Reporting:

Particulars	(₹ crores)				
	Sugar	Chemicals	Co-gen	Others	Total
<b>1. Segment Revenue (Including Excise Duty)</b>					
a) External Sales	1,030.30	327.22	160.60	14.75	1,532.87
Previous year	(1275.51)	(174.54)	(132.30)	(12.73)	(1595.08)
b) Inter Segment Sales	187.41	2.40	194.70	-	384.51
Previous year	(207.46)	-	(201.58)	-	(409.04)
c) Total Revenue	1,217.71	329.62	355.30	14.75	1,917.38
Previous year	(1482.97)	(174.54)	(333.88)	-12.73	(2004.12)
<b>2. Segment Results</b>					
(Profit(+))/Loss(-) before tax and interest from each segment	19.84	36.90	111.65	0.61	169.00
Previous year	(36.63)	(26.50)	(90.80)	(1.86)	(155.79)
Less : Finance costs					112.67
Previous year					(94.87)
Less/ Add :Other Unallocable Expense/Income					
Net off Unallocable Income/Expenses					17.08
Previous year					(15.79)
Net Profit(+)/Loss(-) Before Tax					39.25
Previous year					(45.13)
Less: Tax expense (Net)					16.54
Previous year					(15.50)
Net Profit after Tax (Before Adjustment of Minority Interest)					22.71
Previous year					(29.63)
Share of Profit/Loss to Minority					0.00
Previous year					-
Net Profit after Tax (after adjustment of Minority Interest)					22.71

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ crores)					
Particulars	Sugar	Chemicals	Co-gen	Others	Total
Previous year					(29.63)
<b>3. Other Information</b>					
a) Segment Assets	1,852.76	230.61	546.17	11.87	2,641.41
Previous year	(1,236.81)	(213.45)	(550.03)	(0.96)	(2001.25)
Unallocable Corporate Assets					15.47
Previous year					(42.52)
Total Assets					2656.88
Previous year					(2043.77)
b) Segment Liabilities	681.03	23.23	1.80	0.25	706.31
Previous year	(522.46)	(15.92)	(2.47)	(0.08)	(540.93)
Unallocable Corporate Liabilities					1,463.51
Previous year					(1016.03)
Total Liabilities					2169.82
Previous year					(1556.96)
c) Capital Expenditure	36.04	28.45	10.50	-	74.99
Previous year	(40.11)	(13.33)	(13.52)	(0.02)	(66.98)
d) Depreciation	40.37	6.09	30.29	0.01	76.76
Previous year	(34.02)	(5.02)	(28.61)	(0.01)	(67.66)
e) Non Cash Expenditure other than Depreciation	10.45	5.96	0.01	-	16.42
Previous year	(0.28)	-	-	-	(0.28)

## 28 Earnings per Share (EPS) :

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
i) Net Profit/ Loss(-) after Extra Ordinary Items & Provision for Taxes				
(Used as numerator for calculating EPS)	₹ crores	20.68	₹ crores	29.28
ii) Weighted average No.of Equity Shares outstanding during the period: (Used as denominator for calculating E.P.S.)				
- for Basic EPS	No.	57214935	No.	53905975
- for Diluted EPS	No.	57214935	No.	53905975
iii) Earning per Share beofre and after Extra Ordinary Items				
- Basic	₹	3.61	₹	5.43
- Diluted	₹	3.61	₹	5.43
(Equity Share of Face value of ₹10 each)				

**Note :** Above E.P.S. has been considered after considering the shares to be issued pursuant to merger of J K Sugar Limited.

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

### 29 Related Party Disclosures:

#### A List of related parties with whom transactions have taken place and relationships:

##### i) Enterprises where control exists:

Associates -

Kashipur Sugar Mills Limited

##### ii) Enterprises where there is significant influence

1 Goel Investments Limited

2 Ujjwal Rural Services Ltd.

3 Saraswati Properties Limited

4 Shudh Edible Products Limited

5 Sonitron Limited

6 India Green Fuel Private Limited

##### iii) Key management personnel and their relatives

1 Mr. Vijay Kumar Goel, Executive Director  
Mrs Deepa Goel (Wife)

2 Mr. Ashok Kumar Goel, Vice Chairman  
Mrs Vinita Goel (Wife)

3 Mr. Gaurav Goel, Managing Director  
Mrs Priyanjali Goel (Wife)

4 Mr. Gautam Goel, Managing Director  
Mrs Bindu Vashist Goel (Wife)

5 Mr. J.P. Sharma, Director  
Mr. Mukul Sharma (Son)

6 Mr Priya Brat, Director  
Mrs Shakuntala Brat (Wife), Mr Anu Mahendru (Daughter)

7 V. K. Goel, H.U.F

8 Gaurav Goel, H.U.F

9 Gautam Goel, H.U.F

#### B Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2013

(₹ crores)

Sl. No.	Particulars	Enterprises where control exists Associate		Enterprises where there is significant influence		Key Management Personnel and their Relatives	
		2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
	Transactions during the year ended 31.03.2013						
1	Loans/Advances given (Net)	2.06	1.12	16.58	7.87	0.00	0.00
2	Net Receipts towards Loan /Advances given	0.00	2.87	16.58	7.87	0.00	0.00
3	Prov. for doubtful write back net off loss on investments	1.14	0.00	0.00	0.00	0.00	0.00
4	Loans taken	0.00	0.00	21.14	10.16	0.00	0.00
5	Loans repaid	0.00	0.00	20.80	9.88	0.00	0.00
6	Sale of Goods/Fixed Assets	0.00	0.04	0.00	0.00	0.00	0.00



## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

(₹ crores)

Sl. No.	Particulars	Enterprises where control exists Associate		Enterprises where there is significant influence		Key Management Personnel and their Relatives	
		2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
7	Rent paid	0.00	0.00	3.60	3.60	0.00	0.00
8	Remuneration paid	0.00	0.00	0.00	0.00	4.44	2.00
9	Interest expense	0.00	0.00	0.00	0.11	0.43	0.35
10	Loss on investments/investment written-off	8.19	0.00	0.00	0.00	0.00	0.00
11	Club Fee / ITA./ Medical reimbursement	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Amount due to/from Related Parties:</b>						
1	Unsecured Loans/Deposits	0.00	0.00	0.00	0.00	3.58	3.09
2	Current Liabilities	0.00	0.00	0.78	0.65	1.64	0.01
3	Investments Net of provision	0.00	8.22	0.00	0.00	0.00	0.00
4	Loans/Advances & Receivables Net of provision	0.08	12.59	0.00	0.00	0.00	0.00

30 Following are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006:

- Sundry creditors include a sum aggregating ₹ 2.79 crores (₹ 1.95 crores) due to micro and small enterprises is on account of principal only.
- The amount of interest paid by the company in terms of Section 16, alongwith the amount of payments made to the micro and small enterprise beyond the appointed date during the period - ₹ Nil.
- 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 period but without adding the interest specified under this Act. - ₹ Nil.
- The amount of interest accrued and remaining unpaid - ₹ Nil.
- The amount of further interest remaining due and payable even in succeeding years - ₹ Nil.

The above mentioned outstandings are in normal course of business and the information regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

### 31 Derivative instruments

- The company has entered into following Forward Contract :
  - The Company used foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding forward exchange contracts entered into by the company :

As at	No. of Contracts	US Dollar Equivalent (Million)	INR Equivalent (₹ crores)
31.03.2013	11	7.50	40.71
31.03.2012	2	2.80	14.24

(Forward exchange contract outstanding as on 31st March, 2013 include forward sale of US Dollar against export receipts)

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

- ii) The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Particulars	As at 31.03.2013		As at 31.03.2012	
	US Dollar Equivalent (Million)	INR Equivalent (₹ crores)	US Dollar Equivalent (Million)	INR Equivalent (₹ crores)
a) Amounts payable in foreign currency on account of the following :				
Capital Imports	0.90	4.86	0.88	4.49
Stock-in-trade/Raw materials	0.00	0.00	10.00	50.88
Advance from customers	0.29	1.60	9.99	50.83
Loans Payable	8.00	43.42	8.00	40.70
b) Amounts receivable in foreign currency on account of the following :				
Export receivable	2.49	13.50	10.97	55.83

32 Previous year figures in bracket have been regrouped wherever considered necessary.

### 33 CONTINGENT LIABILITIES AND COMMITMENTS : NOT PROVIDED FOR IN RESPECT OF :

Particulars	(₹ crores)	
	As at 31.03.2013	As at 31.03.2012
I Contingent Liabilities		
Claims/disputed liabilities not acknowledged as debt :		
A) In respect of some pending cases of employees under labour laws	Amount not ascertainable	Amount not ascertainable

#### B) Details of disputed liabilities/demands :

Sl. No.	Particulars	Period to which amount relates	Forum where matter is pending	(₹ crores)	
				31.03.2013	31.03.2012
1	Additional U.P.Trade Tax,Central Sale	1997-98 to 2004-05	High Court	4.82	3.08
	Tax and Entry Tax Liability	1990-91 to 2007-08	Joint Commissioner appeal	10.36	0.26
		1996-97, 1999-2000, 2000-01	Trade Tax Tribunal	0.01	0.01
	Sub-total			15.19	3.35
2	Cenvat Credit on Inputs, Capital	1994-95, 1995-96, 2001-02, 2002-03			
	items and Services against which	2003-04, 2004-05, 2005-06, 2006-07	Commissioner (A) & CESTAT	31.17	34.26
	₹ Nil (₹ 0.81 crore) have been deposited	1995-96, 1996-97, 1998-99 to 2003-04	High Court	0.51	0.30
	Sub-total			31.68	34.56
3	Excise duty on Molasses, Scrap	1997-98,2000-01 to 2002-03	Commissioner (A) & CESTAT	0.04	0.04
	and Pressmud				

## Notes on Consolidated Financial Statements for the year ended 31st March, 2013

Sl. No.	Particulars	Period to which amount relates	Forum where matter is pending	₹ crores	
				31.03.2013	31.03.2012
	Sub-total			0.04	0.04
4	Purchase Tax Penalty	1998-1999	High Court	0.37	0.36
	Sub-total			0.37	0.36
5	Stamp duty demand under Uttar Pradesh Stamp Act against which	1992-1993	Registrar of Stamp Duty	0.25	0.25
		2003-2004	Registrar of Stamp Duty	0.26	0.26
	₹0.13 crore have been deposited	2005-2006	High Court	0.00	3.50
	Sub-total			0.51	4.01
	<b>Grand Total</b>			<b>47.79</b>	<b>42.32</b>

- C Excise Department has served show cause notices on the company for levy of duty of ₹ 11.07 crores on sale of Rectified Spirit; of ₹ 8.83 crores on sale of Electricity and of ₹ 7.36 crores for reversal of CENVAT credit taken by the company on certain capital goods and inputs. All the notices are at personal hearing stage. The company is legally advised that no duty is leviable on these cases.
- D During the year 2008-09, the Meerut Unit has received demand/show cause Notice for ₹ 8.84 crore from Commissioner Central Excise Meerut (U.P.) demanding duty on the generation of electricity due to the non maintenance of separate set of books. Out of ₹ 8.84 crore, demand of ₹8.07 crore has been stayed by Hon'ble Custom, Excise & Service Tax Appellate Tribunal (CESTAT) and remaining ₹ 0.77 crore has been set aside by Commissioner Central Excise pursuant to guideline set by Hon'ble Supreme Court. It is expected that on the same basis remaining liability will be set aside by CESTAT.

## II Commitments

- A Uncalled liability on investments in partly paid-up shares - Nil (Prev. year Nil)
- B Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 51.93 crores (₹ 2.90 crore).

As per our report of even date

For S. Vaish &amp; Co.,

For Mittal Gupta &amp; Co.

For and on behalf of the Board of Directors

S. P. Agrawal  
Partner  
Chartered Accountants

B. L. Gupta  
Partner  
Chartered Accountants

Arhant Jain  
Executive President (Finance)  
& Secretary

V. K. Goel  
Chairman

A. K. Goel  
Vice Chairman

Gaurav Goel  
Managing Director

Gautam Goel  
Managing Director

Place : Kanpur  
Dated : 25th July, 2013

A. K. Gupta  
Director

M.P. Mehrotra  
Director

## Financial Information of Subsidiary Company as at 30th September, 2012

(₹ Crores)

Name of Subsidiary	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision for Tax	Profit after Tax	Proposed Dividend
Dhampur International Pte Ltd.	INR	0.040	(0.135)	0.012	0.107	Nil	Nil	(0.037)	Nil	(0.037)	Nil
	US\$	7609	(25597)	2283	20271	Nil	Nil	(6969)	Nil	(6969)	Nil

# STANDALONE SECTION

## Independent Auditors Report

To  
The Members of  
Dhampur Sugar Mills Limited

### Report on the Financial Statements

We have audited the accompanying revised financial statements of Dhampur Sugar Mills Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. The original financial statements of the Company for the year ended March 31, 2013 were audited by us and our audit report dated May 21, 2013 expressed an unqualified opinion in the same.

The original financial statements were prepared without giving effect to the Scheme of Amalgamation of J.K. Sugar Limited with the company, since the order of the Hon'ble High Court of Judicature at Calcutta was not received till that date. In order to give effect to the Scheme of the aforesaid amalgamation, which has become effective on July 16, 2013 from the appointed date i.e. April 01, 2012 as approved by the Hon'ble High Court of Judicature at Allahabad vide order dated 18.03.2013 and Hon'ble High Court of Judicature at Calcutta vide order dated 17.05.2013 as explained and referred to in Note No. 1.A, these financial accounts have now been revised by the Company.

### 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 principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditor's 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 misstatements.

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 judgement, 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 control 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 the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the State of Affairs of the unit as at 31st March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (iii) in the case of the 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 (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
  - e. On the basis of the written representations received from the directors as on March, 31, 2013, 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 Section 274(1)(g) of the Act.

For S. Vaish & Co.,  
Chartered Accountants  
FRN 00001C

(S.P. Agrawal)  
Partner  
Membership No. 07269

For Mittal Gupta & Co.,  
Chartered Accountants  
FRN 01874C

(B. L. Gupta )  
Partner  
Membership No. 073794

Place : Kanpur  
Dated : 25th July, 2013



# Annexure to the Independent Auditors' Report

The Annexure referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Dhampur Sugar Mills Limited (the Company) for the year ended 31st March, 2013 :

- |  |  |
|--|--|
| <p>i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets have been physically verified by the management at the end of the period. In our opinion the frequency of verification is reasonable considering the size of the Company and nature of its business.</p> <p>(c) The Company has not disposed off a substantial part of its fixed assets during the period and the going concern status of the Company is not affected.</p> <p>ii) (a) The inventories, except stores, have been physically verified during the period by the management. In our opinion, the frequency of verification of inventory, except stores, is reasonable.</p> <p>(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.</p> <p>iii) (a) The Company had granted interest free unsecured loans/advances to two companies covered in the register maintained under section 301 of the Companies Act, 1956.</p> <p style="padding-left: 20px;">- The maximum amount involved during the period is ₹ 25.33 crore.</p> <p style="padding-left: 20px;">- The year end balance due is ₹ 0.11 crore.</p> <p>(b) In our opinion, the other terms and conditions on which interest free unsecured loans/advances have been granted to a company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.</p> <p>(c) The payments of principal amount are regular, wherever stipulated.</p> <p>(d) There is no overdue amount of loans/advances, more than rupee one lac, granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.</p> <p>(e) The Company had taken interest free unsecured loans/advances from five companies covered in the register maintained under section 301 of the</p> | <p>Companies Act, 1956.</p> <p style="padding-left: 20px;">- The maximum amount involved during the period is ₹ 17.81 crore.</p> <p style="padding-left: 20px;">- The year end balance due is ₹ 0.78 crore.</p> <p>(f) In our opinion, the other terms and conditions on which loans/advances have been taken from companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.</p> <p>(g) The payments of principal amount are regular, wherever stipulated.</p> <p>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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.</p> <p>v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under section 301 of the Companies Act, 1956.</p> <p>(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements exceeding the value of rupees five lac in respect of each party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.</p> <p>vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and section 58AA of the Companies Act, 1956 or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.</p> <p>vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>viii) We have broadly reviewed the cost accounting records</p> |
|--|--|

maintained by the company pursuant to Companies (Cost Accounting Records) Rules 2011 prescribed by Central Government under section 209 (1) (d) of Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of cost records with a view to determine whether they are accurate or complete.

- ix) (a) As explained to us, the statutory dues payable by the Company comprises mainly of Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-tax, Sales-tax (VAT), Wealth-tax, Service-tax, Custom Duty, Excise Duty, Cess, Entry tax, Purchase tax and other material statutory dues applicable to it. According to the records of the Company and information and explanations given to us, the Company has been generally regularly depositing the aforesaid undisputed statutory dues with the appropriate authorities. There are no undisputed statutory dues as referred to above as at 31st March, 2013 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there were no dues on account of Income Tax and Wealth Tax which were not deposited on account any dispute. However, the particulars of Service-tax, Sales-tax (VAT), Custom Duty, Excise Duty, Entry tax, Stamp duty and other statutory material dues, which have not been deposited on account of any dispute, are as referred to in the details of Contingent Liabilities in Note No. "35".
- x) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, there is no default in repayment of dues to any Financial Institution and Bank during the period under report, as per the terms of the respective loans.
- xii) In our opinion and according to the information and explanations given 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, as such the provisions of paragraph 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, accordingly the provisions of paragraph 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions; as such the provisions of paragraph 4(xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xvi) The term loans obtained by the Company have been applied for the purposes for which they were obtained.
- 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 the no funds raised on short-term basis have been used for long-term investment during the period.
- xviii) The Company has not made any preferential allotment of shares during the period to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the period.
- xx) The Company has not raised any money during the period by public issue.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the course of our audit.

For S. Vaish & Co.,  
Chartered Accountants  
FRN 00001C

For Mittal Gupta & Co.,  
Chartered Accountants  
FRN 01874C

(S.P. Agrawal)  
Partner  
Membership No. 07269

(B. L. Gupta)  
Partner  
Membership No. 073794

Place : Kanpur  
Dated : 25th July, 2013

## Balance Sheet as at 31st March, 2013

( ₹ Crores)

Particulars	Note No.	As at 31.03.2013		As at 31.03.2012	
<b>Equity and Liabilities</b>					
<b>Shareholders' funds</b>					
Share capital	1C	83.36		62.81	
Reserves and surplus	2	403.84	487.20	422.52	485.33
<b>Non-current liabilities</b>					
Long-term borrowings	3	391.22		426.23	
Deferred tax liabilities	4	5.59		1.62	
Other long-term liabilities	7	5.44		5.75	
Long-term provisions	5	18.03	420.28	15.03	448.63
<b>Current liabilities</b>					
Short-term borrowings	6	905.52		454.05	
Trade payables	7	618.28		433.10	
Other current liabilities	7	199.75		204.53	
Short-term provisions	8	25.86	1749.41	18.20	1109.88
<b>Total</b>			<b>2656.89</b>		<b>2043.84</b>
<b>Assets</b>					
<b>Non-current assets</b>					
Fixed assets					
Tangible assets	9	1073.01		984.98	
Capital work-in-progress		19.42		34.83	
Non-current investments	10	11.58		8.99	
Long-term loans and advances	11	24.95		11.12	
Other non-current assets	12	0.25	1129.21	0.38	1040.30
<b>Current assets</b>					
Inventories	13	1311.26		710.23	
Trade receivables	14	144.06		216.27	
Cash and cash equivalents	15	12.87		13.21	
Short-term loans and advances	11	54.78		60.85	
Other current assets	12	4.71	1527.68	2.98	1003.54
<b>Total</b>			<b>2656.89</b>		<b>2043.84</b>
<b>Significant Accounting Policies</b>					
<b>Notes on Financial Statements</b>	<b>1 to 35</b>				

This is the Balance Sheet referred to in our report of even date

For S. Vaish & Co.,

For Mittal Gupta & Co.,

For and on behalf of the Board of Directors

(S.P. Agrawal)

Partner

Chartered Accountants

(B. L. Gupta )

Partner

Chartered Accountants

Arhant Jain  
Executive President (Finance)  
& Secretary

V.K. Goel  
Chairman

A.K. Goel  
Vice Chairman

Gaurav Goel  
Managing Director

Gautam Goel  
Managing Director

A.K. Gupta  
Director

M.P. Mehrotra  
Director

Place : Kanpur

Dated : 25th July, 2013

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

(₹ Crores)

Particulars	Note No.	Year ended 31.03.2013		Year ended 31.03.2012	
<b>Income</b>					
Revenue from operations	16	1532.87		1593.85	
Less : Excise duty and other taxes		51.65	1481.22	57.56	1536.29
Other income	17		7.39		4.52
<b>Total revenue</b>			<b>1488.61</b>		<b>1540.81</b>
<b>Expenses</b>					
Cost of materials consumed	18		1517.79		1032.07
Purchases of Stock-in-Trade	16		24.68		149.93
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	19		(521.76)		(39.68)
Employee benefits expense	20		71.10		58.96
Other expenses	21		168.07		132.96
<b>Total</b>			<b>1259.88</b>		<b>1334.24</b>
<b>Earnings before interest, tax depreciation and amortization</b>			<b>228.73</b>		<b>206.57</b>
Depreciation and amortization expense		78.19		67.66	
Less : transferred from general reserve		(1.43)	76.76	0.00	67.66
Finance costs	22		112.67		94.87
<b>Profit before exceptional and extraordinary items and tax</b>			<b>39.30</b>		<b>44.04</b>
Exceptional items {Net gain/(loss)}	23	(8.19)		(48.04)	
Less : transferred from general reserve		8.19	0.00	48.04	0.00
<b>Profit before extraordinary items and tax</b>			<b>39.30</b>		<b>44.04</b>
Extraordinary items {Net gain/(loss)}			0.00		0.00
<b>Profit/(loss) before tax</b>			<b>39.30</b>		<b>44.04</b>
<b>Tax expense:</b>					
Current tax			(5.97)		0.00
Less: MAT credit entitlement			5.95		0.00
Deferred tax assets/(liability) (Net)			(16.52)		(15.50)
<b>Profit/(loss)</b>			<b>22.76</b>		<b>28.54</b>
Earning per equity share (nominal value of share ₹ 10/- each)					
Basic ( ₹ per share)			3.62		5.23
Diluted ( ₹ per share)			3.62		5.23
<b>Significant Accounting Policies</b>					
<b>Notes on Financial Statements</b>	<b>1 to 35</b>				

This is the Profit and Loss Account referred to in our report of even date

For S. Vaish &amp; Co.,

For Mittal Gupta &amp; Co.,

For and on behalf of the Board of Directors

(S.P. Agrawal)

Partner

Chartered Accountants

(B. L. Gupta )

Partner

Chartered Accountants

Arhant Jain  
Executive President (Finance)  
& Secretary

V.K. Goel  
Chairman

A.K. Goel  
Vice Chairman

Place : Kanpur

Dated : 25th July, 2013

Gaurav Goel  
Managing Director

Gautam Goel  
Managing Director

A.K. Gupta  
Director

M.P. Mehrotra  
Director

## Cash Flow Statement for the year ended 31st March, 2013

(₹ crores)

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
<b>A. Cash flow from operating activities:</b>				
Net Profit/(Loss) before tax and exceptional items		39.30		44.04
<b>Adjustment for:</b>				
Depreciation	76.76		67.66	
Loss on sale of fixed assets (net)	(0.81)		0.09	
Finance costs	112.67		94.87	
Interest and other investment income	(0.71)		(3.16)	
Molasses storage fund	0.19		0.25	
Provision for doubtful debts	7.95		0.03	
		196.05		159.74
<b>Operating profit before working capital changes</b>		235.35		203.78
<b>Adjustments for:</b>				
Trade and other receivables	72.70		(130.08)	
Inventories	(542.02)		(39.13)	
Trade and other payables	90.45	(378.87)	(9.54)	(178.75)
<b>Cash generated from operation</b>		(143.52)		25.03
Taxes refund/(paid)		(5.15)		26.62
<b>Net cash from operating activities (A)</b>		(148.67)		51.65
<b>B. Cash flow from investing activities :</b>				
Purchases of fixed assets		(89.08)		(59.25)
Loans (net)		12.40		1.67
Sale of fixed assets		3.03		3.01
Purchases of investments		(10.78)		(0.03)
Interest and other investment income		1.04		3.01
<b>Net cash used in investing activities (B)</b>		(83.39)		(51.59)
<b>C. Cash flow from financing activities :</b>				
Redemption of preference shares		(0.78)		0.00
Proceeds from borrowings (net)		345.02		90.92
Dividend including dividend distribution tax		(8.11)		(6.72)
Finance costs paid		(115.60)		(95.31)
<b>Net cash used in financing activities (C)</b>		220.53		(11.11)
Net Increase/(Decrease) in Cash and Cash				
Equivalents (A+B+C)		(11.53)		(11.05)
Opening Balance of Cash and Cash Equivalents		13.21		22.77
Opening Balance from Amalgamated Company		11.19		1.49
Closing Balance of Cash and Cash Equivalents		12.87		13.21

This is the Cash Flow Statement referred to in our report of even date

For S. Vaish & Co.,

For Mittal Gupta & Co.,

For and on behalf of the Board of Directors

(S.P. Agrawal)  
Partner  
Chartered Accountants

(B. L. Gupta )  
Partner  
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Managing Director

Gautam Goel  
Managing Director

A.K. Gupta  
Director

M.P. Mehrotra  
Director

Place : Kanpur  
Dated : 25th July, 2013



## Dhampur Sugar Mills Limited

### Significant Accounting Policies

#### A Corporate Information

Dhampur sugar Mills Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the manufacturing and selling of sugar, chemicals and co-generation of power.

#### B Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention on mercantile system of accounting unless otherwise specifically stated.

#### C Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### D Fixed Assets

Fixed assets are stated at cost, net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation, and impairment loss, if any. All costs, including financing costs attributable to construction or acquisition of fixed assets till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

#### E Depreciation and Amortisation

- a) Depreciation on plants and buildings acquired after 31st March, 1989 is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- b) Depreciation on other fixed assets is provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

#### F Foreign Exchange Transactions

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the closing rate.

The difference in translation of long term monetary assets and liabilities and realised gains and losses on such foreign exchange transactions are recognised in the respective capital asset. In respect of transactions covered by forward exchange contracts, the difference between contract rate and the rate on the date of transaction is charged to the profit and loss account over the period of the contract.

#### G Inventories

- a) Raw material at cost and finished goods including in transit (except molasses) are carried at lower of cost and net realisable value.
- b) Stock of finished farm products, molasses and bagasse are carried at estimated selling price.
- c) Packing materials, stores, spares, standing cane and other crops are carried at cost.
- d) Goods in process/work in progress is carried at estimated cost.
- e) Loose tools and instruments are carried at depreciated value.

#### H Excise Duty

Excise duty in respect of finished goods held in stock except in respect of those products which are being used for captive consumption, has been accounted for at the end of the period and is included in the value of closing stock.

#### I Employees Benefits

- a) Defined contribution plan

Company's contributions paid/payable during the year to provident fund and pension fund are recognised in the profit and loss account.

**b) Defined Benefit Plan**

Company's liabilities towards gratuity are determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognised immediately in the profit and loss account as income or expenses. Obligation measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date or Government bonds where the currency and terms of the Government are consistent with the currency and estimated terms of the defined benefit obligation.

**c) Short term benefits (namely leave encashment) are provided for on accrual basis.**

**d) Employee separation cost**

Compensation to employee who have opted for retirement under the "Voluntary Retirement Scheme" of the company is charged to the profit and loss account in the year of retirement.

**J Leases**

a) In respect of assets taken on lease upto 31.03.2001 and in respect of operating lease taken there after, if any, lease rentals are expensed with reference to lease term, except for rentals pertaining to the period upto the date of commissioning of the assets which are capitalised.

b) Income in respect of assets given on lease if any, is recognised on accrual basis with reference to lease terms.

**K Investments:**

a) Current investments are carried at lower of cost and quoted/fair value.

b) Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

**L Revenue Recognition :**

Revenue is recognised only when it can be reliably measured and is reasonable to expect ultimate collection. Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership to the customers. Revenue includes excise duty and is net of sales tax, value added tax and applicable discounts and allowances. Dividend income is recognised when right to receive is established. Interest income is recognised when no significant uncertainty as to measurability or collectability exists.

**M Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till commencement of commercial production and/or put to use. All other borrowing costs are expensed in the period they occur.

**N Provision for Current and Deferred Tax :**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred tax resulting from timing differences between taxable income and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realised in future.

**O Impairment of Assets :**

The carrying amount of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment is charged to the profit and loss account in the year in which an asset is identified as impaired. Impairment losses recognised in prior accounting periods are reversed if there is any change in the estimate of the recoverable amount.

**P Provisions, Contingent Liabilities and Assets :**

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the balance sheet date is considered probable.

Contingent liabilities are shown by way of notes to the 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 not recognised in the financial statements.

## Notes on Financial Statements for the year ended 31st March, 2013

### "1.A." Revision of Accounts and Amalgamation of J.K.Sugar Limited (JKSL)

Hon'ble High Court of Judicature at Allahabad and Calcutta by their orders dated 18th March, 2013 and 17th May, 2013 respectively approved the Scheme of Amalgamation of J K Sugar Ltd. with the company which has become effective on 16th July, 2013 from the appointed date 1st April, 2012 in accordance with the provisions of section 391 & 394 of the Companies Act, 1956. The Board of the directors of the company had approved the original financial statements for the year ending March 31, 2013 without giving the effect of amalgamation as aforesaid, in the meeting held on 21st May, 2013 with the condition that if the Scheme become effective before 15th August, 2013, the annual accounts should be revised to give effect to the scheme of amalgamation and revised accounts be placed before the Board for approval.

The scheme of amalgamation became effective on filing of orders with the respective Registrar of Companies and to give effect the amalgamation in the books of accounts for the year ended 31st March, 2013, accounts of the Company have been reopened and revised. The present financial statements are revised for the limited purpose of amalgamation of JKSL with the Company in accordance with the accounting policies followed by the Company.

### "1.B" Salient features of the Scheme of Amalgamation

JKSL was engaged in the manufacture of Sugar and Co-generation power.

The appointed date for the purpose of this amalgamation is 1st April, 2012.

In accordance with the scheme approved, the accounting for this amalgamation has been done in accordance with the "Pooling of Interest Method" referred to in Accounting Standard 14 - "Accounting for Amalgamation" of the Companies (Accounting Standard) Rules 2006.

Accordingly, DSML has accounted for the Scheme in its books of accounts with effect from the Appointed Date i.e. 1st April, 2012 as under:

- i) With effect from the appointed date, all assets and liabilities appearing in the books of JKSL have been transferred to and vested in DSML and have been recorded by DSML at their respective book values.
- ii) In consideration of the transfer of the business as a going concern, the Company shall issue the shares as under :
  - a) 275 fully paid-up of equity shares of ₹10/- each of the Company for every 1000 equity shares of ₹10/- each fully paid-up of JKSL to equity shareholders of JKSL. Pending allotment, the outstanding equity shares to be issued aggregating to ₹ 3.31 crore representing 33,08,960 equity shares of ₹ 10/- each of the company is shown as Equity Share pending for allotment under Share Capital. The amalgamation will result in exchange of 5.78% of post issue equity shares of DSML.
  - b) 9 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten 8% Cumulative redeemable preference shares (Series A) of ₹ 90/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 13.50 crore representing 13,50,000 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.
  - c) 9 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten 8% Cumulative redeemable preference shares (Series B) of ₹ 90/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 1.67 crore representing 1,66,804 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.
  - d) 1 fully paid-up of 8% Cumulative redeemable preference shares (CRPS) of ₹100/- each of the Company for every ten Zero coupon fully convertible redeemable preference shares of ₹ 10/- each fully paid-up of JKSL to preference shareholders of JKSL. Pending allotment, the outstanding 8% CRPS to be issued aggregating to ₹ 2.85 crores representing 2,85,013 8% CRPS to be issued of ₹ 100/- each of the company is shown as 8% CRPS pending for allotment under Share Capital.

## Notes on Financial Statements for the year ended 31st March, 2013

- iii) The equity and preference share capital of the JKSL has been cancelled under the scheme.
- iv) The difference between the book value of net identifiable assets and liabilities of JKSL transferred to DSML pursuant to this scheme and the consideration being the value of New Equity Shares to be issued and allotted by DSML, amounting to ₹ 8.72 crores has been credited to Amalgamation Reserve.
- v) Accordingly, 33,08,960 equity share of ₹ 10/- each fully paid up and 18,01,817, 8% CRPS of ₹ 100/- each fully paid up of DSML are to be issued to the shareholders of JKSL under this amalgamation. The record date fixed for this purpose is 6th August, 2013.
- vi) All inter company transactions have been eliminated on incorporation of the accounting of JKSL in the company.
- vii) The company shall proceed to issue these equity share and 8% CRPS to the respective shareholders of JKSL in due course of time.
- viii) To align the method and rates of Depreciation charged by the amalgamating company (JKSL) with those of the amalgamated company (DSML), method of depreciation on assets of JKSL, other than building and plant & machinery has been changed from SLM to WDV and additional depreciation of ₹1.51 crore (including ₹1.43 crore upto appointed date i.e. 1st April, 2012) has been charged to the Profit and Loss statement and ₹ 1.43 crore, additional depreciation upto 1st April, 2012 has been withdrawn from the General Reserve pursuant to the scheme of Amalgamation. Due to this change depreciation for the year (Net of withdrawn from General Reserve) is higher by ₹ 0.08 crore, Reserve & Surplus and Tangible Asset is lower by ₹1.51 crore.
- ix) The expenses incurred towards the execution of the Amalgamation Scheme have been adjusted from the Amalgamation Reserve and the resultant credit balance has been transferred to the Capital Reserve Account as per the Scheme.

In view of the aforesaid amalgamation, the figures for the current year are not comparable to those of the previous year.

## Notes on Financial Statements for the year ended 31st March, 2013

### "1.C" Share Capital

(₹ crores)

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Authorized</b>				
11,38,26,000 (9,70,00,000) equity shares of ₹ 10/- each		113.83		97.00
69,17,400 (51,00,000) preference shares of ₹ 100/- each		69.17		51.00
<b>Issued , subscribed and paid-up</b>				
<b>Equity shares</b>				
5,39,05,975 equity shares of ₹ 10/- each fully paid-up	53.91		53.91	
3,25,496 equity shares forfeited	0.07		0.07	
Less : Calls in arrears	#	53.98	#	53.98
<b>Preference shares</b>				
4,13,940 6% Cumulative redeemable preference shares of ₹ 100/- each fully paid-up		4.14		4.14
4,69,013 1% Cumulative redeemable preference shares of ₹ 100/- each fully paid-up		3.91		4.69
33,08,960 (0) Equity share pending for allotment (Refer Note no. 1.B)		3.31		0.00
18,01,817 (0) 8% Cumulative Redeemable Preference share pending for allotment (Refer Note no. 1.B.)		18.02		0.00
<b>TOTAL</b>		<b>83.36</b>		<b>62.81</b>

"1.C.a" - Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
	No.	(₹ Crores)	No.	(₹ Crores)
<b>Authorized shares</b>				
<b>Equity shares</b>				
At the beginning of the period	97000000	97.00	87000000	87.00
Added as per scheme of amalgamation	16826000	16.83	10000000	10.00
Outstanding at the end of the period	113826000	113.83	97000000	97.00
<b>Preference shares</b>				
At the beginning of the period	5100000	51.00	5100000	51.00
Added as per scheme of amalgamation	1817400	18.17	0	0.00
Outstanding at the end of the period	6917400	69.17	5100000	51.00
<b>Issued , subscribed and paid-up shares</b>				
<b>Equity shares</b>				
At the beginning of the period	53905975	53.91	53905975	53.91
Issued during the period	0	0.00	0	0.00
Outstanding at the end of the period	53905975	53.91	53905975	53.91
<b>Preference shares</b>				
At the beginning of the period	882953	8.83	882953	8.83
Change during the period	0	0.00	0	0.00
Outstanding at the end of the period	882953	8.83	882953	8.83



## Notes on Financial Statements for the year ended 31st March, 2013

### "1.C.b" - Details of shareholders holding more than 5% shares :

Particulars	As at 31.03.2013		As at 31.03.2012	
	No.	% holding	No.	% holding
<b>Equity shares of ₹ 10 each fully paid-up</b>				
Goel Investments Ltd.	11255515	20.88	11255515	20.88
Sonitron Ltd.	4940716	9.17	4940716	9.17
Shudh Edible Products Ltd.	4549680	8.44	4549680	8.44
Mr. Gautam Goel	3481038	6.46	3009702	5.58
Mr. Gaurav Goel	3452843	6.41	2993095	5.55
<b>6% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up</b>				
IFCI Ltd.	413940	100.00	413940	100.00
<b>1% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up</b>				
IFCI Ltd.	469013	100.00	469013	100.00

### "1.C.c" - Calls unpaid of equity shares

Particulars	As at 31.03.2013		As at 31.03.2012	
	No.	Amt. (in ₹)	No.	Amt. (in ₹)
i) Calls unpaid by directors and officers	Nil	Nil	Nil	Nil
ii) Calls unpaid by others	2185	10705	2185	10705

### "1.C.d" - Terms/right attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

### "1.C.e" - Terms of redemption of Preference shares

- 4,69,013 - 1% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 12 equal quarterly installments commencing from December, 2012.
- 4,13,940 - 6% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 3 equal yearly installments commencing from December, 2013.
- 18,01,817 - 8% Cumulative Redeemable Preference Shares of ₹ 100 each to be issued on amalgamation of JKSL are redeemable in 3 equal yearly installments commencing from April 01, 2014.

### "1.C.f" - The Board of directors recommended the following dividend :

(₹ crores)

Particulars	31.03.2013	30.03.2012
Proposed dividend per equity share of ₹ 10/- each	₹ 1.25	₹ 1.25
Proposed dividend per 1% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ 1.00	₹ 1.00
Proposed dividend per 6% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ 6.00	₹ 6.00
Proposed dividend per 8% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ 8.00	N.A.

"1.C.g" - As per the Scheme of Amalgamation, the entire authorized share capital of J K Sugar Limited equal to ₹ 35.00 crores divided into equity and preference is added to the authorized share capital of the company as 1,68,26,000 equity shares of ₹ 10 each amounting to ₹ 16.83 crores and 18,17,400 preference shares of ₹ 100 each amounting to ₹ 18.17 crores.

## Notes on Financial Statements for the year ended 31st March, 2013

### "2" - Reserves and surplus

(₹ crores)

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Capital reserve</b>				
Balance as per last account	2.96		3.42	
Add/Less : transferred from/to amalgamation reserve	7.68	10.64	(0.46)	2.96
<b>Securities premium reserve</b>				
Balance as per last account	317.67		317.67	
Addition on amalgamation of JKSL	2.69		0.00	
Less: provision for premium on redemption of Zero Coupon Non-convertible Debentures	(0.40)	319.96	0.00	317.67
<b>Reserve for construction of Molasses Storage Tank</b>				
Balance as per last account	2.31		2.06	
Addition on amalgamation of JKSL	0.53		0.00	
Add: provided during the period	0.19		0.25	
Less: Transferred to General Reserve	(1.59)	1.44	0.00	2.31
<b>Debenture redemption reserve</b>				
Addition on amalgamation of JKSL	1.14		0.00	
Add : transferred from general reserve	1.26	2.40	0.00	0.00
<b>Amalgamation reserve</b>				
Reserve credited on amalgamation	8.72		3.24	
Less/Add : transferred to/from capital reserve on amalgamation	(7.68)		0.46	
Less : adjustment of expenses incurred on amalgamation	(1.04)		0.00	
Less : goodwill transferred on amalgamation	0.00	0.00	(3.70)	0.00
<b>General reserve</b>				
Balance as per last account	78.31		76.35	
Add : Transferred from Reserve for Construction of Molasses Storage Tank	1.59		0.00	
Add: transferred from Surplus	15.00		50.00	
Debit balance of Profit/Loss of JKSL upto 31-03-2012 on amalgamation	(33.25)		0.00	
Less: transferred to statement of profit & loss	(9.62)	52.03	(48.04)	78.31
<b>Surplus</b>				
Balance as per last account	21.27		46.61	
Profit for the year	22.76		28.54	
Profit/(loss) of DSDPL upto 31-03-2011 on amalgamation (net)	0.00		4.30	
Less : Appropriations				
Proposed equity dividend	7.15		6.74	
Dividend on preference shares	1.74		0.30	
Tax on dividend	1.51		1.14	
Transferred to debenture redemption reserve	1.26		0.00	
Transferred to general reserve	15.00		50.00	
Net surplus		17.37		21.27
<b>TOTAL</b>		<b>403.84</b>		<b>422.52</b>

## Notes on Financial Statements for the year ended 31st March, 2013

### "3" - Long-term borrowings

(₹ Crores)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-Current	Current	Non-Current	Current
<b>Debentures - Secured</b>				
Zero Coupon Non-convertible debentures including premium	0.00	2.40	0.00	0.00
<b>Term loans</b>				
<b>Secured</b>				
Rupee term loans from banks	275.57	66.20	256.25	54.59
Foreign currency term loan from bank (ECB)	0.00	21.72	20.36	20.35
Rupee term loans from financial institutions	0.00	0.00	0.00	3.41
Zero coupon rupee term loans from banks	6.19	4.12	18.06	3.80
Rupee term loans from sugar development fund	102.64	39.15	122.18	26.59
	<b>384.40</b>	<b>131.19</b>	<b>416.85</b>	<b>108.74</b>
<b>Unsecured</b>				
<b>Deposits</b> - from directors & their relatives	1.98	1.60	1.65	0.40
- from public	4.48	1.98	3.25	2.91
<b>Buyers' credit from bank</b>	0.00	4.86	4.48	0.00
<b>Deferred payment liabilities</b>	0.36	0.35	0.00	0.00
	<b>6.82</b>	<b>8.79</b>	<b>9.38</b>	<b>3.31</b>
<b>Total</b>	<b>391.22</b>	<b>142.38</b>	<b>426.23</b>	<b>112.05</b>

### "3.a" - Nature of security

Zero Coupon Non-convertible debentures (ZCNCD) are secured by a first pari passu charge in favour of the trustee on movable and immovable assets of the Meerganj unit.

Term loans from bank of ₹ 2.09 crores are secured by subservient sixth charge on all movable and immovable assets of the company.

Term loans from Sugar Development Fund are secured by exclusive second charge on all movable and immovable assets excluding current assets of the company.

All other term loans from financial institutions and banks (including ECB and Zero coupon loans) are secured by first pari passu charge on all movable and immovable assets except book debts, stock-in-trade, raw materials, spare parts and other assets and personal guarantee of promoters directors and part of above are also secured by pledge of shares of Kashipur Sugar Mills Limited.

### "3.b" - Maturity profile and Rate of interest of long term borrowings are as set out below :

Particulars	ROI (%) as on 31.03.2013	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
		(₹ crores)			
<b>Secured</b>					
Term Loans from banks	14.00	12.00	15.00	15.00	0.00
	13.50	29.46	22.00	22.00	25.50
	13.25	9.27	5.83	5.00	4.87
	12.75	18.00	18.00	16.50	21.42
	12.00	8.50	7.00	7.00	10.75
	10.50	0.97	0.24	0.00	0.00
	7.00	0.84	0.42	0.00	0.00
<b>Sub-total</b>		<b>79.04</b>	<b>68.49</b>	<b>65.50</b>	<b>62.54</b>
Zero coupon rupee term loans from banks		4.12	2.07	0.00	0.00
Rupee term loans from sugar development fund	7.50	0.73	0.73	0.73	0.73
	7.00	0.00	0.76	2.86	7.54
	4.00	27.27	25.30	21.86	14.13
<b>Sub-total</b>		<b>28.00</b>	<b>26.79</b>	<b>25.45</b>	<b>22.40</b>
<b>Total secured</b>		<b>111.16</b>	<b>97.35</b>	<b>90.95</b>	<b>84.94</b>
Unsecured Deposits	11 to 12	6.46	-	-	-
Deferred payment liabilities		0.36			
<b>Grand-total</b>		<b>117.98</b>	<b>97.35</b>	<b>90.95</b>	<b>84.94</b>

## Notes on Financial Statements for the year ended 31st March, 2013

### "4" - Deferred Tax (Liability)/Asset (Net)

(₹ Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>Deferred Tax Asset :</b>		
i) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years	8.10	7.33
ii) On account of carried forward losses and unabsorbed depreciation	97.24	86.74
	105.34	94.07
<b>Deferred Tax Liability :</b>		
i) On account of differences in written down value of fixed assets	110.93	95.69
<b>Net Deferred Tax (Liability) / Asset</b>	<b>(5.59)</b>	<b>(1.62)</b>

### "5" - Long-term provisions

(₹ Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>Provision for employee benefits :</b>		
Provision for gratuity	18.03	15.03
<b>Total</b>	<b>18.03</b>	<b>15.03</b>

### "6" - Short-term borrowings

(₹ Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>Secured</b>		
Cash credit from banks	774.01	330.39
Rupee term loans from banks	115.00	110.34
	889.01	440.73
<b>Unsecured</b>		
Deposits - from directors & their relatives	0.00	1.04
- from public	14.09	11.86
Loans and advances from related parties	2.42	0.42
	<b>16.51</b>	<b>13.32</b>
<b>Total</b>	<b>905.52</b>	<b>454.05</b>

#### "6.a" - Nature of security

All Cash credit limits from banks other than District Co-operative Banks are secured by pledge of stocks of sugar and hypothecation of consumable stores and spare parts, chemicals, molasses etc. by third charge over the fixed assets of the company and personal guarantee of promoter directors.

Cash credit accounts from District Co-operative Banks are secured by pledge of stocks of sugar and personal guarantee of promoter directors.

Rupee term loans from banks are secured by pledge of stock of sugar and personal guarantee of promoter directors.

## Notes on Financial Statements for the year ended 31st March, 2013

### "7" - Trade payables and Other Liabilities

(₹ crores)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-Current	Current	Non-Current	Current
Trade payables (refer note '31' of dues to micro and small enterprises)	0.00	618.28	0.00	433.10
<b>Other liabilities</b>				
Current maturities of long term borrowings (refer note '3')	0.00	142.38	0.00	112.05
Interest accrued but not due on borrowings	5.44	7.67	5.75	4.64
Interest accrued and due on borrowings	0.00	1.10	0.00	2.44
Investor Education and Protection Fund will be credited by following amounts (as and when due) :				
Unpaid dividend	0.00	0.28	0.00	0.21
Unpaid matured deposits	0.00	0.73	0.00	0.71
Advance from customers	0.00	2.55	0.00	55.68
<b>Others :</b>				
Security deposits	0.00	2.58	0.00	1.90
Statutory dues payable	0.00	42.46	0.00	26.90
	5.44	199.75	5.75	204.53
<b>Total</b>	<b>5.44</b>	<b>818.03</b>	<b>5.75</b>	<b>637.63</b>

### "8" - Short-term provisions

(₹ crores)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>Provision for employee benefits :</b>		
Provision for employees	9.51	8.29
<b>Other provisions :</b>		
Provision for tax	5.95	1.73
Provision for dividend (including dividend distribution tax)	10.40	8.18
<b>Total</b>	<b>25.86</b>	<b>18.20</b>



## Notes on Financial Statements for the year ended 31st March, 2013

### "9" - Tangible assets

(₹ crores)

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Railway sidings	Weigh-bridge	Computers	Office Equipments	Electrical Appliances	Vehicles	Live Stock	Farm Asset & Equipment	Total
<b>Cost</b>													
As on 01-04-2012	41.03	106.24	1259.40	6.60	0.00	6.21	6.54	2.12	3.66	14.50	0.01	0.45	1446.76
Addition through merger of JKSL	6.53	18.47	90.98	0.28	0.00	1.07	0.63	0.04	0.20	0.35	0.00	0.00	118.55
Additions	0.35	32.46	46.33	3.65	0.00	0.12	1.09	0.12	3.96	2.39	0.00	0.00	90.47
Disposals	0.05	0.00	18.22	0.01	0.00	0.00	0.00	0.00	0.01	1.79	0.00	0.00	20.08
Other adjustments :													
- Exchange differences	0.00	0.00	2.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.79
- Borrowing costs	0.00	2.78	1.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.25
As at 31-03-2013	<b>47.86</b>	<b>159.95</b>	<b>1382.75</b>	<b>10.52</b>	<b>0.00</b>	<b>7.40</b>	<b>8.26</b>	<b>2.28</b>	<b>7.81</b>	<b>15.45</b>	<b>0.01</b>	<b>0.45</b>	<b>1642.74</b>
<b>Depreciation</b>													
As on 01-04-2012	0.00	22.26	412.37	4.44	0.00	4.50	5.09	1.65	2.83	8.35	0.00	0.29	461.78
Addition through merger of JKSL	0.00	4.28	41.89	0.19	0.00	0.49	0.41	0.01	0.08	0.26	0.00	0.00	47.61
Charges for the year	0.00	3.49	69.95	0.70	0.00	0.60	1.05	0.09	0.46	1.83	0.00	0.01	78.18
Disposals	0.00	0.00	16.50	0.00	0.00	0.00	0.00	0.00	0.00	1.34	0.00	0.00	17.84
As at 31-03-2013	0.00	30.03	507.71	5.33	0.00	5.59	6.55	1.75	3.37	9.10	0.00	0.30	569.73
<b>Net Block</b>													
As on 31-03-2012	41.03	83.98	847.03	2.16	0.00	1.71	1.45	0.47	0.83	6.15	0.01	0.16	984.98
As on 31-03-2013	47.86	129.92	875.04	5.19	0.00	1.81	1.71	0.53	4.44	6.35	0.01	0.15	1073.01

### "10" - Non-current Investments

(₹ crores)

Particulars	As at 31.03.2013		As at 31.03.2012	
<b>Trade Investments :-</b>				
Ramganga Sanyukta Sahkari Kheti Samiti Limited (Unquoted)				
01 (01) Equity share of ₹ 100/- each fully paid-up		#		#
<b>In Subsidiary Companies (Unquoted) :</b>				
<b>Investment in Equity shares</b>				
(fully paid-up unless otherwise stated)				
Dhampur International Pte Ltd.:-				
10000 (10000) Equity shares of S\$ 1/- each		0.00		0.03
Share application money pending for allotment		10.80		0.00
<b>Other Investments :-</b>				
<b>In Other Companies :</b>				
Investment in Equity shares (fully paid-up unless otherwise stated)				
Kashipur Sugar Mills Limited (Quoted)				
0 (7562061) Equity shares of ₹ 10/- each	0.00		8.19	
VLS Finance Limited (Quoted)				
263142 (263142) Equity shares of ₹ 10/- each	0.44		0.44	
South Asian Enterprises Limited (Quoted) (**)				
250000 (250000) Equity shares of ₹ 10/- each	#		#	
(At cost less provision for diminution in value)				
₹ 0.25 crores (P.Y. ₹ 0.25 crores)				
Glenesia Industries Limited (Unquoted)				
500000 (500000) Equity shares of ₹ 10/- each	0.05	0.49	0.05	8.67
<b>Investment in Mutual fund</b>				
Baroda Pioneer PSU Bond Fund - Monthly Dividend Plan (Quoted)				
294056 (274830) Units of ₹ 10/- each		0.29		0.28
<b>TOTAL</b>		<b>11.58</b>		<b>8.99</b>

## Notes on Financial Statements for the year ended 31st March, 2013

(₹ crores)

Disclosure of non-current investments	As at 31.03.2013	As at 31.03.2012
Aggregate amount of quoted investments	0.73	8.91
Aggregate amount of unquoted investments	0.05	0.08
Aggregate amount of share application money	10.80	0.00
<b>Total investments net of provision for diminution</b>	<b>11.58</b>	<b>8.99</b>
Aggregate provision for diminution in value of investments (**)	0.25	0.25
Aggregate market value of quoted investments	0.57	4.41

### "11" Long and short term loans and advances

(₹ crores)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-Current	Current	Non-Current	Current
(Unsecured considered good unless otherwise stated)				
Capital advances	12.12	0.00	1.75	0.00
Security deposits:-				
Considered good	3.12	0.50	3.41	0.70
Considered doubtful	0.26	0.00	0.00	0.00
Less : Provision for doubtful	(0.26)	0.00	0.00	0.00
Loans and advances to related parties :				
Considered good	0.00	0.19	0.00	12.59
Considered doubtful	0.00	0.00	0.00	10.00
Less : Provision for doubtful	0.00	0.00	0.00	(10.00)
Other loans and advances :				
Advances recoverable in cash or in kind:-				
Considered good	0.00	10.22	0.00	21.13
Considered doubtful	0.00	1.13	0.00	0.00
Less : Provision for doubtful	0.00	(1.13)	0.00	0.00
Balances with excise authorities	0.00	23.95	0.00	17.22
Income tax and wealth tax payments	0.00	5.65	0.00	2.23
MAT credit entitlement	9.03	0.00	3.08	0.00
Payments of taxes under protest/appeal	0.68	0.00	2.88	0.00
Prepaid expenses	0.00	1.95	0.00	1.32
Others	0.00	12.32	0.00	5.66
<b>Total</b>	<b>24.95</b>	<b>54.78</b>	<b>11.12</b>	<b>60.85</b>

### "12" - Other non-current and current assets

(₹ crores)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Non-Current	Current	Non-Current	Current
(Unsecured considered good unless otherwise stated)				
Others :				
Inventory - Loose tools and equipments	0.25	0.00	0.38	0.00
Claim receivable :-				
- Considered good	0.00	4.06	0.00	2.12
- Considered doubtful	0.00	1.50	0.00	0.00
- Provision for doubtful	0.00	(1.50)	0.00	0.00
Interest receivable	0.00	0.65	0.00	0.86
<b>Total</b>	<b>0.25</b>	<b>4.71</b>	<b>0.38</b>	<b>2.98</b>

## Notes on Financial Statements for the year ended 31st March, 2013

### "13" - Inventories

(₹ crores)

Particulars	As at 31.03.2013	As at 31.03.2012
Raw materials	24.07	35.17
Goods-in-process	29.67	14.21
Standing cane and other crops	0.22	0.33
Finished goods	1217.83	623.35
Traded goods	0.39	0.26
Stores, Spare parts, Gunny/P.P. bags, Chemicals etc.	39.08	36.91
<b>Total</b>	<b>1311.26</b>	<b>710.23</b>

### "14" - Trade receivables

(₹ crores)

Particulars	As at 31.03.2013	As at 31.03.2012
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment :		
- Considered good	1.53	4.52
- Considered doubtful	6.88	2.70
- Provision for doubtful	(6.88)	(2.70)
Other receivables	142.53	211.75
<b>Total</b>	<b>144.06</b>	<b>216.27</b>

### "15" - Cash and cash equivalents

(₹ crores)

Particulars	As at 31.03.2013	As at 31.03.2012
Cash and cash equivalents		
Balances with banks :		
On Current accounts	3.96	2.13
On unpaid dividend account	0.28	0.21
Cash on hand	2.28	2.43
Other bank balances :		
Deposits pledged against margin money/guarantee	2.77	4.38
Deposits with original maturity more than 3 months but upto 12 months	3.58	4.06
<b>Total</b>	<b>12.87</b>	<b>13.21</b>

## Notes on Financial Statements for the year ended 31st March, 2013

### "16" - Revenue from operations/Purchases of stock-in-trade/Inventories

(₹ Crores)

Particulars	Opening stock		Production/Purchases		Sales/Revenue from operations		Closing stock	
	Qty	Value (₹)	Qty	Value (₹)	Qty	Value (₹)	Qty	Value (₹)
<b>Revenue from operations</b>								
<b>Sale of Products</b>								
Finished goods								
Sugar (Qtls.)	2140420	614.07	4167850	0.00	2965480	961.81	3341710	1080.19
Previous year	(2171750)	(550.75)	(3466876)	0.00	(3675132)	(1,091.49)	(1960134)	(565.13)
Molasses (Qtls.)	791079	34.93	2360480	0.00	1690051	11.04	1457187	66.76
Previous year	(735108)	(29.39)	(1880996)	0.00	(1946200)	(14.75)	(666036)	(31.25)
Chemicals (Qtls.)	56695	16.55	993376	0.00	869831	320.95	111752	31.87
Previous year	(18134)	(5.58)	(640728)	0.00	(532009)	(172.97)	(56695)	(16.55)
Farm produce (Qtls.)	493	0.05	28777	0.00	28820	1.12	450	0.05
Previous year	(966)	(0.03)	(26327)	0.00	(26800)	(0.93)	(493)	(0.05)
Power (M.W.)	0	-	574853		487884	160.46	0	0.00
Previous year	0	0.00	(469480)		(418490)	(132.30)	0	0.00
Others	0	26.65	0	0.00	0	28.91	0	38.96
Previous year	0	(10.52)	0	0.00	0	(4.71)	0	(25.48)
<b>Sub-total finished goods</b>	<b>2988687</b>	<b>692.25</b>	<b>8125336</b>	<b>0.00</b>	<b>6042066</b>	<b>1484.29</b>	<b>4911099</b>	<b>1217.83</b>
<b>Previous year</b>	<b>(2925958)</b>	<b>(596.27)</b>	<b>(6484407)</b>	<b>0.00</b>	<b>(6598631)</b>	<b>(1417.15)</b>	<b>(2683358)</b>	<b>(638.46)</b>
Traded goods								
Coaking coal (Qtls.)	0	-	0	0.00	0	-	0	-
Previous year	0	(0.00)	(911510)	(121.74)	(911510)	(121.75)	0	(0.00)
P. P. Bags (Nos.)	0	-	297723	11.35	297723	10.59	0	-
Previous year	0	0.00	(110055)	(5.26)	(110055)	(6.01)	0	0.00
Sugar (Qtls.)	0	-	0	0.00	0	-	0	-
Previous year	0	(0.00)	(56135)	(12.86)	(56135)	(13.36)	0	(0.00)
Other purchases	0	0.26	0	13.33	0	13.50	0	0.39
Previous year	0	(0.24)	0	(10.07)	0	(10.27)	0	(0.26)
<b>Sub-total traded goods</b>	<b>0</b>	<b>0.26</b>	<b>297723</b>	<b>24.68</b>	<b>297723</b>	<b>24.09</b>	<b>0</b>	<b>0.39</b>
<b>Previous year</b>	<b>0</b>	<b>(0.24)</b>	<b>(1077700)</b>	<b>(149.93)</b>	<b>(1077700)</b>	<b>(151.39)</b>	<b>0</b>	<b>(0.26)</b>
<b>Total</b>		<b>692.51</b>		<b>24.68</b>		<b>1508.38</b>		<b>1218.22</b>
<b>Previous year</b>		<b>(596.51)</b>		<b>(149.93)</b>		<b>(1568.54)</b>		<b>(638.72)</b>
<b>Stock-in-process :</b>								
Sugar (Qtls.)	37783	10.35					73997	22.10
Previous year	(32831)	(7.75)					(30104)	(8.18)
Molasses (Qtls.)	19845	0.47					39129	1.36
Previous year	(19071)	(0.49)					(15764)	(0.42)
Chemicals (Qtls.)	26021	5.61					25446	6.21
Previous year	(44440)	(11.74)					(26021)	(5.61)
Standing crops		0.33						0.22
Previous year		(0.24)						(0.33)
<b>Sub-total Stock-in-process</b>		<b>16.76</b>						<b>29.89</b>
<b>Previous year</b>		<b>(20.22)</b>						<b>(14.54)</b>
<b>Revenue from operations (Gross) (A)</b>		<b>709.27</b>		<b>24.68</b>		<b>1,508.38</b>		<b>1,248.11</b>
<b>Previous year</b>		<b>(616.73)</b>		<b>(149.93)</b>		<b>(1,568.54)</b>		<b>(653.26)</b>

## Notes on Financial Statements for the year ended 31st March, 2013

### Other operating revenue

(₹ crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Miscellaneous income	5.11	2.25
Scrap sale	1.96	0.95
Balances written back	1.92	0.58
Insurance claim received	0.05	0.00
Income/adjustments relating to earlier years	8.68	2.76
Duty Draw Back / Sale of export licence (OGL)	6.77	18.77
<b>Other operating revenue (B)</b>	<b>24.49</b>	<b>25.31</b>
<b>Revenue from operations (Gross)(A+B)</b>	<b>1532.87</b>	<b>1593.85</b>

- The differences of 924 Qtls. (3360 Qtls.) in finished goods/purchased goods sugar represents reprocessing and transit/storage/accidental losses.
- The difference of 1496 Qtls. (3868 Qtls.) in finished goods molasses represents loss/shortage on account of overflow and storage losses.
- The difference of 68488 Qtls. (70158 Qtls.) in finished goods chemicals represents captive consumption and storage losses.
- Sales of molasses includes 1551351 Qtls. (1781291 Qtls.) inter-unit transfer at Nil value.
- Sales of power includes 110818 M.W. (112894 M.W.) inter-unit transfer at Nil value.
- The stock figures of JKSL as on 01-04-2012 merged with the opening stock of the Company on account of merger of JKSL with the Company.

### "17" - Other income

(₹ crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Rent	1.10	1.20
Profit on sale of assets	0.86	0.16
Interest income	0.69	3.13
Excess provision written back	1.14	0.00
Foreign exchange differences (net)	3.58	0.00
Dividend income	0.02	0.03
<b>Total</b>	<b>7.39</b>	<b>4.52</b>



## Notes on Financial Statements for the year ended 31st March, 2013

### "18" - Cost of materials consumed

(₹ crores)

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
	(Qty) Qtls.	(₹)	(Qty) Qtls.	(₹)
Sugar cane consumed				
Sugar cane purchases	45220565	1244.22	37675095	891.43
Expenses on purchase of sugar cane		36.04		28.39
Cane commission		22.98		16.38
Purchase tax		9.04		7.54
	45220565	1312.28	37675095	943.74
Add : Opening stock of cane	30658	0.74	49188	1.01
Addition on amalgamation	3049	0.07	0	0.00
Less : Closing stock of cane	(69860)	(1.96)	(30658)	(0.74)
Less : Driage	(68183)	0.00	(150124)	0.00
<b>Sub-total</b>	<b>45116229</b>	<b>1311.13</b>	<b>37543501</b>	<b>944.01</b>
Molasses consumed	1324269	66.28	105723	6.42
Bagasse / coal / rice husk & other fuel consumed		52.54		38.52
Chemicals and others		87.84		43.12
<b>Total</b>		<b>1517.79</b>		<b>1032.07</b>

### "19" - (Increase)/Decrease in inventories

(₹ crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
<b>Inventories at the end of the year</b>		
Finished goods	1217.83	638.46
Stock-in-process	29.89	14.54
Traded goods	0.39	0.26
	1248.11	653.26
<b>Inventories at the beginning of the year</b>		
Finished goods	692.25	596.27
Stock-in-process	16.76	20.22
Traded goods	0.26	0.24
	<b>709.27</b>	<b>616.73</b>
Net excise duty on account of (Increase)/decrease in inventories	<b>17.08</b>	<b>(3.15)</b>
<b>(Increase)/Decrease in inventories</b>	<b>(521.76)</b>	<b>(39.68)</b>

### "20" - Employees benefits expense

(₹ crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Salaries , wages and bonus (including contract labour)	57.84	46.75
Contribution to provident and other funds	5.23	4.66
Workmen and staff welfare expenses	3.96	1.72
Gratuity	3.24	2.67
Voluntary retirement compensation	0.83	3.16
<b>Total</b>	<b>71.10</b>	<b>58.96</b>

## Notes on Financial Statements for the year ended 31st March, 2013

### "21" - Other expense

(₹ crores)

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
Consumption of stores, spares and other manufacturing expense		29.17		21.84
Packing material expense		16.60		14.74
Expenditure on crops		0.39		0.43
Power and fuel		6.33		4.21
Repairs and maintenance :				
Plant and machinery	29.55		27.62	
Buildings	2.48		2.21	
Others	1.33	33.36	1.30	31.13
Rent		4.67		4.80
Rates and taxes		1.36		1.16
Duties and Taxes		4.70		0.25
Charity and donation		0.18		0.17
Insurance		1.89		2.72
Molasses fund		0.19		0.25
Selling expenses :				
Commission to selling agents	11.61		6.89	
Other selling expense	23.19	34.80	5.97	12.86
Payment to auditors :				
Audit fee	0.18		0.14	
Tax audit fee	0.03		0.05	
Management and other services	0.05		0.04	
Reimbursement of expenses	0.01	0.27	0.01	0.24
Miscellaneous expenses		22.98		20.61
Cane development expense		2.77		16.73
Expenses relating to earlier year		0.07		0.28
Foreign exchange difference		0.0		0.19
Balances written-off		0.26		0.00
Provision for doubtful debts/advances		7.95		0.03
Directors sitting fee		0.10		0.07
Loss on sale of fixed/discarded assets		0.03		0.25
<b>Total</b>		<b>168.07</b>		<b>132.96</b>

### "22" - Finance costs

(₹ crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Interest	111.12	91.34
Documentaion and other bank charges	1.83	3.04
Foreign exchange difference	3.02	2.92
	115.97	97.30
Less : Interest capitalized during the period	(3.30)	(2.43)
<b>Total</b>	<b>112.67</b>	<b>94.87</b>

## Notes on Financial Statements for the year ended 31st March, 2013

- 23 Exceptional item for the year amounting to ₹ 8.19 crores represents write-off on investments in equity shares of Kashipur Sugar Mills Limited (KSML). Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has ordered for winding-up of the KSML in their meeting held on 08-05-2013. Therefore, it has been decided to write-off the investments in the equity shares of KSML and an equivalent amount has been withdrawn from the General Reserve.
- 24 The accounts have been prepared without accounting for any incentive entitlements under U.P. Sugar Incentive Promotion Policy, 2004 as the scheme has been subsequently withdrawn by the State Government. The Company has filed writ petition before Hon'ble Allahabad High Court (Lucknow Bench) for enforcement of the scheme and settlement of incentive claims. As per the erstwhile incentive policy, the company is eligible for capital subsidy of ₹ 89.89 crores i.e. @10% of the investments made (already vetted ₹ 50.80 crores) and for reimbursement of taxes and other charges aggregating to ₹ 54.12 crores upto 31st March, 2013 (including ₹ 9.40 crores for the current year).
- 25 In the opinion of the Board, current assets and loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.
- 26 **Employees Benefits :**  
The required disclosures of employees benefits as per Accounting Standard - 15 are given hereunder :-  
(i) In respect of Short Term Employee Benefits :  
The Company has at present only the scheme of cumulative benefit of leave encashment payable at the end of each calendar year and the same have been provided for on accrual basis.  
(ii) In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Gratuity :

(₹ crores)

	2012-2013	2011-2012
<b>A) Change in Obligation over the year ended 31.03.2013</b>		
Present Value of defined obligation as on 01-04-2012	16.68	16.02
Addition on amalgamation of JKSL	1.25	0.00
Current Service Cost	1.13	0.97
Interest Cost	1.42	1.34
Actuarial Gains/losses	0.15	(0.69)
Benefits Paid	(0.87)	(0.96)
Present Value of defined obligation as on 31-03-2013	19.76	16.68

(₹ crores)

	2012-2013	2011-2012
<b>B) Expenses recognised during the year ended 31.03.2013</b>		
Current Service Cost	1.13	0.97
Interest Cost	1.42	1.34
Actuarial Gains/losses	0.15	(0.69)
Current Service Cost & Actuarial losses in respect of separated employees	0.54	1.05
<b>Total</b>	<b>3.24</b>	<b>2.67</b>

### C) Principal Actuarial Assumptions :

Mortality Table (LIC)	1994-96 (Duly modified)	
Discount Rate (per Annum)	8.50%	(8.00%)
Rate of Escalation in Salary (per Annum)	6.00%	(5.50%)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor

### (iii) Defined Contribution Plan :

Provision for contribution to defined contribution plan, recognised as expense during the period are as under :

## Notes on Financial Statements for the year ended 31st March, 2013

(₹ crores)

	2012-2013	2011-2012
Employer's Contribution to Provident Fund :	2.85	2.40
Employer's Contribution to Pension Fund :	2.37	2.26

## 27 Segment Reporting:

(₹ crores)

Particulars	Sugar	Chemicals	Co-gen	Others	Total
<b>1. Segment Revenue (including Excise Duty)</b>					
a) External Sales	1,030.30	327.22	160.60	14.75	1,532.87
Previous Year	(1,275.51)	(174.54)	(132.30)	(11.50)	(1593.85)
b) Inter Segment Sales	187.41	2.40	194.70	-	384.51
Previous Year	(207.46)	-	(201.58)	-	(409.04)
c) Total Revenue	1,217.71	329.62	355.30	14.75	1,917.38
Previous Year	(1,482.97)	(174.54)	(333.88)	(11.50)	(2002.89)
<b>2. Segment Results</b>					
(Profit+)/Loss(-) before Tax and Interest from each segment	19.84	36.90	111.65	0.66	169.05
Previous Year	(36.63)	(26.50)	(90.80)	(0.77)	(154.70)
Less : Finance costs					112.67
Previous Year					(94.87)
Less/ Add :Other Unallocable Expense/Income net off Unallocable Income/Expenses					17.08
Previous Year					(15.79)
<b>Net Profit(+)/loss(-) before Tax</b>					39.30
Previous Year					(44.04)
<b>Less: Tax expense (Net)</b>					16.54
Previous Year					(15.50)
<b>Net Profit(+)/Loss(-) after Tax</b>					22.76
Previous Year					(28.54)
<b>3. Other Information</b>					
a) Segment Assets	1,852.76	230.61	546.17	1.08	2,630.62
Previous Year	(1,236.81)	(213.45)	(550.03)	(0.95)	(2001.24)
Unallocable Corporate Assets					26.27
Previous Year					(42.60)
Total Assets					2,656.89
Previous Year					(2,043.84)
b) Segment Liabilities	681.03	23.23	1.80	0.12	706.18
Previous Year	(522.46)	(15.92)	(2.47)	(0.06)	(540.91)
Unallocable Corporate Liabilities					1,463.51
Previous Year					(1016.03)
Total Liabilities					2,169.69
Previous Year					(1,556.94)
c) Capital Expenditure	36.04	28.45	10.50	-	74.99
Previous Year	(40.11)	(13.33)	(13.52)	(0.02)	(66.98)
d) Depreciation	40.37	6.09	30.29	0.01	76.76
Previous Year	(34.02)	(5.02)	(28.61)	(0.01)	(67.66)
e) Non Cash Expenditure other than Depreciation	10.45	5.96	0.01	-	16.42
Previous Year	(0.28)	-	-	-	(0.28)

## Notes on Financial Statements for the year ended 31st March, 2013

### 28 Earnings per Share (EPS) :

	Year Ended 31.03.2013		Year Ended 31.03.2012	
i) Net Profit/ Loss(-) after Extra Ordinary Items & Provision for Taxes (Used as numerator for calculating EPS)	₹ crores	20.73	₹ crores	28.19
ii) Weighted average No.of Equity Shares outstanding during the period: (Used as denominator for calculating EPS)				
- for Basic EPS	No.	57214935	No.	53905975
- for Diluted EPS	No.	57214935	No.	53905975
iii) Earning per Share before and after Extra Ordinary Items				
- Basic	₹	3.62	₹	5.23
- Diluted	₹	3.62	₹	5.23
(Equity Share of Face value of ₹ 10 each)				

**Note :** Above E.P.S. has been calculated after considering the shares to be issued pursuant to merger of J K Sugar Limited.

### 29 Related Party Disclosures:

#### A. List of Related Parties with whom transactions have taken place and relationships:

##### i) Enterprises where control exists:

###### Subsidiary -

Dhampur International Pte Limited

###### Associates -

Kashipur Sugar Mills Limited

##### ii) Enterprises where there is significant influence

- 1 Goel investments Limited
- 2 Ujjwal Rural Services Limited
- 3 Saraswati Properties Limited
- 4 Shudh Edible Products Limited
- 5 Sonitron Limited
- 6 India Green Fuel Private Limited

##### iii) Key Management Personnel and their relatives

- 1 Mr.Vijay Kumar Goel, Executive Director  
Mrs Deepa Goel (Wife)
- 2 Mr. Ashok Kumar Goel, Vice Chairman  
Mrs Vinita Goel (Wife)
- 3 Mr. Gaurav Goel, Managing Director  
Mrs Priyanjali Goel (Wife)
- 4 Mr. Gautam Goel, Managing Director  
Mrs Bindu Vashist Goel (Wife)
- 5 Mr. J.P. Sharma, Director  
Mr. Mukul Sharma (Son)
- 6 Mr Priya Brat, Director  
Mrs Shakuntala Brat (Wife), Mr Anu Mahendru (Daughter)
- 7 V. K. Goel, H.U.F
- 8 Gaurav Goel, H.U.F
- 9 Gautam Goel, H.U.F



## Notes on Financial Statements for the year ended 31st March, 2013

### b. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2013

(₹ crores)

Particulars	Enterprises where control exists Associate/Subsidiary		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
<b>Transactions during year ended 31.03.2013</b>						
1 Loans/advances given (Net)	2.06	1.12	16.58	7.87	0.00	0.00
2 Net Receipts towards Loan /Advances given	0.00	2.87	16.58	7.87	0.00	0.00
3 Prov. for doubtful write back net off loss on investments	1.14	0.00	0.00	0.00	0.00	0.00
4 Loans taken	0.00	0.00	21.14	10.16	0.00	0.00
5 Loans repaid	0.00	0.00	20.80	9.88	0.00	0.00
6 Sale of Goods/Fixed Assets	0.00	0.04	0.00	0.00	0.00	0.00
7 Share application money for subscription of Equity Share	10.80	0.00	0.00	0.00	0.00	0.00
8 Rent paid	0.00	0.00	3.60	3.60	0.00	0.00
9 Remuneration paid	0.00	0.00	0.00	0.00	4.44	2.00
10 Interest expense	0.00	0.00	0.00	0.00	0.43	0.35
11 Loss on investments/investment written-off	8.19	0.00	0.00	0.00	0.00	0.00
12 Club Fee / L.T.A./ Medical reimbursement	0.00	0.00	0.00	0.00	0.00	0.00
<b>Amount due to/from Related Parties:</b>						
1 Unsecured Loans/Deposits	0.00	0.00	0.00	0.00	3.58	3.09
2 Current Liabilities	0.00	0.00	0.78	0.65	1.64	0.01
3 Investments Net of Provision	10.80	8.22	0.00	0.00	0.00	0.00
4 Loans/Advances & Receivables Net of Provision	0.19	12.59	0.00	0.00	0.00	0.00

### 30 Disclosures as required by the Amendment to Clause 32 of the Listing Agreement : Loans and Advances given to Subsidiary and others :

Name of Company	Type	Balance as on 31.03.2013	Maximum balance during the period	Investment in the Shares of the Company
		(₹ crores)		No. of Shares
Dhampur International Pte Ltd.	Subsidiary	0.08	0.08	10000 Equity Shares & Share Application money of 2 million US\$ pending for allotment

### 31 Following are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006:

- Sundry creditors include a sum aggregating ₹ 2.79 crores (₹ 1.95 crores) due to micro and small enterprises is on account of principal only.
- The amount of interest paid by the company in terms of Section 16, alongwith the amount of payments made to the micro and small enterprise beyond the appointed date during the period - ₹ Nil.
- 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 period but without adding the interest specified under this Act. - ₹ Nil.
- The amount of interest accrued and remaining unpaid - ₹ Nil.
- The amount of further interest remaining due and payable even in succeeding years - ₹ Nil.

The above mentioned outstandings are in normal course of business and the information regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

## Notes on Financial Statements for the year ended 31st March, 2013

### 32 Derivative instruments

- i) The company has entered into following Forward Contract :
- a) The Company used foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding forward exchange contracts entered into by the company :

As at	No. of Contracts	US Dollar Equivalent (Million)	INR Equivalent (₹ crores)
31.03.2013	11	7.50	40.71
31.03.2012	2	2.80	14.24

(Forward exchange contract outstanding as on 31st March, 2013 include forward sale of US Dollar against export receipts)

- ii) The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Particulars	As at 31.03.2013		As at 31.03.2012	
	US Dollar Equivalent (Million)	INR Equivalent (₹ crores)	US Dollar Equivalent (Million)	INR Equivalent (₹ crores)
a) Amounts payable in foreign currency on account of the following :				
Capital Imports	0.90	4.86	0.88	4.49
Stock-in-trade/Raw materials	0.00	0.00	10.00	50.88
Advance from customers	0.29	1.60	9.99	50.83
Loans Payable	8.00	43.42	8.00	40.70
b) Amounts receivable in foreign currency on account of the following :				
Export receivable	2.49	13.50	10.97	55.83

### 33 Additional informations

(₹ crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
A Imports calculated on CIF basis in respect of:		
1. Stores and spare parts	0.32	0.15
2. Stock-in trade	0.00	127.00
3. Capital goods	0.37	0.00
B Expenditure in foreign currency during the period :		
1. For foreign travel	0.90	0.75
2. Interest	1.19	2.05
3. Others	0.52	2.40

## Notes on Financial Statements for the year ended 31st March, 2013

### C Consumption of :

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
	Amount ₹ crores	%age	Amount ₹ crores	%age
1. Stores,spare parts etc.				
i) Value of imported goods	0.03	0.04	0.14	0.26
ii) Value of indigenous stores and spare parts	74.75	99.96	52.64	99.74
	74.78	100.00	52.77	100.00
2. Raw materials				
i) Value of imported goods	84.79	5.59	62.90	6.09
ii) Value of indigenous goods	1433.00	94.41	969.17	93.91
	1517.79	100.00	1032.07	100.00
D Earnings in Foreign Exchanges				
i) Export of Goods	189.25		145.53	
ii) Others	0.00		0.00	

**34 Previous year figures in bracket have been regrouped wherever considered necessary.**

### 35 CONTINGENT LIABILITIES AND COMMITMENTS : NOT PROVIDED FOR IN RESPECT OF :

(₹ crores)

	As at 31.03.2013	As at 31.03.2012
<b>I Contingent Liabilities</b>		
<b>Claims/disputed liabilities not acknowledged as debt :</b>		
<b>(A) In respect of some pending cases of employees under labour laws</b>	Amount not ascertainable	Amount not ascertainable

### B Details of disputed liabilities/demand\*

Particular	Period to which amount relates	Forum where pending	31.03.2013 ₹ crores	31.03.2012 ₹ crores
1 Additional U.P.Trade Tax, Central Sale Tax and Entry Tax Liability	1997-98 to 2004-05 1990-91 to 2007-08 1996-97, 1999-2000, 2000-01	High Court Joint Commissioner Appeal Trade Tax Tribunal	4.82 10.36 0.01	3.08 0.26 0.01
Sub-total			15.19	3.35
2 Cenvat Credit on Inputs, Capital items and Services against which ₹ Nil (₹ 0.81 crore) have been deposited	1994-95, 1995-96, 2001-02 to 2008-09  1995-96, 1996-97, 1998-99 to 2003-04	Commissioner (A) & CESTAT  High Court	31.17  0.51	34.26  0.30
Sub-total			31.68	34.56
3 Excise duty on Molasses, Scrap and Pressmud	1997-98,2000-01 to 2002-03, 2007-08	Commissioner (A) & CESTAT	0.04	0.04
Sub-total			0.04	0.04

## Notes on Financial Statements for the year ended 31st March, 2013

Contd.

Particular	Period to which amount relates	Forum where pending	31.03.2013 ₹ crores	31.03.2012 ₹ crores
4 Purchase Tax Penalty	1998-1999	High Court	0.37	0.36
Sub-total			0.37	0.36
5 Stamp duty demand under Uttar Pradesh Stamp Act against which ₹0.13 crore have been deposited	1992-1993 2003-2004 2005-2006	Registrar of Stamp Duty Registrar of Stamp Duty High Court	0.25 0.26 0.00	0.25 0.26 3.50
Sub-total			0.51	4.01
<b>Grand Total</b>			<b>47.79</b>	<b>42.32</b>

- C Excise Department has served show cause notices on the company for levy of duty of ₹ 11.07 crores on sale of Rectified Spirit; of ₹ 8.83 crores on sale of Electricity and of ₹ 7.36 crores for reversal of CENVAT credit taken by the company on certain capital goods and inputs. All the notices are at personal hearing stage. The company is legally advised that no duty is leviable on these cases.
- D During the year 2008-09, the Meergunj Unit has received demand/show cause Notice for ₹ 8.84 crore from Commissioner Central Excise Meerut (U.P.) demanding duty on the generation of electricity due to the non maintenance of separate set of books. Out of ₹ 8.84 crore, demand of ₹8.07 crore has been stayed by Hon'ble Custom, Excise & Service Tax Appellate Tribunal (CESTAT) and remaining ₹ 0.77 crore has been set aside by Commissioner Central Excise pursuant to guideline set by Hon'ble Supreme Court. It is expected that on the same basis remaining liability will be set aside by CESTAT.

### II Commitments

- A Uncalled liability on investments in partly paid-up shares - Nil (Prev. year Nil)
- B Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 51.93 crores (₹ 2.90 crore).

As per our report of even date

For S. Vaish & Co.,

(S.P. Agrawal)  
Partner  
Chartered Accountants

For Mittal Gupta & Co.,

(B. L. Gupta )  
Partner  
Chartered Accountants

For and on behalf of the Board of Directors

Arhant Jain  
Executive President (Finance)  
& Secretary

V.K. Goel  
Chairman

A.K. Goel  
Vice Chairman

Gaurav Goel  
Managing Director

Gautam Goel  
Managing Director

A.K. Gupta  
Director

M.P. Mehrotra  
Director

Place : Kanpur  
Date : 25th July, 2013

# Corporate information

## Board of Directors

Mr. V. K. Goel, *Chairman*  
Mr. A. K. Goel, *Vice Chairman*  
Mr. Gaurav Goel, *Managing Director*  
Mr. Gautam Goel, *Managing Director*  
Mr. A. K. Gupta  
Mr. M. P. Mehrotra  
Mr. Harish Saluja  
Mr. Rahul Bedi  
Mr. J. P. Sharma  
Mr. Priya Brat  
Mr. B. B. Tandon  
Mr. S. K. Wadhwa, *Nominee – Punjab National Bank*  
Ms. M. K. Jain, *Nominee – IDBI Bank Limited*

## Executive President (Finance) and Secretary

Mr. Arhant Jain

## Auditors

S. Vaish & Company  
*Chartered Accountants, Kanpur*

Mittal Gupta & Company  
*Chartered Accountants, Kanpur*

## Bankers

Punjab National Bank  
Bank of Baroda  
Central Bank of India  
UCO Bank  
Axis Bank  
State Bank of Travancore  
ICICI Bank Limited  
IDBI Bank Limited  
IFCI Limited  
Prathma Bank  
UP Co-operative & District Co-operative Banks

## Registrar and Share Transfer Agent

M/s Alankit Assignments Limited  
'Alankit House'  
2E/21 Jhandewalan Extension  
New Delhi – 110055

## Registered office

Dhampur Sugar Mills Limited  
Dhampur (N.R.)  
District Bijnor – 246761 (UP)

## Corporate office

241, Okhla Industrial Estate  
Phase-III, New Delhi – 110020

## Works

Dhampur, District Bijnor (UP)  
Asmoli, District Sambhal (UP)  
Mansurpur, District Muzaffarnagar (UP)  
Rajpura, District Sambhal (UP)  
Meerganj, District Bareilly (UP)





**Dhampur Sugar Mills Limited**  
241, Okhla Industrial Estate, Phase – III,  
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