

An aerial photograph of a coastal area, showing a mix of light-colored sandy or rocky terrain and darker, possibly vegetated or water-filled areas. A large, white, stylized graphic element, resembling a thick, curved arrow or a partial spiral, is positioned on the right side of the image, extending from the top right towards the bottom right. The graphic is composed of several thick, white lines that curve and intersect, creating a sense of movement and direction.

Capitalising!

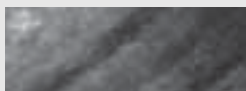
The story of how Dhampur Sugar Mills expects
to capitalise on the imminent industry rebound

Dhampur Sugar Mills Limited | Annual Report 2015-16

Forward-looking 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. Readers are requested caution while placing undue reliance on these statements as many factors could cause differences in the assumptions and the actual results. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management discussion and analysis section part of the Dhampur Sugar Mills Limited Annual Report, 2015-16.

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After a prolonged downturn, the Indian sugar industry posted its most vigorous revival in 2015-16.

Marked by enhanced sugar recoveries, robust offtake and improved realisations (in the last quarter), paired with healthy ethanol sales volume and realisations.

Dhampur Sugar Mills Limited reported one of the sharpest financial turnarounds.

From a net loss of ₹54.16 crore in 2014-15 to a net profit (before tax) of ₹31.39 crore in 2015-16.

From being the last man standing during the downtrend to among the first to rebound following the revival.



This is Dhampur Sugar Mills Limited.

Cumulative sugar manufacturing capacity 

45,500 TCD

Cumulative ethanol production capacity per day 

3,00,000 litres

Installed power generation capacity 

209 megawatts

Dhampur Sugar is...

- One of India's most reputed sugarcane processing firms.
- The first in India to manufacture sulphur-less refined sugar
- Operating in three segments – sugar, power generation and distillery
- Five manufacturing facilities in Uttar Pradesh (Dhampur, Asmoli, Mansurpur, Rajpura and Meerganj)
- A formidable presence in ancillary sectors like renewable energy, ethanol, alcohol, extra neutral alcohol, alcohol-based chemicals and biofertilisers

Portfolio



Sugar

- Refined sugar
- White sugar
- Retail sugar



Power

- Power Generation



Chemicals

- Ethanol
- Extra neutral alcohol
- Ethyl acetate



Biofertilisers

- Bio-compost
- Liquid biofertilisers

Vision

To be a responsible corporate citizen wherein we make a positive contribution to our environment and work for the benefit of all our stakeholders – farmers, employees, shareholders and everybody else involved with the organisation.

Mission

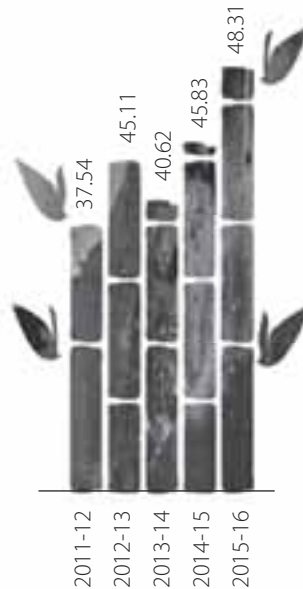
To be a leading agro-based company and to manufacture and promote agro and other green products and also maximise the renewable energy potential of agricultural commodities.

Background

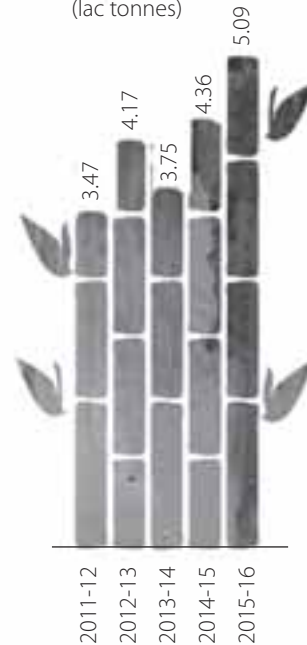
Founded by Lala Ram Narain in 1933 with a crushing capacity of 300 tonnes of cane per day, the Dhampur mill has emerged as one of India's leading integrated sugarcane processing complexes comprising large sugar manufacturing operations as well as one of India's largest power generation and ethanol manufacturing capacities.

Dhampur's progress report

Sugarcane crushed
(lac tonnes)



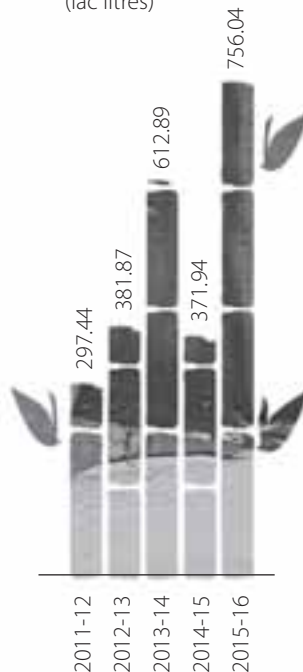
Sugar produced
(lac tonnes)



Power generated
(crore units)



Ethanol/RS/ENA produced
(lac litres)



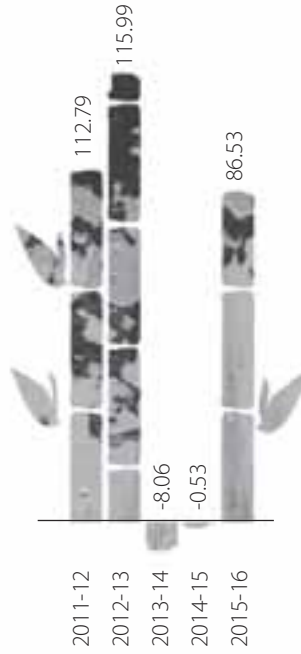
Income from operations
(₹ crore)



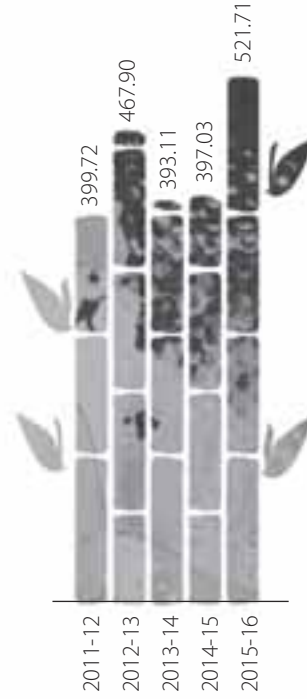
EBITDA (₹ crore)



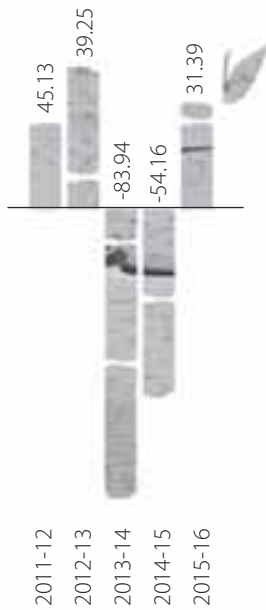
Cash profit (₹ crore)



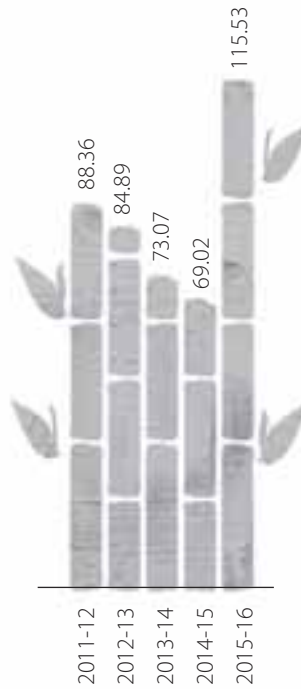
Gross profit (₹ crore)



Profit (Loss) before tax
(₹ crore)



Book value per share (₹)



Manufacturing facilities

DHAMPUR, BIJNOR DISTRICT, UTTAR PRADESH

CANE CRUSHING

15,000 MT per day

POWER GENERATION

65 megawatts

DISTILLERY

200,000 litres per day

BIOFERTILISER

15,000 tonnes per annum

Quick facts

- Dhampur was the first company in India to install a 105 kilogram per square centimetre boiler and turbine in 2006-07, making it among the most efficient power cogeneration companies in the world
- Dhampur's 65-megawatt cogeneration capacity is the largest across any single unit in India

ASMOLI, SAMBHAL DISTRICT, UTTAR PRADESH

CANE CRUSHING

9,000 MT per day

POWER GENERATION

44 megawatts

DISTILLERY

100,000 litres per day

BIOFERTILISER

5,000 tonnes per annum

Quick facts

- Asmoli employs the DRP (Defco Remelt Phosphotation) process with ion exchange to produce refined sugar
- The other distillery products comprise ethanol, extra neutral alcohol and rectified spirit. Biogas produced is consumed in-house

**MANSURPUR, MUZAFFARNAGAR DISTRICT,
UTTAR PRADESH**

CANE CRUSHING

8,000 MT per day

POWER GENERATION

33 megawatts

Quick facts

- Employs the DRP (Defco Remelt Phosphotation) process with ion exchange to produce refined sugar, which is sold in 50 kilogram bulk packs as well as 1 kilogram and 5 kilogram small packs (brand DHAMpure)
- The unit's bagasse-based cogeneration plant generates power for captive consumption and merchant sale

RAJPURA, SAMBHAL DISTRICT, UTTAR PRADESH

CANE CRUSHING

8,500 MT per day

POWER GENERATION

48 megawatts

LIQUID BIOFERTILISER

1,000 litres per day

Quick facts

- The unit is fully-automated and has one of the lowest steam consumption ratios in India
- The intensive cane development programme provides farmers with the latest seeds, high sucrose sugarcane varieties and subsidised pesticides

MEERGANJ, BAREILLY DISTRICT, UTTAR PRADESH

CANE CRUSHING

5,000 MT per day

POWER GENERATION

19 megawatts

Quick facts

- The unit was acquired from JK Sugar Limited and merged with Dhampur Sugar Mills in 2013
- The unit generates green power which has enhanced self-sufficiency

The long-awaited resurgence in the sugar industry has begun.

After a protracted downturn, things have finally started to look up.



Gamechanger ❶

The Central and State Governments are aware of the challenges faced by the Indian sugarcane growers, mills and consumers. They are more transparent about discussing issues that have plagued the sector for long and tackling them head-on.

Gamechanger ❷

The Ministry-level debates and discussions have kickstarted decisive initiatives that will structurally alter industry prospects. The wheels of change have already begun to turn following the government's decision to keep the state advised price at ₹280 per quintal for the third consecutive year. The C. Rangarajan Report has emerged as a bluebook of sorts and its recommended formulae are being studied for progressive implementation.

Gamechanger ❸

The Central Government is providing industry players with excise duty exemptions and incentives on products (especially ethanol). The Commission for Agricultural Costs and Prices is also providing farmers with cane subsidies (credited directly to their bank accounts), helping mills bridge the difference between costs and prices.

Gamechanger ❹

The Central Government supported the ethanol blending programme by fixing a price that is competitive for sugar mills and oil companies. For the first time in three years, India is set to achieve its targeted 5% ethanol blending in 2015-16 and has set sights on the ambitious 10% mark.

Gamechanger ❺

The Indian Government is providing soft loans to millers at attractive interest rate subvention schemes (like TUFS in the textiles sector). Addressing working capital needs, enabling millers to clear arrears and encouraging farmers to plant more cane – a win-win scenario.

Gamechanger ❻

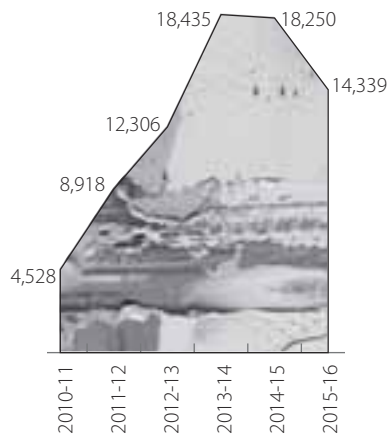
Lower production in key sugar growing regions (Brazil, Thailand and Europe and back home in Maharashtra and Karnataka) have strengthened sugar prices. Indian sugar production is projected to decline from 28.30 million tonnes in SS 2014-15 to 25.10 million tonnes in SS 2015-16 (ISMA estimates) with stocks helping bridge the average Indian sugar consumption of about 25 million tonnes per annum (growing at 3-4% per annum). Indian sugar exports of 1.94 million tonnes in FY2015-16 (ISMA estimate) could also reduce carry forward stocks and sustain modest realisations.

The writing is on the wall.

The numbers speak louder than words.

Cane arrears are on the decline
(as on 15th March)

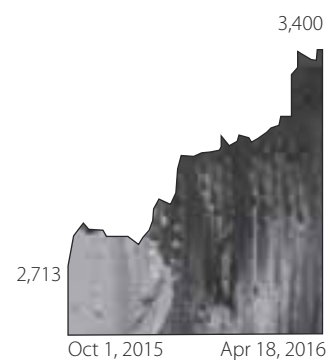
Arrears (₹ crore)



Source: Directorate of Sugar, ISMA

Sugar prices are upward bound
(as on 31st March)

Sugar M Price (₹ qtl)

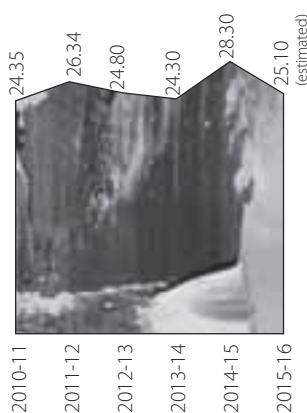


Source: Bloomberg

Sugar prices are moving upward.
Cane arrears are on the decline.
Ethanol prices are rising.
Power export realisations have increased.

Sugar output is declining

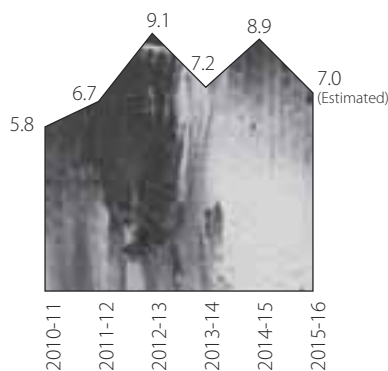
Sugar production (million tonnes)



Source: Directorate of Sugar, ISMA, Company

Sugar stocks are declining

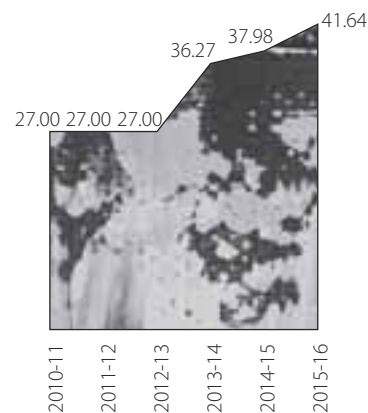
Sugar stocks (million tonnes)



Source: Directorate of Sugar, ISMA, Company

Ethanol prices are rising

Ethanol prices (₹ per litre)



A sectoral revival
is on the cards.

And Dhampur
Sugar Mills
is poised to
capitalise.

Reason for optimism#1

The average sugar prices of ₹3,300 – 3,400 per quintal (March – April 2016) will help wipe out our losses and reduce its profitability drag on our allied businesses. This was evident in the last quarter of 2015-16, when the Company's loss reduced to 2.82 crore, against a loss of ₹46.35 crore during the corresponding quarter in 2014-15.

Reason for optimism#2

The Minister of State for Petroleum & Natural Gas announced that the requirement of ethanol for 5% blending with petrol was 133 crore litres and for 10% blending 266 crore litre for the sugar year 2015-16. Against the tender floated, offers amounting to 135 crore litres of ethanol were received by oil marketing companies. Dhampur was provided a supply order of 9.53 crore litres, which is the highest among sugar companies in India. Dhampur will account for 19% of the entire Uttar Pradesh consignment. Going forward, we expect our distillery unit to make a sizeable contribution to our profits.

Reason for optimism#3

Dhampur possesses the highest ethanol-to-sugar capacity ratio in India on account of the integrated nature of our asset base. With ethanol realisations growing by 7% over the past two years to ₹42 per litre (2015-16 average) along with enhanced offtake by OMCs (as per a directive of the Ministry of Petroleum & Natural Gas), we expect our ethanol business to report strong revenue growth and double-digit EBITDA margins. This will be further bolstered by a higher net ₹45 per litre on account of Cenvat credit on SS 2015-16 molasses to be consumed for production of ethanol. Net impact on per litre will be around ₹3.50.

Reason for optimism#4

Despite the amount of cane crushed declining by 13% in Uttar Pradesh in 2015-16 season, the concurrent drop at Dhampur was only 7%. This was due to the extensive cane development activities that were undertaken during the year under review. We expect our cane development activities to enhance cane acreage in our command area substantially during the current fiscal.

Reason for optimism#5

We operationalised a slop boiler in the Dhampur unit that concentrates distillery waste and is fired with bagasse. This will extend distillery operations by 60 days to 330 days a year (starting FY2015-16), enhancing ethanol output, strengthening our environmental compliance, boosting boiler efficiency by reducing fuel consumption (steam and bagasse) and reducing dependence on external bagasse. We expect to install our second slop boiler in Asmoli during 2016.

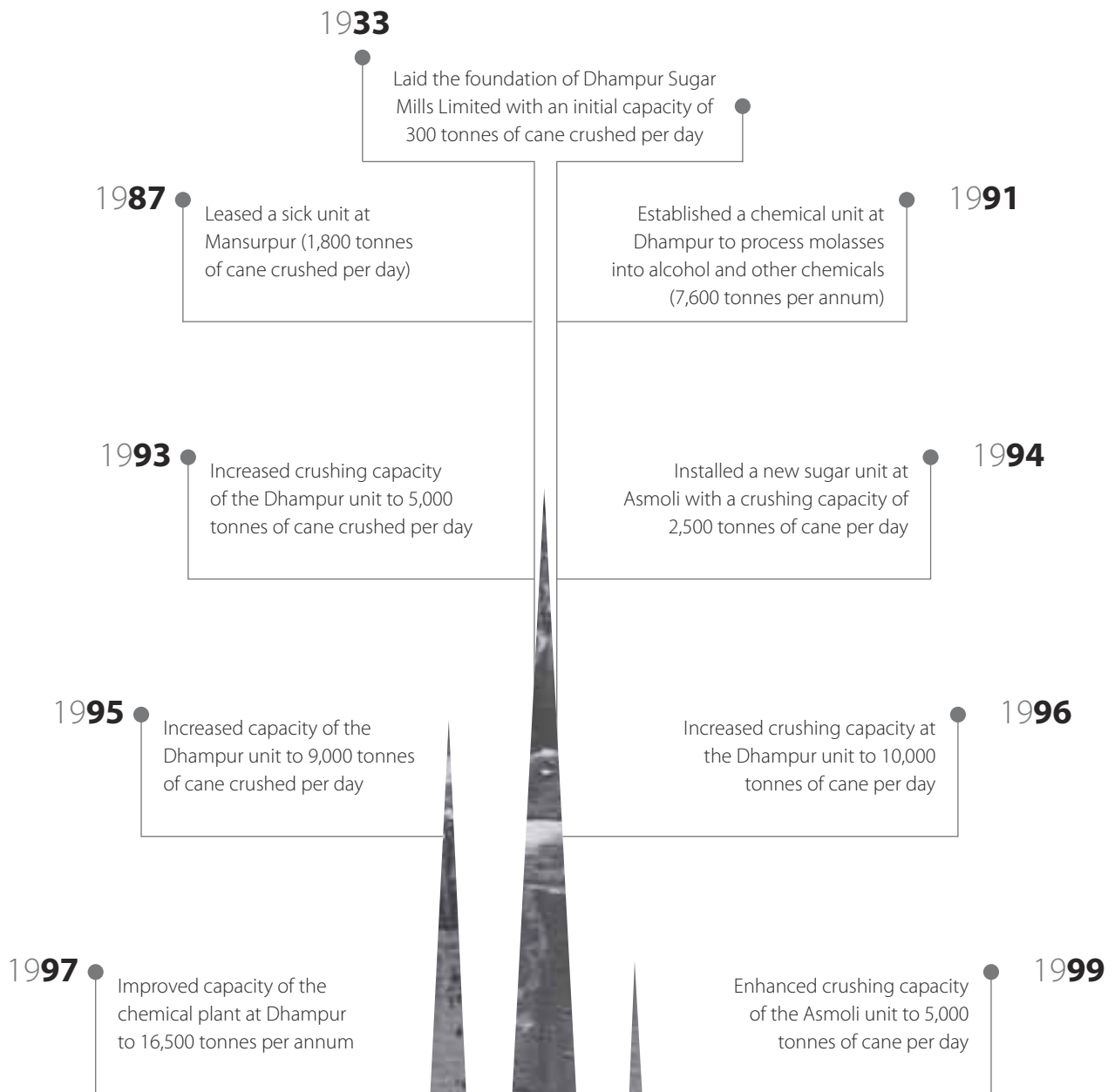
Reason for optimism#6

We installed a bagasse dryer in the Asmoli unit during the year under review. This has brought us even closer to a 100%-coverage across our units (except Meergunj) and reduced the moisture content by 8-10 bps (about 40-42% of the dry bagasse weight) and in turn fuel consumption (bagasse). Moreover, high-temperature flue gases from the boilers are used to dry the bagasse, which ensures a more effective utilisation of the steam generated while lowering costs.

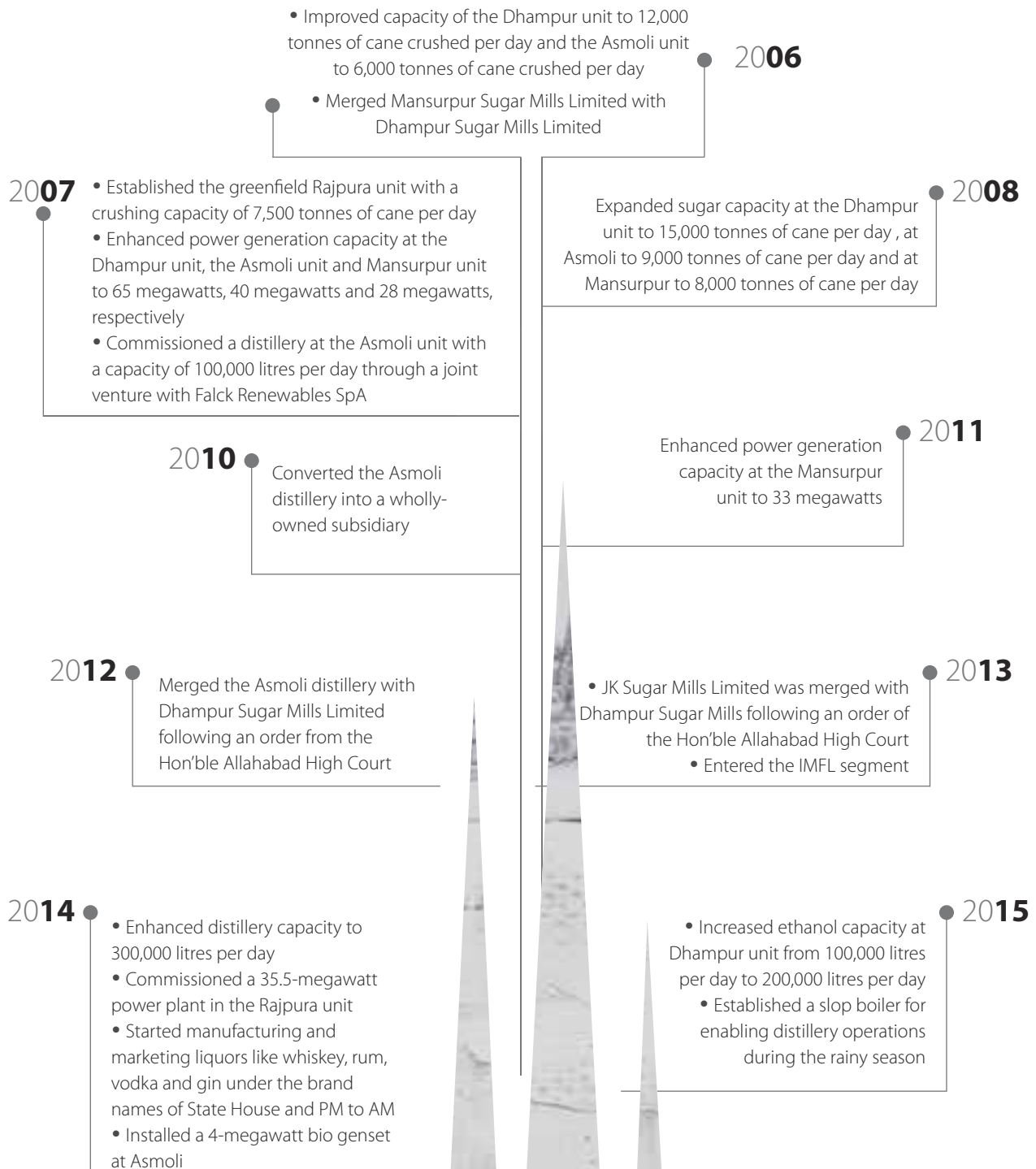
Reason for optimism#7

We will sustain our focus on operating power assets at a high capacity utilisation (209 megawatts). This will not only help us feed our growing internal energy requirements but also trade a larger share (PPAs allow a tariff increase for FY2016-17). This will strengthen the EBIT generated from our power business and account for a larger slice of the revenue pie.

This is how we have



grown over the years



An overview of the sectoral revival and Dhampur's performance in 2015-16

Dear stakeholders,

It would be reasonable to expect that a sector as critical to the country's agricultural prosperity as the sugar industry would be supported by the Central and State Governments.

The reality is that over the last number of years the Indian sugar industry has been battling a protracted downturn. This was the result of unrealistically high cane prices on the one hand, which induced additional cane planting, triggered a sugar surplus, weakened sugar realisations and eroded industry profitability.

The fact that the downturn was among the longest that we have ever seen was not just a result of the demand-supply dynamics; it was a reflection of an inability to moderate cane prices to a point where they would still be remunerative for farmers and also affordable for consumers.

We are relieved to state that this extended downtrend is finally over.

There are a number of reasons for this, some for which we need to thank the climate for, some for which we need to thank the Central and State Governments and some for which we sugar manufacturers need to take the credit, albeit modestly.

Primarily, the country's sugar industry

turned around because persistently high cane prices and enhanced cane planting resulted in such extensive cane arrears that farmers were compelled to plant less cane during 2015-16. Farmers also encountered challenging meteorological conditions in Uttar Pradesh, Maharashtra and Karnataka (78% of India's sugar production cumulatively) leading to a 3.20 million ton decline in sugar output during SS 2015-16, 11% lower than in the previous sugar season.

Given the fact that India's sugar consumption is expected to increase by 3-4 % during SY2016-17, this could be the first time in five years when the country would consume the entire sugar produced during season 2015-16. That the industry expects yet another year of decline in output during 2016-17 on account of below par precipitation in Maharashtra and Karnataka could lead to the second successive year of inventory decline.

Things have already started to take a turn for the better. India's domestic sugar prices reported their strongest recovery in four years; ex-factory realisations

rebounded to a year-end price of ₹34 per kilo in Uttar Pradesh, brightening prospects for most sugar manufacturers. Dhampur was no exception. The Company showed stable cash flows in 2015-16, heralding the arrival of better days. Case in point: we had 33 lac quintals of closing stock on our books as on 31st March 2016, which will be marketed in 2016-17 at considerably higher realisations.

We believe that this sharp increase will raise the level of water across the sector, enabling some of the weaker mills to break even and the stronger mills to post handsome profits. We can safely surmise that Dhampur figures in the latter group. The increase in sugar production from 46.63 lac quintals in SS 2014-15 to 48.13 lac quintals in SS 2015-16 came about despite a statewide 4% drop in production. We could also turn the higher production to our advantage with the enhanced recovery that we generated as result of a superior varietal mix, enhanced corporate productivity and favourable weather conditions.

And this is where things get interesting. Our aggregate recovery of 10.66% during SS 2015-16 was 1.07 bps higher than in the previous season, which alone contributed an incremental output of 0.48 lac tonnes. This highlights the point that one wishes to make – that perhaps the gains accrued from superior cane varieties and farsighted operating practices will sustain across the foreseeable future.

Operational performance

Our optimism stems from the fact that during FY2015-16 our loss-making sugar business turned around, our ethanol business increased profits and our power generation business continued to represent the bedrock of long-term revenue visibility. Best of all, we expect this scenario to sustain across all three businesses across the foreseeable future.

Sugar: Dhampur produced 50.88 lac qntl of sugar, which was 17% higher than the previous year. We are absolutely delighted to state that our average sugar recovery increased from 9.51% in 2014-15 to 9.53% in 2015-16 on a financial year basis following a rare convergence – cane varietal improvement, better weather and corporate productivity. Total revenues from operations stood at ₹1,814.65 crore, which is a growth of 13% from 2014-15. We closed the financial year under review with a carry-forward stock of 33 lac quintals, which should translate into a sizeable surplus in 2016-17. Besides, renewable energy credits fetched ₹17.90 crore during the year under review.

Power: We leveraged our 209-megawatt power plant (125 megawatts of saleable capacity) to generate 66.02 crore units of power in 2015-16, which was 16% higher than in the previous year. Nearly 35% of the power generated was consumed within, moderating production costs. We registered a 26% increase in revenues to earn ₹478.88 crore compared to ₹380.41 crore in the previous year. Average tariff stood at ₹5.05 per unit in 2015-16 compared with ₹4.37 per unit in the previous year. The result was that the EBITDA of power generation business increased to ₹202.95 crore during the year against ₹173.88 crore during the previous year, an increase of 17%.

Distillery: Following an excise duty exemption on ethanol produced from molasses of SS 2015-16 and the volume and price improvements for rectified spirit, ENA and ethanol allowed Dhampur to cement its reputation as one of the key producers of ethanol.

During the year 2015-16, we majorly used molasses produced during SS 2014-15 for manufacturing ethanol and could not avail the benefit of Cenvat credit, which will be available to the Company in 2016-17. The net benefit from this will be ₹3.5 per litre on ethanol production.

We leveraged our 300,000 litres per day distillery capacity (Dhampur and Asmoli), to capitalise on the robust demand emanating from the market place. Revenues from the chemicals business reached a high of ₹413.02 crore; a 30% EBITDA from this segment increased to ₹73.40 crore during the current year against ₹54.89 crore during the previous year, a 34% increase.

Sectoral outlook

We are optimistic of our sectoral and individual prospects for some valid reasons.

We expect cane output to decline for the second successive year in 2016-17. Much of this decline will come from Maharashtra and Karnataka and marginally from Uttar Pradesh. The national decline could go a long way in correcting the longstanding skew in the national sugar scenario.

Even according to the most conservative estimates, sugar realisations will remain steady. Subsequently, we expect to generate a reasonable surplus around

prevailing levels based on last year's production. The only glitch in an otherwise perfect picture is cane pricing for the 2016-17 sugar season.

Our blueprint for growth

Our focus at Dhampur will be to generate more cane than ever, crush record volumes and maintain the highest levels of efficiency.

We expect our distillery to emerge as a money spinner. We would continue to use molasses that provides a higher yield, substantially increasing our generating capacity.

We would be substantially benefited by the excise duty exemption on ethanol, gaining ₹5 for every litre of ethanol we sell to OMCs.

We expect to reinforce power generation operations and reap the benefits of increased tariffs.

Gaurav Goel and Gautam Goel,
Managing Directors,
Dhampur Sugar Mills Limited

We registered a

26%

increase in revenues to earn ₹2349.73 crore

Average tariff stood at

5.05

in ₹ per unit
in 2015-16

This is how Dhampur has selected to manage its business

At Dhampur, our business model ensures that we remain resilient in the face of sectoral cyclicalities.

This means that in the most challenging market conditions, we ensure adequate liquidity through our non-sugar businesses.

This means that when sugar markets revive, we are among the first companies to post a robust surplus.

This means that when the industry is robust, we generate profit margins higher than most of our peers.



Multi-business Company

Dhampur is essentially three businesses (sugar, power generation and distillery) in one, which makes it possible for the Company to offset the weakness in one business and report a consolidated surplus. Over the years, we believe that this diversified identity has been the principal factor responsible for our endurance and growth.

Diversified identity has been the principal factor responsible for our endurance and growth.



Progressive integration

Dhampur was among the first sugar companies in India to recognise the limitations of focusing entirely on sugar. So, even though sugar continued to remain the Company's mainstay, we invested in the downstream processing of sugar byproducts well before this became the norm. This warranted a prudent use of byproducts generated by one business as raw materials for another. Allowing us to moderate resource costs, strengthen inventory management and minimise logistic costs.



Balanced approach

Dhampur invested in its non-sugar business in a scientific manner, in the sense that the majority of our requirements would be met from within as opposed to an excessive investment in one business. That could have necessitated a quantum of resource procurement, nullifying the advantage of an integrated framework. We chose to right-size the business thereby moderating investments and enhancing profitability.



Multi-cycle investments

We have invested in capacity addition across market cycles, leveraging the strength of our Balance Sheet to borrow when markets have been down and prudently utilising accruals during periods of sectoral rebound. The benefits of this approach have been extensive: we have negotiated better with third parties, enjoyed quicker delivery schedules and been more agile than our sectoral peers.



Inorganic growth

We recognised the attractiveness of inorganic opportunities to circumvent the time-consuming cycle related to greenfield investments. This made it possible to build on existing cane availability and capitalise on the terrain knowledge of the acquired Company. Acquisitions made in the last two decades accounted for 28.57% of the Company's aggregate cane crushing capacity.



Cane competence

Dhampur is not a sugar Company per se; it is fundamentally a cane Company working

with farmers to enhance cane planting across command areas. Over the years, we have enhanced cane supply through a singular focus on enhancing farmer liquidity. This focus has been reinforced by any-quantity cane procurement assurances and steadily escalating crushing capacities, making it possible to evacuate cane quicker. Moreover, we have advised farmers in using better seeds and nutrients, and inculcated scientific farm practices and calendar-based management pertaining to cane crushing, management.



Revenue security

At Dhampur, we have built two robust non-sugar businesses. While one (ethanol) is market-dependent, the other (power generation) is market-protected. A long-term power purchase agreement with Uttar Pradesh Power Corporation Limited means that we will continue to be incentivised by periodic tariff escalations and remain protected by a natural tax hedge. The result is that we did not just increase the proportion of our non-sugar revenues; we increased the proportion of power generation revenues as well.

Ethanol preference



At Dhampur, even as we possess a distillery that empowers us to manufacture a range of downstream chemicals, we have largely focused on ethanol manufacture. This product enjoys governmental patronage, growing demand, quick offtake and attractive remunerations. We believe that with the mandated ethanol blending proportion all set to increase from 5% to 10%, there would be yet another demand spike, benefiting us immensely.

Branded sugar



We believe that with rising incomes and a growing preference for premium products, consumers who buy loose unpackaged sugar will gravitate towards branded and packaged alternatives. As the modern retail format becomes ubiquitous, consumers shall begin to make larger online purchases. In line with this, we launched Dhampure in 2000 and stand to make the most of this first-mover advantage.



This is how our
business model
has enriched our
competitiveness
and sustainability

Dhampur is not just a sugar Company – a claim vindicated by the steady increase in revenues derived from the non-sugar businesses.

Non-sugar revenues (₹ crore)

2011-12	2012-13	2013-14	2014-15	2015-16
319.57	502.57	584.53	505.21	851.71

At Dhampur, an increasing proportion of the bottomline has been derived from non-sugar businesses, especially in the last few years of the downturn.

Corporate EBITDA derived from non-sugar revenues (₹ crore)

2011-12	2012-13	2013-14	2014-15	2015-16
152.80	185.55	191.26	223.66	266.89

The efficiency of Dhampur's operations can be gauged from the fact that for every tonne of cane crushed, the Company has been able to generate among the highest throughputs in India's sugar industry.

Throughput for every tonne of cane crushed, 2015-16

Sugar	Power	Alcohol	Chemicals
105 kilograms	125 kilowatts	11.74 litres	2.87 kilograms

Dhampur has been a faithful friend to the farmer, enhancing incomes on the one hand and securing core and downstream capacities on the other.

Cane purchases (lac quintal)

2011-12	2012-13	2013-14	2014-15	2015-16
376.75	452.20	407.26	458.58	483.96

Cane purchases (₹ crore)

2011-12	2012-13	2013-14	2014-15	2015-16
944.01	1,311.13	1,162.62	1,268.87	1,346.52

DIVISIONAL REVIEW



Dhampur is among the largest sugar manufacturing companies in India by volume (crushing capacity 45,500 tonnes of cane per day), respected for qualitative excellence. Its extension into branded packaging and use of pioneering practices has allowed it to carve a niche for itself. The Company draws cane from within a radius of around 30 kilometres in its command areas, possesses a white sugar capacity of 2,850 tonnes per day and refined sugar capacity of 1,700 tonnes per day.

Competencies

- High-quality cane development activities that have not only resulted in a higher acreage but also a 1.02% y-o-y increase in yields
- Strong relationships with a 190,000-strong farmer community
- Equipment integrated to maximise production – reported a higher capacity utilisation during the year under review
- An ample proportion of value-added products in the overall mix
- Five strategically located factories (30-kilometre radius) augmenting logistical efficiencies

Talking points, 2015-16

- The Company's production increased by 17% following an increase in the amount of cane crushed from 45.83 lac tonnes in 2014-15 to 48.31 lac tonnes in 2015-16.
- Average sugar recovery increased from 9.51% in 2014-15 to 10.53% on the back of amenable weather and the use of sucrose-rich cane varieties.
- A 7.4% growth in the sales of Dhampur brand of value-added sugar that commanded a 5% premium over competing varieties on account of its purity
- Earned ₹18 crore from REC sales

Outlook

- Continue planting of high-yield varieties should result in average increase in cane acreage in the command area during FY2016-17



Revenues in 2015-16 (in ₹ crore)

1,814.65

Revenue growth in 2015-16

13%

EBITDA increase

70%

Overall EBITDA

-9%

The Company's production increased by

17%

Power

Dhampur ventured into the power generation business in 2006-07 to ensure efficient use of its captively-generated bagasse. Over the years, the Company has enhanced its capacity to 209 megawatt in tranches, emerging as the one of the largest in India and Uttar Pradesh. The Company's power generation capacity accounted for 40% of its captive consumption while the rest was channelled for merchant sale to the State Electricity Grid.

Competencies

- State-of-the-art power generating assets that result in high PLFs
- Best-in-class boilers that can consume a wide mix of fuels

Talking points, 2015-16

- Increased revenues from ₹380.41 crore in 2014-15 to ₹478.88 crore
- Higher bagasse availability sustained power sales during the off-season

- Cogeneration revenues accounted for 15.50 % of the total revenues (15.44% in 2014-15)
- Average power tariffs increased by around 12% from 20th January 2015 the full impact of which became visible during the fiscal under review
- The Company's power segment provided an attractive earnings cushion during the sectoral downtrend

Outlook

- Ensure 100% asset utilisation at the power plant



Revenues in 2015-16 (in ₹ crore)

478.88

Revenue growth in 2015-16

26%

EBITDA increase

17%

Overall EBITDA

83%

Average power tariffs increased by around

12%



Distillery

Dhampur possesses a distillery capacity of 300,000 litres per day. The distillery operations have been progressively automated to enhance operational efficiency on the one hand and flexibility in the manufacture of different products (ethanol, rectified spirit, extra neutral alcohol, among others), on the other.

Over the last few years, there has been a significant change in the prospects of ethanol manufacturers, incentivised by the Central Government's decision to mandate the blending of 5% ethanol with automotive fuel and empowering oil marketing companies to buy directly from molasses-based ethanol producers. The result is that ethanol attracts ready buyers, garners lucrative realisations and guarantees timely receivables.

Competencies

- High flexibility when it comes to manufacturing rectified spirit, ENA and chemicals in line with market demand
- One of the highest sugarcane crushed-to-distillery capacities on account of its integrated nature
- Possesses India's largest ethanol order book of 9.53 crore litres that provides medium-term revenue visibility

Talking points, 2015-16

- Established a new ethanol plant that offered better conversion ratios as far as value-added products were concerned

- The excise duty on ethanol derived from molasses was exempted in 2015-16, strengthening margins by ₹5 per litre
- Ethanol production increased by 313% and accounted for 93% of the distillery product mix
- Average realisations for the distillery business rose by 7.42%

Outlook

- Meet ethanol demand as per stipulated timelines
- Focus on maximising production of ethanol, thereby enhancing per unit margins



Revenues in 2015-16 (in ₹ crore)

413.02

Revenue growth in 2015-16

27%

EBITDA increase

34%

Overall EBITDA

30%

Dhampur's distillery products portfolio

- **Ethanol:** 300,000 litres per day
- **Rectified spirit:** 300,000 litres per day
- **ENA:** 150,000 litres per day
- **Special denatured spirit:** 300,000 litres per day
- **Ethyl acetate:** 140 metric tonnes per day

Management discussion and analysis

Indian economic overview

India's positive GDP growth indicates that the economy is expanding as against the subdued economic growth in the developed countries and other parts of Asia. One more reason for India doing well is that oil and commodity prices have plummeted. Besides this, the country is largely a consumption-driven economy that is not too dependent on foreign trade. Initiatives like 'Make in India', plans to set up a dedicated freight corridor and developing a low-carbon economy by laying a keen emphasis on generating renewable energy have brightened long-term prospects for the country's economy.

The Indian economy has been riding high since last year and in purchasing power parity terms has made its way among the top five countries in the world. All the gains that India earned have been utilised in restoring macroeconomic stability. The country's GDP growth in 2015-16 is expected to be 7.6% as per the data released by the Central Statistics Office increasing from 5.6% in FY13 to 6.6% in FY14 to 7.2% in FY15.

Sugar industry – global overview

Sugar is one of the most used commodities in the world. Sugarcane, besides the main source of sugar, is generally regarded as one of the most significant and efficient sources of biomass for bio-fuel (ethanol) production.

Strong linkages between world sugar

and oil prices have emerged in recent years, driven in part by the relationships between sugar as the primary ethanol feedstock in Brazil, the dominant producer and exporter of both sugar and ethanol in the world.

Global sugar production for 2015-16 is forecast to go down by 2 million metric tonnes (raw value) to settle at 173 million tonnes with reductions in Brazil, India, the European Union, and Ukraine more than offsetting the increase in productions in Australia, Russia, and Turkey. Global consumption is projected to reach a record 173 million tonnes in FY2015-16.

Growth prospects

Brazil's production is forecast to reduce by 950,000 tonnes to settle at 35 million tonnes as a higher percentage of sugarcane (forecast at 59%) is converted to ethanol. The higher demand in the domestic market was a result of the increase in the mandated percentage of ethanol blending in gasoline from 25 to 27% and the increase in federal and state taxes for gasoline.

United States production is forecast to go up by nearly 150,000 tonnes from last year to settle at 8 million tonnes. Consumption is down slightly as imports declined by 5% to 3.1 million tonnes and stocks grew by 5% to 1.7 million tonnes.

India's production is forecast to drop by 25.1 due to lower yields. Consumption rose to 26.0 million tonnes while export volumes decreased by 0.49 million ton to 1.94 million tonnes. India is the world's

largest consumer and second-largest producer of sugar.

China's production is projected at 10.6 million tonnes, down by 400,000 tonnes on account of a decline in planted area due to high production costs. (Source: *usda.gov*)

The primary reason for the global sugar industry's bullish outlook stems from a prospective increase in demand. Moreover, small changes in the import needs of multiple countries will also lead to a significant spike in demand for sugar. However, this high demand might be met with a shortage of 5.5 million metric tonnes in SY2016-17 as years of low prices have led sugar output to stagnate. This shortfall is estimated to widen further to 6.2 million tonnes in 2016-17. Tightness in sugar supplies is already being felt in the market for refined sweeteners, where its premium over the raw variety rose to a five-month high of \$117 a tonne in January 2016. (Source: Olam International)

This bullish trend in the global sugar markets will lead to a rise in the price of sugar in India as well. This means that the world's second-largest supplier will sell more in the domestic market and less abroad. So, while expectations for Indian exports were bearish for the market six months ago, the estimates are being lowered. Indian sugar prices rallied more than 30% in the past five months on expectations that the FY2016-17 output will turn out be lower than what was initially forecast.

Industry analysis and trends

During the five years leading to 2015, the global sugar manufacturing industry had to contend with unstable production and price levels. Adverse weather conditions and increasing diversion of stocks to ethanol production reduced sugar production, therefore inflating the price of the commodity. This benefited the industry until 2012, when prices crashed due to high global production and healthy stock-to-use ratio. Prices continued to decline throughout the period, thereby pushing revenues down, which resulted in minimal industry growth. Till 2020, the industry is expected to prosper due to rising demand for renewable energy, growing global sugar consumption and favourable governmental policies.

Industry investments

The global sugar industry is labor and capital-intensive. However, the introduction of new technologies and the adoption of greater automation have reduced manual intervention. This is particularly true in sugar refining, where, in the past decade, high-speed production lines have dramatically increased throughputs. This has allowed manufacturers to raise production

levels significantly without requiring corresponding increase in manpower.

Indian sugar industry at a glance

The Indian sugar industry has contributed a lot to the rural economy of India. The sector has by commercialising rural resources for meeting the large domestic demand of sugar and generating surplus energy to meet the ever-increasing energy needs of India. With an annual production capacity of over 30 million metric tonnes, the Indian sugar industry is the second largest producer in the world. It is also the second-largest agro-based industry in the country (after cotton). The sugar industry supports 50 million farmers and their families. The annual turnover of the industry is estimated at ₹41,000 crore and it pays about ₹2,500 crore per annum to the exchequer.

Outlook

According to ISMA, from the beginning of the current sugar season till 30th of April 2016, sugar mills have produced 11% lower sugar. And even though most of the mills have stopped crushing cane, 48 are still continuing their crushing activity as compared to 97 that were operating last year. Due to this drop in production,

India will have a low output of sugar but the sufficient stock will ensure that demands are met.

On the consumption side, strong domestic demand from soft drink manufacturers, confectionaries, hotels, bakeries and ice cream manufacturers will support higher levels of offtake. India's relatively strong economic growth, stable political situation, rising incomes, a young population and changing consumer consumption patterns are envisaged to be the key drivers, encouraging higher sugar consumption. The prices of sugar are likely to see some correction on expectations of a forecast of above-normal monsoons in the country in FY2016-17. However, strong domestic demand will limit the extent of price correction.

Thus the Indian sugar industry has turned around and has recovered the long pending dues that were owed to farmers. The mills have been able to pay the farmers back due to the strong policy initiatives undertaken, which includes an increase in blending ethanol with petrol that has saved the country from nearly \$300 million worth of oil imports.

(Source: Care Ratings, KPMG, Economic Times, ISMA)

Internal control systems and their adequacy

The Company has a robust internal control system in place to review performance, track operations and gauge liquidity. The system also ensures that all transactions are duly reported and all assets are properly safeguarded. Timely review of operations and the recommendations of the auditors allow the Company to make corrections whenever and wherever necessary.

Sweet dose

Policy initiatives like soft loans with 1-yr moratorium on interest have helped sugar cos

Sector has gained from use of ethanol for blending in petrol

26-28

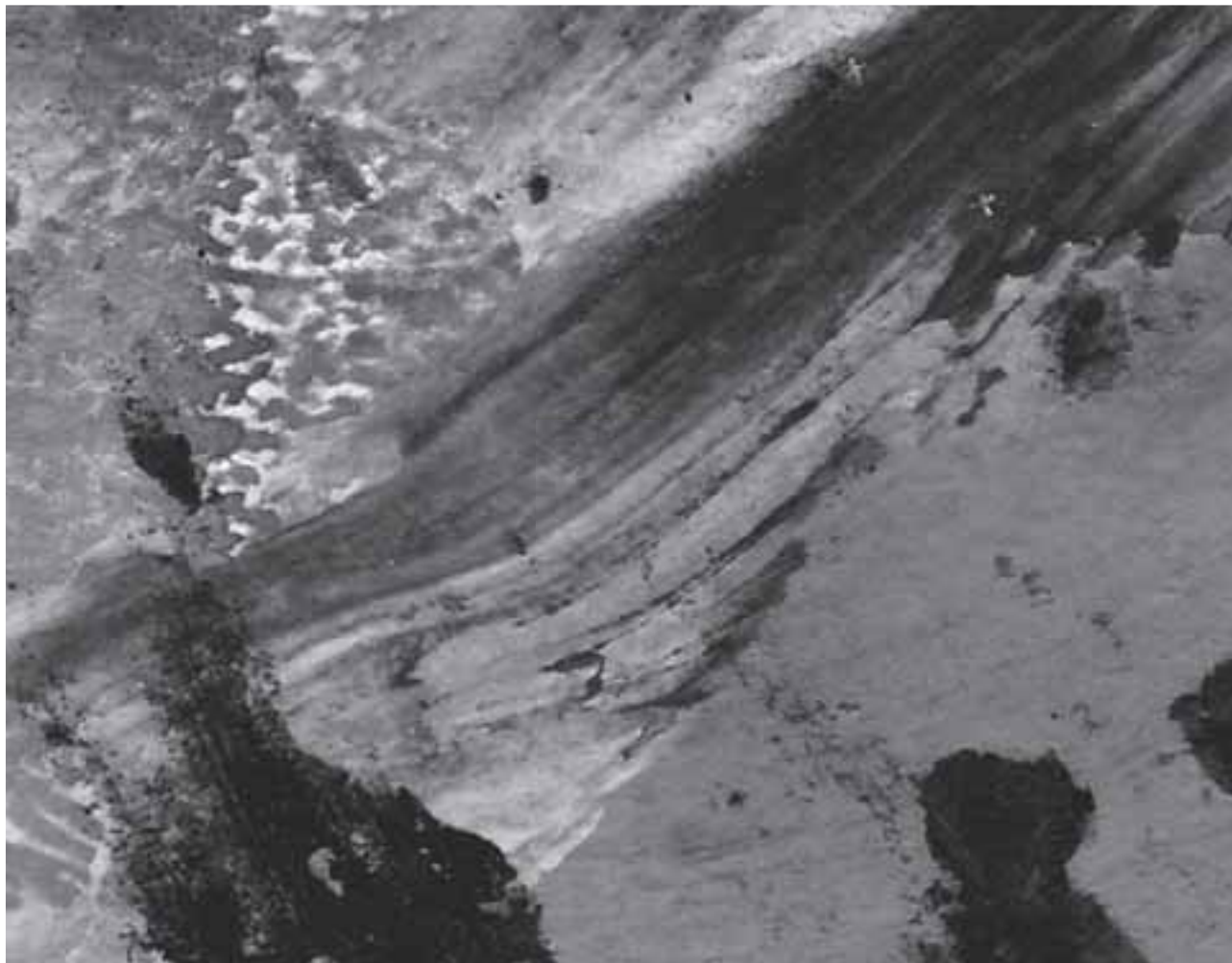
Sugar produced in mt by domestic industry in a year

5

No of persons employed in mn

60,000

Worth of cane industry buys in ₹ crore from farmers every year



Financial review

Accounting policy

Dhampur Sugar Mills follows the accrual basis of accounting. Its accounts were prepared on the basis of accounting standards as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015.

Financial performance review, 2015-16

Particulars	2015-16 (₹ crore)	2014-15 (₹ crore)	% Growth (rounded)
Income from Operations	2,349.73	1,863.52	26%
PBT	31.39	(54.16)	158%
PAT	25.88	(12.83)	302%
EPS (in ₹)	4.13	(2.54)	263%

Profit & Loss statement

- The Company's operating revenue increased from ₹1843.21 crore in 2014-15 to ₹2325.04 crore in 2015-16. This was mainly due to a marked increase in production and profits of all the business segments. This also led to an increase in the cash profit from ₹-0.53 crore in 2014-15 to ₹86.53 crore in 2015-16.
- Total revenues from the sugar division stood at ₹1814.65 crore, power generation segment revenues were ₹478.88 crore and distillery generated ₹413.02 crore.
- Operating expenses for 2015-16 stood at ₹2022.75 crore as against ₹1644.51 crore in 2014-15, the 23% increase mainly due to an increase in the amount of raw materials consumed and purchases of stock in trade. Raw material expenses went up by almost 19% in 2015-16 compared to last year.
- The cost of the Company's employee benefits increased from ₹76.19 crore in 2014-15 to ₹84.38 crore in 2015-16, leading to an increase in operating expenses.
- The Company's depreciation stood at ₹55.14 crore in 2015-16 against ₹55.23 crore 2014-15.

Capital employed

The total employed capital increased by 25.41% in 2015-16. The return on capital employed increased by about 5.50% in 2015-16.

EBITDA

EBITDA rose from ₹150.73 crore in 2014-15 to ₹245.18 crore in 2015-16. This was due to better realisations from the sugar segment.

Balance sheet

- **Net worth:** The Company's net worth was ₹710.69 crore as on 31st March 2016, which is an increase of 67.7% compared to the previous year's ₹423.71 crore as on 31st March 2015. The increase was due to a rise in the reserves and surplus.
- **Share capital:** The share capital decreased marginally to ₹75.30 crore as on 31st March 2016 as compared to ₹75.96 crore as on 31st March 2015 due to a redemption of preference shares in the year under review. Equity capital of the Company increased by ₹1.5 crore in year under review.
- **Reserves and surplus:** The reserves and surplus increased to ₹635.39 crore as on 31st March 2016 from ₹346.51 crore as on 31st March 2015.
- **Borrowings:** The Company's borrowings comprise long-term borrowings (current and non-current) and short-term borrowings. As on 31st March 2016, they stood at ₹1656.51 crore against ₹1609.25 crore as on 31st March 2015.

Working capital management

- **Current assets:** Current assets as on 31st March 2016 stood at ₹1615.49

crore against ₹1,697.22 crore as on 31st March 2015, a decrease of 4.8%. Current Ratio was 0.84 as on 31st March 2016 against 0.85 as on 31st March 2015 owing to a decrease in current assets over current liabilities.

- **Inventories:** Inventories (finished and semi-finished goods along with raw materials) for 2015-16 increased. 70% from ₹1252.26 crore as on 31st March 2015 to ₹1261.30 crore as on 31st March 2016.
- **Short-term loans and advances:** The short-term loans and advances decreased for 2015-16 and stood at ₹36.92 crore compared to ₹39.51 crore in 2014-15.
- **Current liabilities:** Current liabilities decreased 4.58% from ₹2008.01 crore as on 31st March 2015 to ₹1916.66 crore as on 31st March 2016, mainly due to a decrease in trade payables. Trade payables decreased from ₹675.01 crore in 2014-15 to ₹471.43 crore in 2015-16, a decline of 30.1%, whereas the other current liabilities increased by 17.80 %. Short-term borrowings increased from ₹893.98 crore in 2014-15 to ₹928.47 crore in 2015-16, a rise of 3.8%.

Cash and bank balances

Cash and bank balances increased by 54.2% from ₹16.73 crore as on 31st March 2015 to ₹25.80 crore as on 31st March 2016.



Corporate social responsibility

At Dhampur, we believe that a company is truly successful when it earns profits and shares it with the society within which it exists. We have tried to integrate social welfare within our normal day-to-day operations.

Within the vicinity of some of our facilities, we have developed schools for imparting education to rural children. A 1:30 teacher-student ratio guarantees that each child receives attention and care.

We also partnered Academy of Modern Learning and opened one of its branches at Asmoli. The school is equipped with modern learning and recreational facilities, encouraging extracurricular activities to facilitate the all-round development of rural children. One more branch was established in Gunnaur near our Rajpura unit.

The Mansurpur unit sponsors a cultural programme called Lok Rang at the district level every year and organises a host of cultural and educational programmes.

At our Meerganj unit, we educate farmers and provide them with the necessary resources like liquid biofertilisers, pesticides and organic manure at pocket-friendly rates. Besides this, meetings and seminars are held where techniques like inter-cropping, mixed cropping, trench planting, among others, are taught to farmers to maximise earnings.

Our Human Resource Policies

Dhampur has a proper Human Resource Department that oversees all the human resource issues and strives to create a satisfactory workplace for its employees. This department works closely with the senior management and is involved in the recruitment of employees, their retention, remuneration, rewards and recognition.

In the year under review, there were no material changes in our HR policies. And the Company's employee strength is 2956 as on 31st March 2016.

Mitigating risks at Dhampur

Dhampur's integrated risk management approach comprises a compliance with prudential norms, structured reporting and effective controls. A combination of centrally-issued policies and divisionally-evolved procedures has helped enhance process robustness, ensuring that business risks are effectively addressed.

Locational risk

1

In the sugar business, the distance between mills from sugarcane fields could lead to delay in cane crushing thereby lowering recovery.

Risk mitigation

- We have established excellent connectivity via roads to ensure quick cane delivery.
- Our command areas extend around a 30-kilometre radius of our mills.

Working capital risk

2

The ratio of capital required to the amount of labor is high in the sugar industry. Liquidity concerns can impact operations.

Risk mitigation

- Our effort to liquidate inventory levels at the end of each season ensures that we are able to repay our dues in a timely manner.
- We also manufacture and sell other additional products such as power, ethanol and chemicals. This ensures steady cash flows and allows us to counter the cyclical impact of the industry.

Raw material risk

3

A potential decline in cane production can diminish profitability.

Risk mitigation

- All of our facilities are located in the cane-rich belt of Uttar Pradesh.
- We procure sugarcane from more than 190,000 farmers.
- We take active steps in training farmers and also provide them with high-yielding variety seeds and other basic amenities.
- We also have dedicated teams in our command areas that specifically look after the growth and development of sugarcane.

Industry risk

4

An economic slowdown could adversely affect our revenues.

Risk mitigation

- The Company has an established presence not only in the sugar but also in cogeneration, alcohol and biofertiliser segments.
- We also offer packaged sugar, thereby strengthening margins.
- Non-sugar revenues stood at 41 % of the total revenues in FY2015-16 (35 % in FY2014-15), indicating only a moderating dependability on sugar.
- The low per capita sugar consumption in India provides ample room for us to grow.

Competition risk

5

An inability to sell enough cane could eat into our profits.

Risk mitigation

- We procure sugarcane from more than 190,000 farmers.
- We enjoy enduring relationships with the farmers that ensures adequate cane supply
- Our dedicated teams help farmers free their land faster post the sugar season and move on to their next crops. Besides, we have also implemented farmer support programmes and supplied seeds and other agricultural implements.

Regulatory risk

6

Unfavorable governmental policies could negatively impact prospects.

Risk mitigation

The Government has been introducing a lot of initiatives to ensure a favorable progress of the Indian sugar industry. Few are as follows:

- The policy interventions by the Government such as a soft loan was notified with a one year moratorium on interest payments. The focus was on providing direct payment to farmers even though mills undertook the loans, providing relief to farmers and generating liquidity in the sugar industry.
- Government also introduced a modified Ethanol Blending Program(EBP) to achieve up to 10% blending levels with Motor Spirit.
- Lastly a comprehensive performance based production subsidy was notified at a rate of ₹4.50 per quintal of cane crushed, payable to farmers against cane dues contingent on mills undertaking exports and supplying ethanol.

Board Report

To,
The Members,
Dhampur Sugar Mills Limited

The directors have pleasure in presenting their Annual Report of the company together with the Audited accounts for the period ended on 31st March, 2016.

Financial Results:

(₹ in Cr.)

Particulars	Current Year for the Period 2015-16	Previous Year for the Period 2014-15*
Total Income	2275.41	1841.92
Less-Expenditure during the year	2024.46	1688.80
Profit/(Loss) before Depreciation, Interest & tax	250.95	153.12
Less- Depreciation	54.86	55.15
Less- Interest	158.63	149.66
Less- Provision For Tax & Adjustments	5.51	(41.33)
Net Profit/(Loss)	31.95	(10.36)

*Figures have been re-grouped, wherever considered necessary.

Operational performance:

Sugar units:

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

Sugar operations at a glance

	31st March, 2016	31st March, 2015
Cane crushed (lac-qtls.)	483.05	458.22
Recovery (per cent)	10.53	9.51
Sugar Produced From Cane (lac-qtls.)	50.88	43.57

Co-generation operations at a glance

	31st March, 2016	31st March, 2015
Power generated (M.W.)	660233	570576
Sale to UPPCL (M.W.)	430691	373076

Chemical operations at a glance

	31st March, 2016	31st March, 2015
RS/ENA/Ethanol (in lacs BL)	710.25	371.94
Chemicals (net) (in lacs KG)	138.53	245.35

Subsidiaries, Joint Ventures or Associate Companies

The financial statement of Dhampur International Pte Limited, subsidiary of the Company is annexed as Annexure 1 and forms an integral part of this report.

Material Changes and Commitments during the Year

There are no material changes and commitments affecting the financial position of the company which have occurred between 31.03.2016 and the date of the report, as required under Section 134(3)(l) of the Companies Act, 2013.

Change in the Nature of Business

During the year, there was no material change in nature of business of the company.

Dividend

Your directors do not recommend any dividend for the year ending 31st March 2016 due to accumulated losses.

Reserves & Surplus

The Company has earned a Net Profit after tax of ₹31.95 Crore which has been adjusted in Profit and Loss Account under the head Reserves & Surplus. The Reserves & Surplus now amounted to ₹647.05 Crores as at 31st March, 2016.

Equity Share Capital

During the financial year, 1500000 Equity shares of ₹10/- each at a premium of ₹23/- per share have been allotted on conversion of 1500000 equity share warrants.

Directors

Shri Gaurav Goel, Shri Gautam Goel and Shri Sandeep Kumar Sharma will retire at the ensuing Annual General Meeting and being eligible have offered themselves for their respective re-appointment.

During the year Shri D.L Mittal was appointed as Nominee Director of Punjab National Bank in place of Shri S.K Wadhwa.

Brief profile of Shri Gaurav Goel, Shri Gautam Goel and Shri Sandeep

Kumar Sharma, has been given in the Corporate Governance, forming part of the Annual Report.

Key Managerial Personnel

Shri Gaurav Goel and Shri Gautam Goel are the Managing Directors of the Company and Shri Arhant Jain is Chief Financial Officer and Company Secretary of the Company.

Deposits

1. Accepted during the financial year 2015-16: ₹13.67 crores
2. Remained unpaid or unclaimed as at the end of the year ₹0.16 Crores
3. If there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
 - a. At the beginning of the year; NIL
 - b. Maximum during the year; NIL
 - c. At the end of the year. NIL

Deposits not in compliance with Chapter V of the Act

The Company has not accepted any deposit, which is not in compliance with chapter V of the Act.

Particulars of Loans, Guarantees or Investment

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to Financial statements.

Related Party Transactions

All the transactions carried out with Related parties for the year under review were on arm's length basis and are in compliance with the applicable provisions of the Act and Listing Agreement.

There are no material significant related party transactions made by the Company with Promoters , Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <http://www.dhampur.com>

Your directors draw attention of the members to Note No. 34 of the Financial Statement which sets out related party disclosures.

Auditors and Auditors' Report

M/s Mittal Gupta & Co., Chartered Accountants, Kanpur, the 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.

Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed GSK & Associates, a firm of Company Secretaries in Practice, to undertake the secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure 2 and forms an integral part of this report.

There is no secretarial audit qualification for the year under review.

Corporate Governance:

In compliance with Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 GSK & Associates, a firm of Company Secretaries in Practice confirming compliance by the Company with the conditions of Corporate Governance as stipulated under part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 is attached to this report.

Directors Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 your directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with the new/revised standard operating procedures.
- (f) the Directors, have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Declaration by Independent Directors

The Company has received declaration from all independent directors in accordance with the provisions of Section 149(6) of the Act, whose names are as under:

- 1. Shri M.P Mehrotra
- 2. Shri Priya Brat
- 3. Shri Ashwani K Gupta
- 4. Shri Harish Saluja
- 5. Shri Rahul Bedi
- 6. Smt. Nandita Chaturvedi

Audit Committee

Details of the composition of the Audit Committee and the attendance at the meetings held during the financial year 2015-16 forms part of the Corporate Governance Report.

Nomination and Remuneration Policy:

The Board of Directors have framed a policy which lays down a framework in relation to remuneration of directors, Key Managerial Personnel and Senior Management of the Company. The details of this policy are explained in the Corporate Governance which forms a part of this Report. The remuneration policy is in consonance with the existing policy of the Company.

Risk Management Policy

The Company has Risk Management committee of Directors to have a system of Risk Management, inter alia, to review it periodically.

Vigil Mechanism/Whistle Blower Policy

The Company has formulated a Vigil Mechanism /Whistle Blower Policy for employees and Directors to ensure high standards of ethical behavior and to provide safeguards to whistle blower.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16

No. of complaints received	Nil
No. of complaints disposed of	Nil

Corporate Social Responsibility

The composition of CSR committee is as under :

1. Shri V.K Goel, Chairman
2. Shri Gaurav Goel, Member
3. Shri Ashwani K Gupta, Member

The Annual Report on CSR initiatives is attached as per Annexure - 3

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure-4 attached to this report.

Extract of Annual Return

According to the provisions of section 92(3) the prescribed Forms MGT-9 (Extract of Annual Return) is attached as per Annexure-5.

Details of Board Meetings held during the year

Details of the Compositions of the Board Meeting and the attendance at the meetings held during the financial year 2015-16 forms the part of the Corporate Governance Report.

Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In Future

There was no such order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Managerial Remuneration

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16 is given below:

Name of the director	Designation	DIN	Ratio
Shri Vijay Kumar Goel	Promoter, Chairman and Whole-time director	00075317	39.73:1
Shri Ashok Kumar Goel	Promoter, Vice Chairman and Whole-time director	00076553	39.73:1
Shri Gaurav Goel	Promoter and Managing Director	00076111	40.03:1
Shri Gautam Goel	Promoter and Managing Director	00076326	40.03:1
Shri Mahesh Prasad Mehrotra	Independent Director	00016768	NA
Shri Priya Brat	Independent Director	00041859	NA
Shri Ashwani Kumar Gupta	Independent Director	00108678	NA
Shri Sudarshan Kumar Wadhwa*	Nominee Director	05327641	NA
Shri Harish Saluja	Independent Director	01233800	NA
Shri Rahul Bedi	Independent Director	02573535	NA
Shri Sandeep kumar Sharma	Whole Time Director	06906510	7.94:1
Ms. Nandita Chaturvedi	Independent Director	07015079	NA
Shri D. L. Mittal (appointed w.e.f 07.11.2015)	Nominee Director	06469972	NA

*(ceased w.e.f 07.11.2015)

2. Percentage increase in remuneration of each director and CEO/CFO/CS in the financial year

Name of the director/CEO/CFO/CS	Designation	DIN/PAN	Percentage increase
Shri Vijay Kumar Goel	Promoter , Chairman and Whole-time director	00075317	64.98%
Shri Ashok Kumar Goel	Promoter , Vice Chairman and Whole-time director	00076553	64.98%
Shri Gaurav Goel	Promoter and Managing Director	00076111	63.23%
Shri Gautam Goel	Promoter and Managing Director	00076326	63.23%
Shri Mahesh Prasad Mehrotra	Independent Director	00016768	NA
Shri Priya Brat	Independent Director	00041859	NA
Shri Ashwani Kumar Gupta	Independent Director	00108678	NA
Shri Sudarshan Kumar Wadhwa*	Nominee Director	05327641	NA
Shri Harish Saluja	Independent Director	01233800	NA
Shri Rahul Bedi	Independent Director	02573535	NA
Shri Sandeep kumar Sharma	Whole Time Director	06906510	3.50%
Ms. Nandita Chaturvedi	Independent Director	07015079	NA
Shri D. L. Mittal (appointed w.e.f 07.11.2015)	Nominee Director	06469972	NA
Shri Arhant Jain	CFO and CS	ADNPJ0729P	4.96%

*(ceased w.e.f 07.11.2015)

- Percentage increase in the median remuneration of employees in the financial year : 5.07%
- Number of permanent employees on the rolls of company
Permanent Employees : 2596
- Explanation on the relationship between average increase in remuneration and company performance:
The Company is giving statutory increment to its employees and workers, whenever applicable and as per HR practice of the Company irrespective of the performance of the Company.

The whole Time Directors Shri. Vijay Kumar Goel, Shri Ashok Kumar Goel, Shri Gaurav Goel are also being paid commission linked to Company's profit computed in terms of Section 198 of the Companies Act, 2013 and rules made there under.

Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:
The Remuneration being paid to Managing Directors is within the limits of Schedule V to the Companies Act, 2013. Remuneration of Shri Gaurav Goel also comprises commission which is linked to profits of the Company in terms of Section 198 of the Companies Act, 2013.

The Remuneration of Mr. Arhant Jain is revised as per normal HR policy of the Company
- The key parameters for any variable component of remuneration availed by the directors :
Commission on Net Profits of the Company to be paid to them: ₹42 Lacs
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : NA
- There was no employee of the company who was in receipt of remuneration in excess of ₹60 Lakhs and holding 2% or more of equity share capital of the company except Shri Gaurav Goel and Shri Gautam Goel, Managing Directors of the Company.

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.

For and on behalf of the Board

Place: New Delhi
Dated:10.05.2016

V. K. Goel
Chairman

Annexure - 1

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ in Crores)

1. Name of the subsidiary: Dhampur International PTE Limited.
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: - 1st April, 2015 to 31st March, 2016.
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries:- USD (1 USD = ₹66.33)
4. Other Information:-

Particulars	Dhampur International PTE Limited (₹ in Crores)
Share capital	10.80
Reserves & surplus	(11.17)
Total assets	26.99
Total Liabilities	27.36
Investments	NIL
Turnover	194.37
Profit/(Loss) before taxation	(5.58)
Provision for taxation	NIL
Profit after taxation	(5.58)
Proposed Dividend	NIL
% of shareholding	100%

- i) Name of subsidiaries which are yet to commence operations : N.A
- ii) Name of Subsidiaries which have been liquidated or sold during the year : Dhampur Global Pte Ltd.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

The Company has no associate or joint venture.

Annexure - 2

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dhampur Sugar Mills Limited
Distt. Bijnor, Dhampur – 246761
Uttar Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by DHAMPUR SUGAR MILLS LIMITED (CIN: L15249UP1933PLC000511) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on 31st March, 2016 according to the provisions of:

I.

- The Companies Act, 2013 (the Act) and the rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the company during the audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period);
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company during the audit period).
 - i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; as amended from time to time

II.

- Sugar Cess Act, 1982
- Levy Sugar Price Equalisation Fund Act, 1976
- Food Safety and Standards Act, 2006
- Essential Commodities Act, 1955
- Sugar Development Fund Act, 1982
- Export (Quality Control and Inspection) Act, 1963
- Agricultural and Processed Food Products Export Act, 1986 (Not applicable to the Company)

During the year under review, the Company has made all compliances under Sector specific laws mentioned above.

III.

- The Air (Prevention & Control of Pollution) Act, 1981 [Read with the Air (Prevention & Control of Pollution) Rules, 1982]
- The Environment (Protection) Act, 1986 [Read with the Environment (Protection) Rules, 1986]
- The Water (Prevention & Control of Pollution) Act, 1974 [Read with the Water (Prevention & Control of Pollution) Rules, 1975]
- The Hazardous Waste (Management, Handling And Transboundry Movement) Rules, 2008
- The Factories Act, 1948
- The Industrial Disputes Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Maternity Benefit Act, 1961
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Industrial Employment (Standing Orders) Act, 1946
- The Employees' Compensation Act, 1923 (earlier known as Workmen's Compensation Act, 1923)
- The Apprentices Act, 1961
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956

During the year under review the Company has filed periodical return and has not received any show cause notice and has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its officers on systems and mechanism formed by the Company for

compliance under other Act, Laws and Regulations to the Company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Central Government.
- The Listing Agreements entered into by the Company with Stock Exchanges.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while there has been no member dissenting from the decisions arrived.

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the company has passed special resolution at its Annual General Meeting held on 11th September, 2015, under Section 180(1)(c) authorizing the Board of Directors to borrow money.

We further report that the company had issued 3000000 equity warrants each having an option to convert such warrants into equity shares of ₹10 each at a premium of ₹23 each, during the financial year 2013-14. Holders of 1500000 equity warrants have exercised the conversion option during the year and consequently, the equity shares were allotted.

For GSK & Associates
(Company Secretaries)

Saket Sharma
Partner

Date: 10.05.2016
Place: New Delhi

(Membership No.: F4229)
(CP No.: 2565)

Annexure - 3

FORMAT FOR THE ANNUAL REPORT ON CSR INITIATIVES TO BE INCLUDED IN THE BOARD REPORT BY QUALIFYING COMPANIES

1. Provide a brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR policy was approved by the Board of Directors at its meeting held on 21st May, 2014 and has been uploaded on the Company's website under the link <http://dhampur.com/Policies.aspx>

The Company had proposed to undertake activities relating to promoting education, sports, good agricultural practices, skill development, women empowerment etc during the financial year 2015-16.

The Company through its various programmes will be investing the resources for undertaking the following activities:

1. Eradication of hunger, poverty and malnutrition
2. Promotion of preventive health care and sanitation
3. Promotion of education
4. Promotion of gender equality
5. Reducing social and economic inequality
6. Ensuring environmental sustainability
7. Protection of Flora and Fauna
8. Protection of National Heritage, art and culture
9. Measures for the benefit of armed forces veterans, war widows and their dependents
10. Promoting sports
11. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for

socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women

12. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government

13. Rural development projects

2. The composition of CSR Committee is as under:

Shri V.K Goel, Chairman

Shri Gaurav Goel, Member

Shri Ashwani K Gupta, Member

3. Average Net Profit of the company for last 3 financial years. – ₹(31.12) Cr.
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) ₹ NIL.
5. Details of CSR spent during the financial year 2015-16:
 - (a) Total amount to be spent for the financial year; - ₹0.39 cr.
 - (b) Amount unspent, if any; Nil
 - (c) Manner in which the amount spent during the financial year as detailed below:

In accordance with the Company's CSR Policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, The Company through the trust established by it at its unit has undertaken the CSR project of promoting education.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs: (1) Local area or others (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects.	Education	Sambhal, Bijnor, Delhi	₹0.36Cr.	₹0.36 Cr.	₹0.36 Cr.	NA
2	Promoting rural sports nationally, recognised sports, paralympic sports and olympic sports.	Sports	Sambhal, Bijnor, Delhi	₹0.03Cr.	₹0.03 Cr.	₹0.03 Cr.	NA

- In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. N.A
- Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, we hereby confirm that the CSR Committee has implemented and monitored the CSR initiatives of Dhampur Sugar Mills Limited in line with CSR objectives and policy of the Company.

On behalf of the CSR Committee

Chairman of CSR Committee

Managing Director

Annexure - 4

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy;

The company has installed spentwash fired boiler at its Dhampur Unit. The boiler will use spent wash as fuel (apart from bagasse) which will result in less bagasse consumption in the boiler leading to additional bagasse saving for the same steam generation.

- (ii) the steps taken by the company for utilising alternate sources of energy;

The Company is producing renewable energy not only for its captive consumption, but is also exporting power to state.

- (iii) the capital investment on energy conservation equipment's;

Power and fuel consumption		31st March, 2016	31st March, 2015
1 Electricity			
A Purchased:			
Units (kwh)		4606385	6030003
Total Value (₹)		34808185	44147955
Rate (₹/Unit)		7.56	7.32
B Own generation :			
i. Through diesel generator:			
Units (Kwh)		175365	214728
Unit per liter of diesel		2.76	2.96
Cost/ unit		19.52	20.13
ii. Through steam turbine:			
Units (Kwh)		166951800	151529728
Unit per liter of fuel /oil/gas : Steam produced mainly by use of own and purchased bagasse paddy husk and coal			
2 Coal			
Quantity (tonnes)		891.33	805.00
Total cost (₹ in lac)		60.26	54.43
Average rate (₹/ tonnes)		6761	6761
3 Furnace oil			
Quantity (lts.)		-	-
Total cost (₹)		-	-
Average rate		-	-
4 Other/ Internal generation:			
Quantity (tonnes)		-	-
Total cost (₹)		-	-
Average rate		-	-

Power and fuel consumption		31st March, 2016	31st March, 2015
II	Consumption per unit of production		
A	Sugar (qtls.)	5190606	4401135
	- Electricity (Kwh/ qtls.)	33.09	35.84
	- Furnace oil	-	-
	- Coal (tonnes)	-	-
B	Chemical (qtls.)		
	- Electricity (Kwh/ qtls.)	27.17	25.98
	- Furnace oil		-
	- Coal (tonnes)		-

(B) Technology absorption:

- (i) the efforts made towards technology absorption; N.A
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; N.A
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - (a) the details of technology imported; N.A
 - (b) the year of import; N.A
 - (c) whether the technology been fully absorbed; N.A
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; N.A and
- (iv) the expenditure incurred on Research and Development: ₹7.12 crore compared with previous year's ₹7.27 crore.

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

- b) Total foreign exchange used and earned:

Sugar operations at a glance		(₹ in Cr.)	
		Current Year	Previous Year
Export and foreign exchange earnings		166.69	179.24
Imports and expenditure in foreign currency		137.85	82.52

Annexure - 5

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i. CIN: L15249UP1933PLC000511
- ii. Registration Date: 22.05.1933
- iii. Name of the Company: Dhampur Sugar Mills Limited
- iv. Category / Sub-Category of the Company: Public Company/Limited by shares
- v. Address of the Registered office and contact details: Dhampur, Distt. Bijnor- 246761, U.P
- vi. Whether listed company: Yes , with NSE and BSE Limited
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any:
Alankit Assignments Limited
Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110065

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	2060	62.58
2	Power	4390	16.54
3	Chemical:		
	Rectified Spirit	2200	14.27
	Ethyl Acetate	3007	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of the Company	CIN/ GLN/Foreign Registration Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Dhampur International Pte Limited, Singapore	200912388N	Foreign Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/ HUF	7712604	--	7712604	13.14	9212604	0	9212604	15.30	2.16
b. Central Govt.	0	0	0	0	0	0	0	0.00	0
c. State Govt. (s)	0	0	0	0	0	0	0	0.00	0.00
d. Bodies Corp.	14797273		14797273	25.20	14797273	0	14797273	24.57	0
e. Banks/FI	0	0	0	0	0	0	0	0.00	0
f. Any Other.									
(i) Directors & Relatives	85364		85364	0.15	85364	0	85364	0.14	0.00
(ii) Person Acting in Concert	9490396		9490396	16.16	9490396	0	9490396	15.76	-0.40
Sub-total (A) (1)	32085637		32085637	54.65	33585637	0	33585637	55.78	1.13
(2) Foreign								0.00	
a. NRIs – Individuals	0	0	0	0	0	0	0	0.00	0
b. Other – Individuals	0	0	0	0	0	0	0	0.00	0
c. Bodies Corp.	0	0	0	0	0	0	0	0.00	0
d. Banks / FI	0	0	0	0	0	0	0	0.00	0
e. Any Other....	0	0	0	0	0	0	0	0.00	0
Sub-total (A)(2)	--		---	--				0.00	
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	32085637		32085637	54.65	33585637	0	33585637	55.78	1.13
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	141	3374	3515	0.01	39141	3374	42515	0.07	0.06
b. Banks/FI	2053062	331	2053393	3.50	2101658	331	2101989	3.49	-0.01
c. Central Govt	0	0	0	0	0		0	0.00	0
d. State Govt(s)	0	0	0	0	0		0	0.00	0
e. Venture Capital Funds	0	0	0	0	0		0	0.00	0
f. Insurance Companies	0	0	0	0	0		0	0.00	0
g. FIs	797	650	1447	0.00	797	650	1447	0.00	0.00
h. Foreign	0	0	0	0	0		0	0.00	
Venture Capital Funds	0	0	0	0	0		0	0.00	0
i. Others (specify)	0	0	0	0	0		0	0.00	
Sub-total (B)(1)	2054000	4355	2058355	3.51	2141596	4355	2145951	3.56	0.06

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a. Bodies Corp.								0.00	
i) Indian	8466747	13096	8479843	14.44	7129472	13092	7142564	11.86	-2.58
ii) Overseas	191812	0	191812	0.33	191812		191812	0.32	-0.01
b. Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	8516205	450747	8966952	15.27	9122841	456565	9579406	15.91	0.64
ii) Individual shareholders holding nominal share capital in excess of ₹5 lakh	6033879	17238	6051117	10.31	6732397	0	6732397	11.18	0.87
c. NBFC registered with RBI	0	0	0	0.00	1250	0	1250	0.00	
d. Others (specify)							0	0.00	
(i) Non Resident Indian	881065	89	881154	1.50	0	0	0	0.00	-1.50
(ii) Trust	65	65	65	0.00	0	0	0	0.00	0.00
(iii) NRI	0	0	0	0	835818	88	835906	1.39	
(iv) Trust	0	0	0	0	12	0	12	0.00	
Sub-total (B)(2)	24089773	481170	24570943	41.85	24013602	469745	24483347	40.66	-1.19
Total Public Shareholding (B) = (B)(1) + (B)(2)	26143773	485525	26629298	45.35	26155198	474100	26629298	44.22	-1.13
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	58229410	32571162	58714935	100.00	59740835	34059737	60214935	100.00	0.00

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Total Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares pledged/ encumbered to total shares	
1	Ashok Kumar Goel	298000	0.51	0.00	298000	0.49	0	-0.01
2	Deepa Goel	10370	0.02	0.00	10370	0.02	0	0.00
3	Gaurav Goel	3461379	5.90	0.00	4211379	6.99	0	1.10
4	Gautam Goel	3492339	5.95	0.00	4242339	7.05	0	1.10
5	Vijay Kumar Goel	425466	0.72	0.00	425466	0.71	0	-0.02
6	Vinita Goel	25050	0.04	0.00	25050	0.04	0	0.00
7	Aparna Jalan	46100	0.08	0.00	46100	0.08	0	0.00
8	Asha Kumari Swaroop	4	0.00	0.00	4	0.00	0	0.00
9	Ritu Sanghi jointly with Ajay Sanghi	7500	0.01	0.00	7500	0.01	0	0.00
10	Shefali Poddar	31760	0.05	0.00	31760	0.05	0	0.00
11	Shudh Edible Products Limited	4549680	7.75	5.79	4549680	7.56	3.16	-0.19
12	Sonitron Limited	4940716	8.41	3.19	4940716	8.21	3.11	-0.21
13	Ujjwal Rural Services Limited (Formerly Associated Metals Company Limited)	125000	0.21	0.00	125000	0.21	0.00	-0.01
14	Goel Investments Limited	11255515	19.17	0.43	11255515	18.69	0.42	-0.48
15	Saraswati Properties Limited	3416758	5.82	0.00	3416758	5.67	0	-0.14
	Total	32085637	54.65	9.41	33585637	55.78	6.68	1.13

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	32085637	54.65	32085637	54.65
2	Allotment on Preferential basis	1500000	1.13	1500000	1.13
3	At the End of the year	33585637	55.78	33585637	55.78

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	% of total shares of the company	Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company
1	ICICI Bank Limited	1455249	2.48	1435462	2.38
2	BMF Investments Limited	1588627	2.71	799627	1.33
3	Ojas Consulting Pvt. Ltd.	-	-	700858	1.16
4	Koushik Sekhar	-	-	600000	1.00
5	Mitesh N Mehta	-	-	500000	0.83
6	S. Shyam	107827	0.18	436000	0.72
7	Shri Parasram Holdings Pvt. Ltd.	39014	0.07	406440	0.67
8	Punjab National Bank	400000	0.68	400000	0.66
9	Securities Holdings India Private Limited	-	-	400000	0.66
10	BMA Wealth Creators Ltd	-	-	348678	0.58

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shri Vijay Kumar Goel				
	At the beginning of the year	425466	0.72	425466	0.71
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	425466	0.72	425466	0.71
2	Shri Ashok Kumar Goel				
	At the beginning of the year	298000	0.51	298000	0.49
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	298000	0.51	298000	0.49
3	Shri Gaurav Goel				
	At the beginning of the year	3461379	5.90	4211379	6.99
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	3461379	5.90	4211379	6.99

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4	Shri Gautam Goel				
	At the beginning of the year	3492339	5.95	4242339	7.05
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	3492339	5.95	4242339	7.05
5	Shri Ashwani K Gupta				
	At the beginning of the year	13237	0.02	13237	0.02
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	13237	0.02	13237	0.02
6	Shri Mahesh Prasad Mehrotra				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (Acquisition of Shares):	0	0	115000	0
	At the End of the year	0	0	115000	0.19
7	Shri Harish Saluja				
	At the beginning of the year	3000	0.01	3000	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	3000	0.01	3000	0.01
8	Shri Sandeep Kumar Sharma				
	At the beginning of the year	755	0.00	755	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	755	0.00	755	0.00
9	Shri Arhant Jain				
	At the beginning of the year	5031	0.01	5031	0.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	5031	0.01	5031	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	668.14	31.16	19.96	719.25
ii) Interest due but not paid	3.79	-	-	3.79
iii) Interest accrued but not due	5.64	0.24	1.90	7.78
Total (i+ii+iii)	677.57	31.40	21.86	730.82
Change in Indebtedness during the financial year				
• Addition Principal	175.00	1.88	13.67	190.55
• Addition Interest				9.28
• Reduction Principal	(162.51)	-	(11.24)	(173.75)
• Reduction Interest				(11.57)
Net Change				14.50
Indebtedness at the end of the financial year				
i) Principal Amount	680.63	33.04	22.38	736.05
ii) Interest due but not paid	4.08	-	1.27	5.35
iii) Interest accrued but not due	3.62	0.31		3.93
Total (i+ii+iii)	688.33	33.35	23.65	745.33

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Shri Vijay Kumar Goel	Shri Ashok Kumar Goel	Shri Gaurav Goel	Shri Gautam Goel	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7500000	7500000	7500000	7500000	30000000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1327500	1238843	1238843	1327500	5132686
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission	1400000	1400000	1400000	-	4200000
	- as % of profit					
	- others, specify...					
5.	Others, please specify					
	Total (A)	10227500	10138843	10138843	8827500	39332686
	Ceiling as per the Act*					

*The Company is paying remuneration to the Executive Directors as per Schedule V of Companies Act, 2013 (erstwhile Schedule XIII of Companies Act, 1956).

B. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri Sandeep Kumar Sharma	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1470850	1470850
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	111514	111514
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- as % of profit		
	- others, specify...		
5.	Others, please specify		
	Total (A)	1582364	1582364
	Ceiling as per the Act*		

C. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri A.K. Gupta	Shri Rahul Bedi	Shri Harish Saluja	
1.	Independent Directors				
	• Fee for attending board committee meetings	182650	68500	183950	435100
	• Commission	-	-	-	-
	• Others, please specify				
	Total (1)	182650	68500	183950	435100
2.	Other Non-Executive Directors				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission				
	• Others, please specify				
	Total (1)				
	Total (B) = (1 + 2)	182650	68500	183950	435100
	Total Managerial Remuneration	182650	68500	183950	435100

Overall Ceiling as per the Act – The Company is paying only sitting fees to its Non- Executive and Independent Directors.

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri M. P. Mehrotra	Shri Priya Brat	Smt. Nandita Chaturvedi	
1.	Independent Directors				
	• Fee for attending board committee meetings	228200	273850	125500	627550
	• Commission	-	-	-	-
	• Others, please specify				
	Total (1)	228200	273850	125500	627550
2.	Other Non-Executive Directors				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission				
	• Others, please specify				
	Total (1)				
	Total (B) = (1 + 2)	228200	273850	125500	627550
	Total Managerial Remuneration	228200	273850	125500	627550

Overall Ceiling as per the Act – The Company is paying only sitting fees to its Non- Executive and Independent Directors.

B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1035416		1035416
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- as % of profit				
	- others, specify...				
5.	Others, please specify				
	- Provident Fund				
	Total (A)		1035416		1035416

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

(₹ in Crores)

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company possesses an ethical mindset about the values of good Corporate Governance, that involves support from diversified categories of people and agencies. The following attributes are significant for good Corporate Governance:

- Transparency in policies and action.
- Independence to develop and maintain a healthy work culture.
- Accountability for performance.
- Responsibility towards the society and for its core values.
- 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 12 Directors on the Board as on 31st March, 2016, of whom five are whole-time Directors, including Chairman and Vice Chairman.

During the period from 1st April, 2015 to 31st March, 2016, five Board meetings were held on:

- 27th May, 2015
- 8th August, 2015
- 21st September, 2015
- 07th November, 2015
- 09th February, 2016

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	3	Yes	4	None	None
Shri A. K. Goel	P & VC	4	No	1	0	None
Shri Gaurav Goel	P & MD	5	Yes	13	5	2
Shri Gautam Goel	P & MD	5	No	6	None	None
Shri A. K. Gupta	ID & NED	3	Yes	10	2	1
Shri Priya Brat	ID & NED	5	Yes	4	5	3
Shri M. P. Mehrotra	ID & NED	5	Yes	14	5	7
Shri Harish Saluja	ID & NED	5	No	7	1	None
Shri Rahul Bedi	ID & NED	3	No	None	None	None
Shri Sandeep Kumar Sharma	WTD	5	Yes	None	None	None
Ms. Nandita Chaturvedi	ID & NED	5	No	None	None	None
Mr. Darshan Lal Mittal**	Nominee Director	1	-	None	None	None
Shri S.K Wadhwa*	Nominee Director	0	No	None	None	None

*Ceased to be director w.e.f 07.11.2015 , since nomination by PNB withdrawn.

** Appointed as Nominee Director w.e.f 07.11.2015

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.

Information placed before the Board:

The Company provides the information to the Board and Board Committees as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations, 2015 to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers of the respective meetings or by way of presentations and discussions during the meeting.

Post Meeting Mechanism

The important decisions taken at the Board/Board Committee meetings are communicated to the concerned departments/divisions.

Board Support

The Company Secretary attends the Board and Committee meetings and advises the Board on compliances with applicable laws and governance.

Brief resume 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) **Mr. Gaurav Goel**, Managing Director of the Company, aged 43 years. He has been affiliated with our Company and has been serving on our Board since 1994. Mr. Goel is a Business Management Graduate from American College of London, United Kingdom. With over two decades of experience in the sugar industry, Mr. Goel is currently the Director of Indian Sugar Exim Corporation Limited and the member of a committee of Indian Sugar Mills Association and was the member of The Associated Chambers of Commerce and Industry of India. During the year 2006-2007, Mr. Goel was also the president of the Entrepreneurs Organization, Delhi Chapter.

Directorship in other companies: 1) Goel Investments Limited 2) Shudh Edible Products Ltd. 3) Mangalam Cement Limited 4) Decon Mercantile Pvt. Ltd. 5) Francis Kleon & Co. (Bombay) Pvt Ltd. 6) Star Metal Refinery Pvt. Ltd. 7) YPO (Delhi Chapter) U/s 25 8) Dhampur International Pte. Ltd. (Singapore), 9) YPO (Delhi Chapter) U/S 25 , 10) Venus India Asset- Finance Private Limited, 11) Dhampur Global Pte Ltd. (Singapore), 12) Venus India Structured Finance (Offshore) Fund Limited , Tortola 13) Venus India Structured Finance Master Fund Limited, Tortola 14) Indian Sugar Exim Corporation Limited

Committee/Executive position held in other Companies: - 3

- b) **Mr. Gautam Goel**, Managing Director of the Company, aged 42, He has been affiliated with our Company and has been serving on our Board since 1994. Mr. Goel has over a decade of experience in the sugar industry and has been the president of the Indian Sugar Mills Association during the year 2011-2012.

Directorship in other companies: 1) Goel Investments Limited 2) Shudh Edible Products Ltd. 3) Saraswati Properties Ltd 4) Sonitron Ltd. 5) Dhampur International Pte. Ltd. (Singapore), 6) Dhampur Global Pte Ltd. (Singapore)

Committee/Executive position held in other Companies: - Nil

- c) **Mr. Sandeep Kumar Sharma**, aged 58, is a whole time director of our Company. He has been associated with our Company since 1980 and has over three decades of experience in administration and operations of sugar mills, power generation plants and chemical plants.

AUDIT COMMITTEE:

The powers, role and terms of reference of the Audit Committee cover the areas as contemplated under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and Section 177 of the Companies Act, 2013 and such other functions as may be specifically delegated by the Board from time to time. The powers include investigating any activity within its terms of reference; seeking information from any employee; obtaining outside legal or other professional advice; and securing attendance of outsiders with relevant expertise, if considered necessary. The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible; recommending the appointment, re-appointment, if required, replacement or removal of statutory auditors, fixation of audit fees and approval of payment for any other services, as permitted; reviewing the adequacy of internal audit function; discussing with internal auditors any significant findings and follow-up thereon; reviewing with the management annual and quarterly financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditors independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; and reviewing the functioning of the Whistle blower mechanism.

The constitution of the Audit Committee also meets with the requirements under Section 177 of the Companies Act, 2013. The members of the Audit Committee comprise three Independent Non-Executive Directors and the Vice Chairman.

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 Gaurav Goel	4
3	Shri A. K. Gupta	3
4	Shri Priya Brat	4

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

During the period from 1st April, 2015 to 31st March, 2016, four committee meetings were held on:

- 1) 27th May, 2015
- 2) 8th August, 2015
- 3) 07th November, 2015
- 4) 09th February, 2016

The Committee, inter-alia, reviewed the financial statements including Auditors' Reports for the year ended 31st March, 2016 and recommended its adoption, records of related party transactions, reports related to compliance of laws and risk management.

NOMINATION AND REMUNERATION COMMITTEE

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of the Securities and Exchange Board of India (Listing obligation and Disclosure requirements) Regulation 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become directors and who may be appointed in

senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Remuneration Policy

The objective and broad framework of the Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth. The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasising on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel, which is approved by the Board of Directors, subject to the approval of shareholders, where necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance is clearly framed in order to meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

Details of the composition of the Nomination and Remuneration Committee and the attendance at the meetings held is as follows:

Sl. No.	Name of Directors	Meetings attended
1	Shri M. P. Mehrotra, Chairman	1
2	Shri Harish Saluja	1
3	Shri A. K. Gupta	0
4	Shri Priya Brat	1

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

During the period from 1st April, 2015 to 31st March, 2016, one committee meeting was held on:

27th May, 2015

Details of remuneration to the Directors for the year ended 31st March, 2016

Name of the Directors	Salary (₹)	Benefits (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Service Contract/Notice Period/Severance Fees
Shri V. K Goel	7500000	1327500	-	1400000	-	Term valid till 31.01.2016 and Re-appointed up to 31.03.2018 , subject to approval of members in the ensuing Annual General Meeting. No Notice period and no severance fees.
Shri A.K Goel	7500000	1238843	-	1400000	-	Term valid till 31.03.2015 and Re-appointed up to 31.03.2018 , subject to approval of members in the ensuing Annual General Meeting. No Notice period and no severance fees.
Shri Gaurav Goel	7500000	1238843	-	1400000	-	Term valid till 31.03.2015 and Re-appointed up to 31.03.2018 , subject to approval of members in the ensuing Annual General Meeting. No Notice period and no severance fees.
Shri Gautam Goel	7500000	1327500	-	-	-	Term valid till 31.01.2016 and Re-appointed up to 31.03.2018 , subject to approval of members in the ensuing Annual General Meeting and Central Government. No Notice period and no severance fees.
Shri Sandeep Kumar Sharma	1470850	111514	-	-	-	Term of office valid till 22.06.2017. No Notice period and no severance fees.
Shri A.K. Gupta	-	-	-	-	182650	Appointed as Independent Director up 25.09.2019.
Shri M.P. Mehrotra	-	-	-	-	228200	Appointed as Independent Director up 25.09.2019.
Shri Harish Saluja	-	-	-	-	183950	Appointed as Independent Director up 25.09.2019.
Shri Rahul Bedi	-	-	-	-	68500	Appointed as Independent Director up 25.09.2019.
Shri Priya Brat	-	-	-	-	273850	Appointed as Independent Director up 25.09.2019.
Ms. Nandita Chaturvedi	-	-	-	-	125500	Appointed as additional Independent Director up to the conclusion of ensuing Annual General Meeting.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the performance evaluation of its own performance and of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders' Relationship Committee as well as evaluation of performance of Directors individually. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, corporate governance practices and stakeholders' interests, etc. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters

such as level of engagement and contribution, independence of judgement, meeting risk management and competition challenges, compliance and due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Nomination and Remuneration Committee also carried out evaluation of every director's performance. The Directors expressed satisfaction with the evaluation process.

Policy on Board diversity

The Board of Directors shall have the optimum combination of Directors from different areas / fields like production, Management,

Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc or as may be considered appropriate.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

The "Stakeholder's Relationship Committee comprises Shri A. K. Gupta, Chairman; Shri Priya Brat; 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 redressal of shareholder's/ 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 Registrar and Transfer Agent, 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, 2015. The Board has delegated the power of approving transfer of securities to Shri Gaurav Goel, the Company's Managing Director.

Besides the committee shall have such terms of reference, role, responsibility and powers as specified in Section 178 of the Companies Act, 2013 and as specified in the Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulation, 2015, as amended from time to time."

During the period from 1st April, 2015 to 31st March, 2016, four Committee meetings were held on:

- 1) 27th May, 2015
- 2) 8th August, 2015
- 3) 07th November, 2015
- 4) 09th February, 2016

The attendance at the meetings are as follows:

Sl. No.	Name of Directors	Meetings attended
1	Shri A. K. Gupta, Chairman	3
2	Shri Priya Brat	4
3	Shri Harish Saluja	4

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

FAMILIARISATION PROGRAMME FOR DIRECTORS:

The Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

The newly appointed director is explained his/her role, duties, function and responsibilities expected of him/her while acting as Director of the Company.

The directors have been explained the compliance required from them under Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Familiarisation programme for Directors are available on the Company's website www.dhampur.com.

SUBSIDIARY:

The Company does not have any material subsidiary as defined under regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However Policy for Determining Material subsidiaries has been formulated and uploaded on the website of the Company i.e www.dhampur.com.

Insider Trading Code:

The SEBI (Prohibition of Insider Trading) Regulations, 2015 which is effective from 15th May, 2015 is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance officer for monitoring adherence to the said regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is displayed on the Company's website i.e www.dhampur.com.

STATUS OF INVESTORS' GRIEVANCES:

The total number of correspondence/complaints received during 2015-16 is 152 and all of them have been dealt with to the satisfaction of shareholders during the period ended 31st March, 2016 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 a separate e-mail id i.e. investor@dhampur.com for the benefit of investors which has also been uploaded on the website of the Company.

CORPORATE SOCIAL RESPONSIBILITY

As per the requirement of Companies Act, 2013, The Committee named as Corporate Social Responsibility Committee (CSR Committee) was constituted on 21st May, 2014 which comprises of three directors Mr. VK Goel, Chairman, Mr. Gaurav Goel, Managing Director and Mr. Ashwani K Gupta, Independent Director.

The committee's responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of Corporate Social Responsibility policy as specified in Schedule VI of the Companies Act, 2013.

The Company formulated CSR policy, which is uploaded on the website of the Company (weblink <http://dhampur.com/Policies.aspx>)

The CSR committee met once during the year on 8th August, 2015.

INDEPENDENT DIRECTORS MEETING

During the year under review, The Independent Directors met on 09th February, 2016, inter alia, to:

1. Review the performance of non-independent directors and the Board as a whole;
2. Review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;
3. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

DISCLOSURES AND AFFIRMATION

I. Compliance with Mandatory Requirements:

The Company is in compliance with all requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

II. Related Party Transactions

All transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section

188 of the Companies Act, 2013. There were no materially significant related party transactions during the year.

Related Party transactions have been disclosed in the notes to accounts forming part of financial statements. A statement in summary form of transactions with related parties in the ordinary course of business and on arm's length basis is placed before the Audit Committee periodically for its review.

Pursuant to the requirement of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <http://www.dhampur.com>

None of the transactions of the Company with related parties was in conflict with the interest of the Company.

- III. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years: Nil

IV. Whistle Blower policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters are to be disclosed to the whistle Blower Committee made for the purpose. Employees can also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

- V. The Company has followed the Accounting standards referred to in section 133 of Companies Act, 2013 and other applicable laws and regulations for the preparation of financial Statements. The Significant accounting policies applied have been set out in the notes to the financial statements.
- VI. The Company has laid down procedures for Risk Assessment and Minimization, and the same are periodically reviewed by the Board. The Company has adequate internal control systems to identify risk and ensuring their effective control.
- VII. The outstanding 1500000 warrants, each having conversion option to one Equity Share has been exercised by the warrants

holders and as a result 1500000 Equity Shares were allotted during the year.

MEANS OF COMMUNICATION

- I. The Company's Quarterly Financial results in the proforma prescribed by the Stock Exchanges pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved and taken on record by the Board of Directors and submitted to the stock exchanges.
- II. The results are normally published in Business Standard/ Financial Express/Economic Times (in English) and Jan Satta/ Amar Ujala/Veer Arjun (in Hindi).

III. The Company's financial results and official press releases are displayed on Company's website (www.dhampur.com) within the time prescribed in this regard.

IV. The Company's website also displays Presentations, if any made to the media, analysts, institutional investors, fund managers, etc. from time to time.

V. The quarterly results, shareholding patterns, periodical compliances and all other corporate communications to the Stock Exchanges viz. National stock Exchange of India Limited and BSE Limited are filed electronically to them through NEAPS portal on NSE and BSE listing Centre with BSE.

GENERAL MEETINGS:

Details of Annual General Meetings are as follows:

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

Year	Location	Date	Time
2014-15	Registered office P.O. Dhampur (Bijnor)	11th September, 2015	2.00 p.m
2013-14	Registered office P.O. Dhampur (Bijnor)	26th September, 2014	2.00 p.m
2012-13	Registered office P.O. Dhampur (Bijnor)	20th September, 2013	2.00 p.m

ii. Whether special resolutions were passed in the previous 3 AGMs? : Yes

Financial Year 2014-15 as under:

- a. Invitation and Acceptance of Fixed Deposits from the members and public
- b. Reappointment of Shri V. K. Goel , Chairman and Executive Director of the Company and to fix the remuneration.
- c. Reappointment of Shri A. K. Goel Vice Chairman and Excutive Director of the Company and to fix the remuneration.
- d. Reappointment of Shri Gaurav Goel as Managing Director of the Company and to fix the remuneration.
- e. Reappointment of Shri Gautam Goel as Managing Director of the Company and to fix the remuneration.
- f. Borrowing powers of the Company.

Financial Year 2013-14 as under :

- a. Invitation and Acceptance of Fixed Deposits from the Members and Public

b. To create securities in favour of Lenders u/s 180(1)(a) of the Companies Act, 2013.

c. Borrowing limits of the Company u/s 180(1)(c) of the Companies Act, 2013.

Financial Year 2012-13 as under :

Reappointment of Shri V. K. Goel , Chairman of the Company.

iii. Whether special resolutions were put through postal ballot last year? : No

iv. Are votes proposed to be conducted through postal ballot this year? : No

GENERAL SHAREHOLDER INFORMATION

81st Annual General Meeting:

Date: 30th August, 2016

Time: 2 p.m

Venue: Registered office at Dhampur, Dist.Bijnor (U.P.)

Tentative financial calendar

Board meeting to approve quarterly financial results :

Period quarter ending	Proposed Board meeting dates
30th June, 2016	End July, 2016
30th September, 2016	End October, 2016
31st December, 2016	End January, 2017
31st March, 2017	End May, 2017

Date of Book Closure

From Tuesday, 23rd August, 2016 to Tuesday, 30th August, 2016 (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 2016-17 have been duly paid to all the above stock exchanges.

Stock exchanges	Stock code
- The Bombay Stock Exchange Limited (BSE)	500119
- The National Stock Exchange of India Limited (NSE)	Dhampursug

The equity shares available for dematerialization are as follows
ISIN No.INE041A01016 with NSDL and CDSL.

Stock market data from 1st April, 2015 to 31st March, 2016

Months	National Stock Exchange		Bombay Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
March, 2016	97.20	55.00	97.40	53.60
February, 2016	70.50	46.80	70.50	48.00
January, 2016	79.75	57.50	79.70	79.70
December, 2015	67.00	56.50	66.90	56.40
November, 2015	74.10	53.10	74.00	53.30
October, 2015	64.30	31.10	64.10	31.45
September, 2015	32.30	27.30	31.60	27.40
August, 2015	36.20	28.65	36.00	28.55
July, 2015	33.45	29.00	34.00	29.00
June, 2015	32.90	28.35	33.45	28.30
May, 2015	36.85	31.05	36.50	33.05
April, 2015	41.00	32.35	40.90	33.00

Share price performance in comparison to broad based indices-BSE Sensex and NSE as on 31st March, 2015 and 31st March 2016

FY 15-16	BSE		NSE	
	DSML	Sensex	DSML	Sensex
01.04.2015	36.50	27011.31	36.80	8586.25
31.03.2016	93.05	25341.86	93.05	7738.40

REGISTRARS & SHARE TRANSFER AGENTS

M/s Alankit Assignments Limited,
Alankit House,
4E/2 Jhandewalan Extension,
New Delhi 110 055
Ph: 011 – 42541953,
Fax : 011- 42541201
E- mail : rta@alankit.com

SHARE TRANSFER SYSTEM

At present, 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 SEBI circular, it has become mandatory for transferee(s) to furnish a copy of his/her/their PAN CARD for registration of transfer of shares in Physical form.

Distribution of shareholding as on 31st March, 2016

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 5000	36372	90.996	35113500	5.831
2	5001 to 10000	1721	4.306	13993590	2.324
3	10001 to 20000	761	1.904	11844530	1.967
4	20001 to 30000	311	0.778	8024270	1.333
5	30001 to 40000	150	0.375	5458140	0.906
6	40001 to 50000	148	0.37	7072790	1.175
7	50001 to 100000	221	0.553	17317140	2.876
8	100001 to ABOVE	287	0.718	503325390	83.588
	TOTAL	39971	100	602149350	100

CATEGORY		HOLDING	%
1	Promoter	9212604	15.30
2	Associate Company	14797273	24.57
3	Director and Relatives	85364	0.14
4	Person Acting in Concert	9490396	15.76
5	Banks/FI	2101989	3.49
6	FII	1447	0.00
7	Corporate Bodies	7142564	11.86
8	Resident Indian Public	16309698	27.08
9	NRI/OCB/Foreign Nationals	1027718	1.71
10	Mutual Funds	3515	0.01
11	Trust	12	0.00
Grand Total		60214935	100

DEMATERIALISATION OF SHARES

Over 99.21 per cent of the outstanding shares have been dematerialized up to 31st March, 2016. 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).

Outstanding GDRs/ADRs/Warrants or any convertible instruments , conversion date and likely impact on equity :

The outstanding 1500000 warrants, each having conversion option to one Equity Share has been exercised by the warrants holders and as a result 1500000 Equity Shares were allotted during the year.

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.

DISCRETIONARY REQUIREMENTS

The Board: The Company has an Executive Chairman.

Shareholders Rights: The quarterly/half-yearly results are published in the newspapers and hosted on the Company's website www.dhampur.com and are filed to the Stock Exchanges electronically through NEAPS portal on NSE and BSE listing Centre with BSE Limited . The same are not sent to shareholders individually.

Audit Qualifications: The Company strives towards ensuring unqualified financial statements. There are no qualifications to the Auditor's Report for the year under review.

Separate posts of Chairman and Managing Director /CEO: The Company has different persons for the post of Chairman and Managing Director.

PLANT LOCATIONS:

Sugar units:

Dhampur, Dist. Bijnor (U.P.)
Asmoli, Dist. Moradabad (U.P.)
Mansurpur, Dist. Muzaffarnagar (U.P.)
Rajpura, Dist. Budaun (U.P.)
Meerganj, Dist. Bareilly (U.P.)

Chemical units:

Dhampur, Dist. Bijnor (U.P.)
Asmoli, Dist. Sambhal (U.P.)

Co-generation units:

Dhampur, Dist. Bijnor (U.P.)
Asmoli, Dist. Moradabad (U.P.)
Mansurpur, Dist. Muzaffarnagar (U.P.)
Rajpura, Dist. Budaun (U.P.)
Meerganj, Dist. Bareilly (U.P.)

ADDRESS FOR CORRESPONDENCE:

Dhampur Sugar Mills Limited,
CIN: **L15249UP1933PLC000511**
241 Okhla Industrial Estate,
Phase – III, New Delhi 110 020
Ph: 011-30659400, Fax: 011-26935697
E-mail: investordesk@dhampur.com

Declaration on the Code of Conduct

Pursuant to Part D of Schedule V of SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015 of the Listing Agreement with stock exchanges, I, Arhant Jain, Executive President (Finance) & 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 31st March, 2016.

Certificate by CEO/CFO

for the period from 1st April, 2015 to 31st March, 2016

The Board of Directors

Dhampur Sugar Mills Limited

We Gaurav Goel, Managing Director and Arhant Jain, Executive President (Finance) & 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, 2016 to 31st March, 2016 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 Companies 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 system of the company.
 - ii) Disclosed to the 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 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 system.

Place: New Delhi

Date:10.05.2016

Gaurav Goel

Managing Director

Arhant Jain

Chief Financial Officer and Company Secretary

Certificate on Corporate Governance

To
The Members of
Dhampur Sugar Mills Limited

We have examined the compliance of conditions of Corporate Governance by Dhampur Sugar Mills Limited for the period ended 31st March, 2016 as stipulated in Regulation 34(3) read with Schedule V part E of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

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 our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state that in respect of Investor Grievance(s) received during the period ended 31st March, 2016, 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.

We 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.

For GSK & Associates

Saket Sharma

Company Secretary

C.P. No. 2565

Place: New Delhi

Dated:10.05.2016

Independent Auditors' Report

To
The Members of
Dhampur Sugar Mills Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dhampur Sugar Mills Limited (hereinafter referred to as 'the Holding Company'), its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), comprising the consolidated Balance Sheet as at March 31, 2016, 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 (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21 - Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the

provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub section 10 of Section 143 of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 reports of other auditors on separate financial statements and on the other financial information of a subsidiary, the aforesaid consolidated 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, of the state of affairs of the Group as at 31st March, 2016 and its Profit and its Cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of a subsidiary, whose financial statements reflect total assets of ₹26.99 crores as at March 31, 2016, total revenues of ₹194.37 crores, total loss after tax of ₹5.58 crores and net cash inflows amount to ₹4.80 crores for the year then ended, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of a subsidiary, as noted in the 'Other Matter' paragraph, we report that
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company which are incorporated in India none of the Directors of any such company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such Controls, refer to our separate report in Annexure – 'A'
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of a subsidiary, as noted in the 'Other Matter' paragraph:
 - i. The consolidated financial statements disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Holding Company and subsidiary company do not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - iii. As explained, there has been no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For MITTAL GUPTA & CO.,
Chartered Accountants
FRN 01874C

(B. L. GUPTA)
Partner

Place: New Delhi
Date: 10th May, 2016

Membership No. 073794

Annexure - 'A' to the Independent Auditor's Report

(The Annexure – 'A' referred to in our Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended 31st March, 2016)

Report on the Internal Financial Control under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control over financial reporting of Dhampur Sugar Mills Limited ("the Holding Company") as of 31 March, 2016 in conjunction with our audit of the consolidated financial statements of the company for the year ended on that date.

We have not audited the internal financial control over financial reporting of Subsidiary Company, which is a company not incorporated in India, as of 31 March, 2016.

Management's Responsibility for internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31 March 2016, based on the internal

controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For MITTAL GUPTA & CO.,
Chartered Accountants
FRN 01874C

(B. L. GUPTA)
Partner

Membership No. 073794

Place: New Delhi

Date: 10th May, 2016

Consolidated Balance Sheet as at 31st March, 2016

(₹ in crores)

Particulars	Note No.	As at 31.03.2016		As at 31.03.2015	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	75.30		75.96	
Reserves and surplus	4	635.39		346.51	
Money received against Equity share warrants	3B	0.00	710.69	1.24	423.71
Non-current liabilities					
Long-term borrowings	5	546.34		571.89	
Other long-term liabilities	8	0.99		3.49	
Long-term provisions	6	20.82	568.15	20.65	596.03
Current liabilities					
Short-term borrowings	7	928.47		893.98	
Trade payables	8	471.43		675.30	
Other current liabilities	8	504.12		428.46	
Short-term provisions	9	12.64	1916.66	10.27	2008.01
Total			3195.50		3027.75
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	10	1495.71		1253.93	
Capital work-in-progress		28.17		17.74	
Non-current investments	11	0.80		0.78	
Deferred tax Assets (Net)	12	35.21		45.10	
Long-term loans and advances	13	19.93		12.77	
Other non-current assets	14	0.19	1580.01	0.21	1330.53
Current assets					
Inventories	15	1261.30		1252.26	
Trade receivables	16	251.22		222.96	
Cash and cash equivalents	17	25.80		16.73	
Short-term loans and advances	13	36.92		39.51	
Other current assets	14	40.25	1615.49	165.76	1697.22
Total			3195.50		3027.75
Significant Accounting Policies					
Notes on Financial Statements	1 to 39				

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

For Mittal Gupta & Co.

For and on behalf of the Board of Directors

B. L. Gupta
Partner
Chartered Accountants

Arhant Jain
Executive President (Finance)
& Secretary

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Place : New Delhi
Dated : 10-05-2016

Gaurav Goel
Managing Director

A. K. Gupta
Director

M.P. Mehrotra
Director

Consolidated Profit and Loss Statement for the year ended 31st March, 2016

(₹ in crores)

Particulars	Note No.	Year ended 31.03.2016		Year ended 31.03.2015	
INCOME					
Revenue from operations	18	2325.04		1843.21	
Less : Excise duty and other taxes		92.02	2233.02	65.82	1777.39
Other income	19		24.69		17.85
Total revenue			2257.71		1795.24
EXPENSES					
Cost of Raw materials consumed	20		1515.82		1274.06
Purchases of Stock-in-Trade	18		237.08		104.22
(Increase)/Decrease in inventories of finished goods,work-in-progress and traded goods	21		(16.90)		19.93
Employee benefits expense	22		84.38		76.19
Finance costs	24		158.65		149.66
Depreciation and amortization expense			55.14		55.23
Other expenses	23		202.37		170.11
Total Expenses			2236.54		1849.40
Profit before exceptional and extraordinary items and tax			21.17		(54.16)
Exceptional items -					
- Remission of Cane Commission liability relating to earlier years (Net of taxes)			10.22		0.00
Profit before extraordinary items and tax			31.39		(54.16)
Extraordinary items			0.00		0.00
Profit/(loss) before tax			31.39		(54.16)
Tax expense:					
Current tax/Income tax adjustments			4.11		1.60
Less: MAT credit entitlement			(4.11)		0.00
Deferred tax assets/(liability) (Net)			(5.51)		42.93
Profit/(loss)			25.88		(12.83)
Earning per equity share (nominal value of share ₹10/- each)					
Basic (₹ per share)			4.13		(2.54)
Diluted (₹ per share)			4.13		(2.48)
Significant Accounting Policies					
Notes on Financial Statements	1 to 39				

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

For Mittal Gupta & Co.

For and on behalf of the Board of Directors

B. L. Gupta
Partner
Chartered Accountants

Arhant Jain
Executive President (Finance)
& Secretary

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Place : New Delhi
Dated : 10-05-2016

Gaurav Goel
Managing Director

A. K. Gupta
Director

M.P. Mehrotra
Director

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
A. Cash flow from operating activities:				
Net Profit/(Loss) before tax and exceptional items		21.17		(54.16)
Adjustment for:				
Depreciation	55.14		55.23	
Loss/(Profit) on sale of fixed assets (Net)	(1.26)		0.50	
Finance Cost	158.65		149.66	
Provision for impairment of investment reversed	(3.24)		0.00	
Interest and other investment income	(3.03)		(1.55)	
Molasses storage fund	0.16		0.10	
Provision for doubtful debts & balance written off/(back)	(2.37)	204.05	0.19	204.13
Operating profit before working capital changes		225.22		149.97
Adjustments for:				
Trade and other receivables	105.58		(246.94)	
Inventories	(9.02)		(27.92)	
Trade and other payables	(153.63)	(57.07)	44.44	(230.42)
Cash generated from operation		168.15		(80.45)
Taxes refund/(paid)		0.06		(0.26)
Net cash from operating activities (A)		168.21		(80.71)
B. Cash flow from investing activities :				
Purchases of fixed assets (Net)		(48.50)		(48.96)
Purchases/Sale of investments (Net)		3.54		1.22
Interest and other investment income		3.25		1.55
Net cash used in investing activities (B)		(41.71)		(46.19)
C. Cash flow from financing activities :				
Redemption of preference shares		(2.16)		(5.95)
Money Received against Share Warrant/Equity share capital		3.71		3.71
Proceeds from borrowings (Net)		47.11		273.34
Change in deposit pledged against margin money/guarantee with bank		(0.32)		0.91
Dividend including dividend distribution tax		0.00		(0.38)
Finance Cost Paid		(165.74)		(147.01)
Net cash used in financing activities (C)		(117.40)		124.62
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		9.10		(2.28)
Opening Balance of Cash and Cash Equivalents*		9.40		11.73
Closing balance of Cash and Cash Equivalents		18.50		9.45

*Excluding Cash and Cash Equivalents relating to a company ceased to a subsidiary during the year.

Reconciliation of Cash & Cash Equivalents :

(₹ in crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Closing Balance of Cash & Cash Equivalents as per Cash Flow Statement	18.50	9.45
Add: Balance in Unpaid Dividend account	0.26	0.26
Add: Deposit pledged against margin money/guarantee	2.59	2.27
Add: Deposits earmarked for Fixed Deposit	3.66	3.57
Add: Deposits earmarked for Molasses Storage Fund	0.79	1.18
Closing Balance of Cash & Cash Equivalents as per Note No - 17	25.80	16.73

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

For Mittal Gupta & Co.

For and on behalf of the Board of Directors

B. L. Gupta

Partner

Chartered Accountants

Arhant Jain

Executive President (Finance)

& Secretary

V. K. Goel

Chairman

A. K. Goel

Vice Chairman

Place : New Delhi

Dated : 10-05-2016

Gaurav Goel

Managing Director

A. K. Gupta

Director

M.P. Mehrotra

Director

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

1) Corporate Information:

Dhampur Sugar Mills Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913. Its shares are listed on two stock exchanges in India namely, National Stock Exchange Ltd. and BSE Ltd.

The company is engaged mainly in the manufacturing and selling of sugar, chemicals, ethanol and co-generation of power.

2) Significant Accounting Policies:

i. Basis of Preparation of Financial statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Policies in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("The 2013 Act"). The Financial Statements have been prepared on Accrual Basis on the Historical cost convention except for certain tangible fixed assets which are carried on revalued amounts.

All assets and liabilities have been classified as current and non-current as per Company's normal Operating Cycle and other criteria set out in Schedule III to the Companies Act, 2013. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

ii. Principles of Consolidation

The consolidated financial statements relate to Dhampur Sugar Mills Limited ("The Company") and of the Financial Statements of its wholly owned subsidiary Dhampur International Pte. Limited (Collectively referred to as the "Group"). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2016.
- 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 unrealized profits or losses.
- The operating activities of Dhampur International Pte. Ltd. is being treated as integral foreign operations and accordingly the financial statements are translated as if the transactions of the foreign operation have been those of the Company itself.
- As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, 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.
- 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.
- Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders 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.
- The list of subsidiary company which is included in the consolidation and the groups' holding therein are as under:

Sl. No.	Name of the Company	Country of Incorporation	Ownership in % either directly or through subsidiaries	
			2015-2016	2014-2015
1.	Dhampur International Pte. Ltd.	Singapore	100	100

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

iii. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management of the company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

iv. Fixed Assets and work-in-progress

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, and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

Expenditure during construction period: Directly attributable expenditure (Including finance cost related to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation and capital assets under installation are treated as pre-operative expenses pending allocation to assets and are shown under "Capital work-in-progress". Capital Work-in-progress is stated at the amount expended up to the date of Balance Sheet for the cost of fixed assets that are not ready for their intended use.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at the lower of their net book value and estimated realizable value.

v. Depreciation and Amortization

Depreciation on fixed assets is provided for over the useful life of assets specified in the Schedule –II of Companies Act, 2013 as under:

Depreciation on plants and buildings acquired up to 31st March 1989 and other assets acquired up to 31st March, 2014 is provided on written down value method.

Depreciation on plants and buildings acquired after 31st March 1989 and other fixed assets acquired after 31st March, 2014 is provided on straight line method.

vi. Foreign Exchange Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year -end rates. In case of items which are covered by forward exchange contracts, the premium or discount arising out at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the exchange reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/ expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising in respect of long term borrowings or liabilities relating to the acquisition of the depreciable capital assets which are adjusted to the cost of fixed assets.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

vii. Inventories

Raw material, process chemicals, stores, spares and packing material are carried at weighted average cost.

Finished goods, Goods in Process and Traded goods except by-products are carried at lower of cost and net realizable value. Cost of

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

trading goods is determined using FIFO basis. Cost of finished goods and Goods in Process comprises of raw material cost (net of realizable value of By-products), variable and fixed production overhead, which are allocated to work in progress and finished goods on full absorption cost basis.

Stock of finished farm products, molasses and bagasse are carried at estimated Net Realizable Value.

Standing cane and other crops are carried at cost.

Loose tools and instruments are carried at depreciated value.

By-products are carried at net realizable value.

viii. Excise duty

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

ix. Employees Benefits

Defined contribution plan:

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

Defined benefit plan:

Company's liabilities toward defined benefit plans are determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measure each unit separately to build up the final obligation. Actuarial gain and losses are recognized 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 of the defined benefit obligation.

Short term benefits are recognized as expense at the undiscounted amount in the Statement of the profit and loss account for the year in which the related service is rendered.

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

x. Leases

- a) Leases rentals in respect of operating leases, if any, are expensed with reference to lease term, except for pertaining to the period up to the date of commissioning of the assets which are capitalized.
- b) Income in respect of assets given on operating lease, if any, is recognized on accrual basis with reference to lease terms.

xi. Investments

Investments are either classified current or long-term based on Management's intention at the time of acquisition:-

Current investments are carried at lower of cost and net realizable value.

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

Cost includes acquisition price and directly attributable acquisition charges such as brokerage, fee and duties.

xii. Revenue Recognition

Revenue is recognized only when it can be reliably measured and is reasonable to expect ultimate collection. Revenue from sale of goods is recognized on transfer of significant risk and reward of ownership to the customer. Revenue includes excise duty and excludes sales tax/VAT, trade discount and rebates. Interest income is recognized when no significant uncertainty as to measurability or collectability exists.

Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims. .

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Export benefits are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

xiii. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized 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.

xiv. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits under the provision 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 on the balance sheet date. The deferred tax assets is recognized and carried forward only if there is virtual certainty that the assets will be realized in future.

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

xv. 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 factor. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. Impairment is charged to the profit and loss account in the year in which an asset is identified as impaired. Impairment losses recognized in prior accounting period are reversed if there is any change in the estimate of the recoverable amount.

xvi. Government Grants

Government grants are recognized where there is reasonable assurance that the condition attach to them will be complied and the grants will be received. Government grants are accounted for as under:

Government grants of the nature of promoters' contribution are credited to the capital reserve and treated as a part of the Shareholder Fund.

Government grants related to specific depreciable fixed assets are adjusted with the value of assets. Government grants related to the specific non-depreciable fixed assets are credited to capital reserve.

Government grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support are either deducted from the expenditure in case these relate to specific expenditure and in other cases, are treated as other income. These grants, if available, to the industry in general are treated as ordinary items and if available only to the company are treated as an extraordinary item and disclosed accordingly.

xvii. Provisions, Contingent Liabilities and Assets

Provisions are recognized in respect of obligation 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 account 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 recognized in the financial statements.

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

xviii. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

xix. Cash Flow Statement

Cash flows are stated using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xx. Earning Per Share

Basic earnings per share are computed by dividing the net profit/(loss) after tax (Including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (Including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholder, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented.

xxi. Segment Reporting

Segments are identified based on dominant source and nature of risks and returns and the internal organizational and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment transfers. Inter segment transfers are accounted for, based on the estimated market price in case of marketable product and cost plus markup basis in case of non-marketable product.

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

3 - Share capital

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Authorized shares				
11,38,26,000 equity shares of ₹10/- each		113.83		113.83
69,17,400 preference shares of ₹100/- each		69.17		69.17
Issued , subscribed and paid-up shares				
Equity shares				
6,02,14,935 (5,87,14,935) equity shares of ₹10/- each fully paid-up	60.21		58.71	
3,25,496 equity shares forfeited	0.07		0.07	
Less : Calls in arrears	#	60.28	#	58.78
Preference shares				
0 (4,13,940), 6% Cumulative Redeemable preference shares of ₹100/- each fully paid-up {Amount pending for redemption - ₹ Nil (₹33.33) per share}		0.00		1.38
0 (4,69,013), 1% Cumulative Redeemable preference shares of ₹100/- each fully paid-up {Amount pending for redemption - ₹ Nil (₹16.67) per share}		0.00		0.78
18,01,817, 8% Cumulative Redeemable preference shares of ₹100/- each fully paid-up {Amount pending for redemption - ₹83.35 (₹83.35) per share}		15.02		15.02
TOTAL		75.30		75.96

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

Particulars	31.03.2016		31.03.2015	
	No.	(₹ in crores)	No.	(₹ in crores)
Authorized shares				
Equity shares				
At the beginning of the period	113826000	113.83	113826000	113.83
Outstanding at the end of the period	113826000	113.83	113826000	113.83
Preference shares				
At the beginning of the period	6917400	69.17	6917400	69.17
Outstanding at the end of the period	6917400	69.17	6917400	69.17
Issued , subscribed and paid-up shares				
Equity shares				
At the beginning of the period	58714935	58.71	57214935	57.21
Issued during the period	1500000	1.50	1500000	1.50
Outstanding at the end of the period	60214935	60.21	58714935	58.71
Preference shares				
At the beginning of the period	2684770	17.18	2684770	23.13
Issued during the period	0	0.00	0	0.00
Redeemed during the period	882953	2.16	0	5.95
Outstanding at the end of the period	1801817	15.02	2684770	17.18

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

3 - Share capital (contd.)

3.b - Details of shareholders holding more than 5% shares :

Particulars	31.03.2016		31.03.2015	
	No.	% holding	No.	% holding
Equity shares of ₹10 each fully paid-up				
Goel Investments Ltd.	11255515	18.69	11255515	19.17
Sonitron Ltd.	4940716	8.21	4940716	8.41
Shudh Edible Products Ltd.	4549680	7.56	4549680	7.75
Mr. Gautam Goel	4242339	7.05	3492339	5.95
Mr. Gaurav Goel	4211379	6.99	3461379	5.90
Saraswati Properties Limited	3416758	5.67	3416758	5.82
6% Cumulative Redeemable Preference shares of ₹100 each fully paid-up				
IFCI Ltd.	0	0.00	413940	100.00
1% Cumulative Redeemable Preference shares of ₹100 each fully paid-up				
IFCI Ltd.	0	0.00	469013	100.00
8% Cumulative Redeemable Preference shares of ₹100 each fully paid-up				
JK Tyre & Industries Limited	1801817	100.00	1801817	100.00

3.c - Calls unpaid of equity shares

Particulars	31.03.2016		31.03.2015	
	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

3. 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 if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the shareholders of equity shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

3.e 33,08,960 Equity shares of ₹10 each and 18,01,817 8% Cumulative Redeemable Preference shares of ₹100 each were allotted during the year 2013-14 to the shareholders of J K Sugar Ltd pursuant to the scheme of amalgamation without payment being received in cash.

3.f Right attached to Preference shares

- The Preference shares will constitute direct, unconditional, un-subordinated and unsecured obligations of the company and will at all times rank pari passu and without any preference among them.
- No premature redemption option to the company, nor to the shareholders of Cumulative Redeemable Preference shares and no option to the shareholders to seek redemption in case of non-payment of dividend.

3.g Terms of redemption of Preference shares

- 18,01,817 - 8% Cumulative Redeemable Preference Shares of ₹100 each are redeemable in 3 equal yearly installments commencing from April 01, 2014. The amount due for redemption as at 31st March, 2016 is ₹9 Crores, (₹3 Crores).

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

3 - Share capital (contd.)

3.h - The Board of directors recommended the following dividend :

Particulars	31.03.2016	31.03.2015
Proposed dividend per equity share of ₹10/- each	₹NIL	₹NIL
Proposed dividend per 6% Cumulative Redeemable Preference Share of ₹100/- each	₹NIL	₹NIL
Proposed dividend per 1% Cumulative Redeemable Preference Share of ₹100/- each	₹NIL	₹NIL
Proposed dividend per 8% Cumulative Redeemable Preference Share of ₹100/- each	₹NIL	₹NIL

3B - Money received against Equity share warrants

(₹ in crores)

Deferred tax liabilities	As at 31.03.2016	As at 31.03.2015
Money received against Equity share warrants		
0 (15,00,000) Equity share warrants of ₹8.25 per warrant	0.00	1.24
TOTAL	0.00	1.24

3B.a During the financial year, 15,00,000 Equity shares of ₹10/- each at a premium of ₹23/- per share has been allotted on conversion of 15,00,000 equity share warrants.

4 - Reserves and surplus

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Capital reserve				
Balance as per last account	10.64		10.64	
Add: Net gain on sale of RECs' transfer from surplus	14.59	25.23	0.00	10.64
Securities Premium Reserve				
Balance as per last account	323.41		319.96	
Add: received during the year	3.45	326.86	3.45	323.41
Reserve for construction of Molasses Storage Tank				
Balance as per last account	1.06		1.57	
Add: Provided during the period	0.16		0.10	
Less: Transferred to General Reserve	0.00	1.22	(0.61)	1.06
Capital redemption reserve				
Balance as per last account	3.72		0.00	
Add: transferred from general reserve	0.00	3.72	3.72	3.72
Revaluation Reserve				
Balance as per last account	35.69		35.69	
Add: During the year (Refer Note No. "10")	259.39	295.08	0.00	35.69
General reserve				
Balance as per last account	46.24		54.43	
Add : Transferred from Resrve for Construction of Molasses Storage Tank	0.00		0.61	
Less: adjustment relating to fixed assets	0.00		5.08	
Less:Transferred to Capital Redemption Reserve	0.00	46.24	3.72	46.24
Surplus/(Deficit)				
Balance as per last account	(74.25)		(61.42)	
Profit/(loss) for the year	25.88		(12.83)	
Less: Net gain on sale of RECs' transfer to Capital Reserve	14.59		0.00	
Net deficit		(62.96)		(74.25)
TOTAL		635.39		346.51

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

5 - Long-term borrowings

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-current	Current	Non-current	Current
Term loans				
Secured				
Rupee term loans from banks	349.81	85.39	341.53	77.08
Rupee term loans from banks SEFASU	66.94	36.51	103.45	6.08
Rupee term loans from banks Soft loan	99.09	0.00	0.00	0.00
Foreign currency term loan from bank	0.00	0.00	44.80	24.05
Zero coupon rupee term loans from banks	0.00	0.00	0.00	2.06
Rupee term loans from sugar development fund	18.24	25.37	44.07	25.83
	534.08	147.27	533.85	135.10
Unsecured				
Deposits - from related parties	4.13	2.68	2.68	5.80
- from public	4.76	2.08	4.20	2.52
Buyers' credit from banks	3.37	29.67	31.16	0.00
	12.26	34.43	38.04	8.32
Total	546.34	181.70	571.89	143.42

5.a - Nature of security

- Rupee term loan from bank under the Government sponsored subvention Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU), 2014 of ₹103.45 crores are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.
- Rupee term loan from bank under the Government sponsored Scheme for Extending soft loan to sugar mills of ₹99.09 crores are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.
- Rupee 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 are secured by first parri passu charge on all movable and immovable assets except book debts, stock-in-trade, raw materials, spare parts and other current assets.
- All the term loans are guaranteed by four directors.

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

5 - Long-term borrowings (contd.)

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

(₹ in crores)

Particulars	ROI (%) as on 31.03.2016	F.Y. - 17-18	F.Y. - 18-19	F.Y. - 19-20	Beyond F.Y. 19-20	Total
Secured						
Term Loans from banks	12.70%	4.86	0.00	0.00	0.00	4.86
	12.50%	2.50	0.00	0.00	0.00	2.50
	12.45%	10.83	10.83	10.83	18.96	51.45
	12.35%	52.83	36.63	25.00	0.00	114.46
	12.25%	11.39	15.18	15.18	34.16	75.91
	12.20%	8.00	6.00	0.00	0.00	14.00
	12.00%	9.00	8.50	3.75	0.00	21.25
	11.35%	23.20	23.20	17.40	0.00	63.80
	10.00%	0.84	0.19	0.00	0.00	1.03
	2.85%	0.18	0.18	0.19	0.00	0.55
Term Loans from banks Soft loan	*2.25%	14.86	19.82	19.82	39.87	94.37
Term Loans from banks Soft loan	*1.75%	0.59	1.18	1.18	1.77	4.72
Term Loans from banks SEFASU	Nil	36.51	30.43	0.00	0.00	66.94
Sub-total		175.59	152.14	93.35	94.76	515.84
Rupee term loans from sugar development fund	7.00%	3.60	2.23	0.67	0.00	6.50
	4.00%	11.74	0.00	0.00	0.00	11.74
Sub-total		15.34	2.23	0.67	0.00	18.24
Total secured		190.93	154.37	94.02	94.76	534.08
Unsecured Deposits	11% to 12%	8.89	0.00	0.00	0.00	8.89
Buyers Credit from Bank	1.78%	2.97	0.40	0.00	0.00	3.37
Grand-total		202.79	154.77	94.02	94.76	546.34

* Net of interest subvention of 10% from Ministry for Consumer Affairs, Food and Public Distribution for one year from the date of disbursement. After one year interest would be payable as per rate applicable to the company, which is 12.25% & 11.75% respectively as on 31st March 2016.

6 - Long-term provisions

(₹ in crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits :		
Provision for gratuity	20.82	20.65
Total	20.82	20.65

7 - Short-term borrowings

(₹ in crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured		
Cash credit from banks	919.32	858.58
Rupee loans from banks	0.00	30.00
	919.32	888.58
Unsecured		
Deposits - from related parties	3.30	0.80
- from public	5.26	3.64
Short term loans and advances - from related parties	0.59	0.94
- from others	0.00	0.02
	9.15	5.40
Total	928.47	893.98

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

7 - Short-term borrowings (contd.)

7.a - Nature of security

Cash Credit limits from District Co-operative Banks/UPCBs' having outstanding of ₹355.46 Crores as at 31st March, 2016 are secured by pledge of stocks of sugar and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

All other Cash credit limits from banks having outstanding of ₹563.86 Crores as at 31st March, 2016 are secured by pledge of stocks of sugar and hypothecation of consumable stores and spare parts, chemicals, molasses etc. and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

8 - Trade payables and Other Current Liabilities

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-current	Current	Non-current	Current
Trade payables (Refer Note No. - '35' of dues to micro and small enterprises)	0.00	471.43	0.00	675.30
Other Non-Current and Current liabilities				
Current maturities of long term borrowings (Refer Note No. - '5')	0.00	181.70	0.00	143.42
Interest accrued but not due on borrowings	0.99	2.94	3.49	4.29
Interest accrued and due on borrowings*	0.00	5.31	0.00	3.79
Unpaid dividend	0.00	0.26	0.00	0.26
Unpaid matured deposits and interest accrued thereon	0.00	0.20	0.00	0.31
Advance from customers	0.00	1.52	0.00	1.17
Security deposits	0.00	4.42	0.00	4.11
Statutory dues payable	0.00	68.59	0.00	41.56
Other Liabilities	0.00	239.18	0.00	229.55
sub-total	0.99	504.12	3.49	428.46
Total	0.99	975.55	3.49	1103.76

* Represents interest debited by banks on loans at the close of business hours as at 31st March 2016 which has been repaid by the company on next working day.

"8.a" Other liabilities represent amounts payable to the commercial banks in respect of agri loans facilitated by the company. The company has provided corporate guarantee in respect of such loans, including interest due thereon.

9 - Short-term provisions

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Provision for employee benefits:				
Provision for employees		8.53		10.27
Other provisions:				
Provision for tax		4.11		0.00
Total		12.64		10.27

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

10 - Tangible assets

(₹ in Crores)

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Railway sidings	Weighbridge	Computers	Office Equipments	Electrical Appliances	Vehicles	Live Stock	Farm Asset & Equipment	Total (2015-2016)	Total (2014-2015)
Cost														
As on 01-04-2015	87.22	171.53	1635.15	11.83	0.00	7.55	10.23	2.53	8.51	19.26	0.01	0.55	1954.37	1726.29
Addition on account of revaluation	259.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	259.39	0.00
Additions (Refer Note - "10.a")	0.12	1.13	31.89	0.40	0.00	0.24	0.69	0.08	0.37	3.46	0.00	0.34	38.72	225.80
Disposals	0.09	0.76	1.59	0.45	0.00	0.00	1.01	0.00	0.00	1.11	0.00	0.00	5.01	2.67
Other adjustments														
- Exchange differences	0.00	0.00	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29	(0.01)
- Borrowing costs	0.00	0.00	0.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.54	4.96
As at 31-03-2016	346.64	171.90	1666.28	11.78	0.00	7.79	9.91	2.61	8.88	21.61	0.01	0.89	2248.30	1954.36
Depreciation														
As on 01-04-2015	0.00	46.45	610.34	8.23	0.00	6.27	8.84	2.23	5.34	12.35	0.00	0.39	700.44	640.27
Charges for the year	0.00	6.30	44.19	1.08	0.00	0.25	0.48	0.08	0.86	1.82	0.00	0.04	55.10	55.20
Disposals	0.00	0.63	0.66	0.07	0.00	0.00	0.68	0.00	0.00	0.91	0.00	0.00	2.95	2.29
Adjusted from retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.25
As at 31-03-2016	0.00	52.12	653.87	9.24	0.00	6.52	8.64	2.31	6.20	13.26	0.00	0.43	752.59	700.44
Net Block														
As at 31-03-2015	87.22	125.08	1024.81	3.60	0.00	1.28	1.39	0.30	3.17	6.91	0.01	0.16	1253.93	1086.02
As at 31-03-2016	346.64	119.78	1012.41	2.54	0.00	1.27	1.27	0.30	2.68	8.35	0.01	0.46	1495.71	1253.93

"10.a" The Company has revalued its land of as on 25.03.2016 at fair market value as valued by an independent certified valuer. The land at meerGANj unit has also been revalued as on 07.10.2013 at replacement value, valued by independent certified valuer. Consequent to revaluation as at 25.03.16, the value of land is further increased by ₹259.39 Crores during the year and by ₹295.08 Crores as at 31st March, 2016.

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

11 - Non-current Investments

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Trade Investments :-				
Ramganga Sanyukta Sahkari Kheti Samiti Limited (Unquoted)				
01 Equity share of ₹100/- each fully paid-up		#		#
Other Investments :-				
In Other Companies :				
Investment in Equity shares (fully paid-up unless otherwise stated)				
VLS Finance Limited (Quoted)				
263142 Equity shares of ₹10/- each	0.44		0.44	
South Asian Enterprises Limited (Quoted) (**)				
250000 Equity shares of ₹10/- each				
(At cost less provision for diminution in value ₹0.25 crores (P.Y. ₹0.25 crores))	#	0.44	#	0.44
Investment in Mutual fund				
Baroda Pioneer Income Fund - Dividend Reinvestment Plan (Quoted)				
(Merged out from Baroda Pioneer PSU Bond Fund - Monthly Dividend Plan)				
160174 (334356) Units of ₹10/- (₹10/-) each		0.36		0.34
Total		0.80		0.78

(₹ in crores)

Disclosure of non-current investments	As at 31.03.2016		As at 31.03.2015	
Aggregate amount of quoted investments		0.80		0.78
Aggregate amount of unquoted investments		0.00		0.00
Total investments net of provision for diminution		0.80		0.78
Aggregate provision for diminution in value of investments (**)		0.25		0.25
Aggregate market value of quoted investments		1.17		1.25

12 - Deferred Tax Asset/(Liability) (Net)

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Deferred Tax Asset :				
i) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years		10.83		12.77
ii) On account of carried forward losses and unabsorbed depreciation		169.95		148.82
		180.78		161.59
Deferred Tax Liability :				
i) On account of differences in written down value of fixed assets		145.57		116.49
Net Deferred Tax Asset/ (Liability)		35.21		45.10

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

13 - Long and short term loans and advances

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-current	Current	Non-current	Current
(Unsecured considered good unless otherwise stated)				
Capital advances	5.64	0.00	2.12	0.00
Security deposits:-				
- to related parties (Refer Note No. - '34' for details)	2.19	0.00	2.19	0.00
- to others	0.82	0.26	1.29	0.31
Other loans and advances :				
Advances to employees	0.00	0.46	0.00	0.53
Advances to suppliers/contractors/service providers	0.00	18.56	0.00	13.33
Loans	0.00	1.69	0.00	0.56
Balances with revenue authorities	0.00	9.92	0.00	18.61
Income tax and wealth tax payments	0.00	1.21	0.00	1.27
MAT credit entitlement	11.28	0.00	7.17	0.00
Payments of taxes under protest/appeal	0.00	1.57	0.00	1.83
Prepaid expenses	0.00	3.25	0.00	3.07
Total	19.93	36.92	12.77	39.51
Details of Loan:				
Ujjwal Microfinance Finance Private Ltd.	0.00	0.00	0.00	0.56

14 - Other non-current and current assets

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-current	Current	Non-current	Current
(Unsecured considered good unless otherwise stated)				
Inventory - Loose tools and equipments	0.19	0.00	0.21	0.00
Insurance claim receivable	0.00	6.79	0.00	11.14
Subsidy receivable from government/government authority	0.00	32.88	0.00	150.87
Interest receivable	0.00	0.29	0.00	0.54
Others	0.00	0.29	0.00	3.21
Total	0.19	40.25	0.21	165.76

15 - Inventories

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
(Refer Note No. - '2' for Mode of Valuation)				
Raw materials		17.92		53.87
Goods-in-process		35.91		30.73
Standing cane and other crops		0.35		0.28
Finished goods		1148.09		1126.15
Traded goods		22.39		5.02
Stores, Spare parts, P.P. bags, Chemicals etc.		36.64		36.21
Total		1261.30		1252.26

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

16 - Trade receivables

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding six months from the date they are due for payment :				
- Considered good	1.87		0.67	
- Considered doubtful	0.00		0.02	
- Provision for doubtful	0.00	1.87	(0.02)	0.67
Other receivables		249.35		222.29
Total		251.22		222.96

17 - Cash and cash equivalents

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Cash and cash equivalents				
Balances with banks :				
On Current accounts	16.82		7.40	
On unpaid dividend account	0.26	17.08	0.26	7.66
Cash on hand		1.68		2.05
Other bank balances :				
Deposits pledged against margin money/guarantee	2.59		2.27	
Deposits earmarked for Fixed Deposit	3.66		3.57	
Deposits earmarked for Molasses Storage Fund	0.79	7.04	1.18	7.02
Total		25.80		16.73

18 - Revenue from operations/Purchases of stock-in-trade/Inventories

(₹ in crores)

Particulars	Opening stock	Purchases	Sales	Closing stock
Revenue from operations				
Sale of Products				
Finished goods				
Sugar	971.73	0.00	1468.52	1036.74
Previous year	(1020.88)	0.00	(1224.81)	(971.73)
Molasses	91.37	0.00	0.00	67.58
Previous year	(64.61)	0.00	(9.83)	(91.37)
Chemicals	26.14	0.00	402.85	14.99
Previous year	(26.20)	0.00	(305.38)	(26.14)
Farm produce	0.06	0.00	0.77	0.31
Previous year	(0.10)	0.00	(1.04)	(0.06)
Power	0.00	0.00	218.42	0.00
Previous year	0.00	0.00	(163.14)	0.00
Others	36.85	0.00	0.19	28.47
Previous year	(28.56)	0.00	(0.97)	(36.85)
Sub-total finished goods	1126.15	0.00	2090.75	1148.09
Previous year	(1140.35)	0.00	(1705.17)	(1126.15)

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

18 - Revenue from operations/Purchases of stock-in-trade/Inventories (contd.)

(₹ in crores)

Particulars	Opening stock	Purchases	Sales	Closing stock
Traded goods				
Coal	0.00	42.85	43.71	0.00
Previous year	0.00	(36.93)	(37.70)	0.00
Soyabean Oil	0.00	38.20	37.91	0.00
Previous year	0.00	(36.24)	(36.84)	0.00
Sugar	0.00	60.96	61.32	0.00
Previous year	0.00	0.00	0.00	0.00
Other purchases	5.02	95.07	81.44	4.42
Previous year	(0.79)	(31.05)	(29.31)	(5.02)
Sub-total traded goods	5.02	237.08	224.38	4.42
Previous year	(0.79)	(104.22)	(103.85)	(5.02)
Stock-in-process :				
Sugar	16.46			16.92
Previous year	(26.82)			(16.46)
Molasses	1.93			1.51
Previous year	(2.01)			(1.93)
Chemicals	12.34			17.48
Previous year	(6.81)			(12.34)
Standing crops	0.28			0.35
Previous year	(0.33)			(0.28)
Sub-total Stock-in-process	31.01			36.26
Previous year	(35.97)			(31.01)
Total (Gross) (A)	1162.18	237.08	2315.13	1188.77
Previous year	(1177.11)	(104.22)	(1809.02)	(1162.18)

Other operating revenue

(₹ in crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Miscellaneous income	2.27	3.52
Refund of administrative charges on Molasses	0.00	5.78
Scrap sale	1.43	1.85
Balances written back	1.23	2.40
Insurance claim received	0.00	10.22
Provision no longer required written back	1.14	4.38
Duty Draw Back	3.84	6.04
Other operating revenue (B)	9.91	34.19
Total Revenue from operations (Gross) (A+B)	2325.04	1843.21

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

19 - Other income

(₹ in crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Rent		1.28		1.13
Profit on sale of assets		1.44		0.16
Income from Consultancy services		0.09		0.00
Services charges received		1.02		0.00
Interest income		3.00		1.39
Foreign exchange differences (net)		0.00		4.67
Provision for impairment of investment reversed		3.24		0.00
Profit/(Loss) on sale of investments		0.00		0.08
Income from REC (Net of expenses)		14.59		10.39
Dividend income		0.03		0.03
Total		24.69		17.85

20 - Cost of Raw materials consumed

(₹ in crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Sugar cane		1372.06		1161.45
Molasses consumed		58.41		32.44
Bagasse & other fuel consumed		37.59		2.48
Chemicals and others		47.76		77.69
Total		1515.82		1274.06

21 - (Increase)/Decrease in inventories

(₹ in crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Inventories at the end of the year				
Finished goods		1148.09		1126.15
Stock-in-process		36.26		31.01
Traded goods		22.39		5.02
		1206.74		1162.18
Inventories at the beginning of the year				
Finished goods		1126.15		1140.35
Stock-in-process		31.01		35.97
Traded goods		5.02		0.79
		1162.18		1177.11
Net excise duty on account of (Increase)/decrease in inventories		27.66		5.00
(Increase)/Decrease in inventories		(16.90)		19.93

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

22 - Employees benefits expense

(₹ in crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Salary, wages and bonus		73.62		64.83
Contribution to provident and other funds		6.21		5.67
Workmen and staff welfare expenses		1.79		2.30
Gratuity		2.08		2.63
Voluntary retirement compensation		0.68		0.76
Total		84.38		76.19

23 - Other expense

(₹ in crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Consumption of stores, spares and other manufacturing expense		43.68		30.42
Packing material expense		26.68		26.75
Expenditure on crops		0.56		0.48
Power and fuel		7.03		3.75
Repairs and maintenance :				
Plant and machinery	40.16		32.42	
Buildings	4.62		3.50	
Others	2.64	47.42	2.70	38.62
Rent		6.20		6.03
Rates and taxes		2.36		2.16
Charity and donation		0.23		0.23
Insurance		2.01		1.83
Molasses fund		0.16		0.10
Selling expenses :				
Commission to selling agents	11.72		8.86	
Other selling expense	10.75	22.47	16.69	25.55
Payment to auditors :				
Audit fee	0.26		0.25	
Tax audit fee	0.06		0.05	
Income Tax Matters & Other Certification Fees	0.08		0.06	
Reimbursement of expenses	0.02	0.42	0.01	0.37
Miscellaneous expenses		27.52		25.23
CSR Expenses		0.39		0.05
Cane development expense		7.12		7.27
Expenses relating to earlier year		0.02		0.31
Foreign exchange difference (Net)		2.23		0.00
Balances written-off		0.00		0.17
Provision for doubtful debts		0.00		0.02
Directors sitting fee		0.11		0.11
Loss on sale of fixed assets		0.18		0.66
Loss on sale of export quota obligation		5.58		0.00
Total		202.37		170.11

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

24 - Finance costs

(₹ in crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Interest		156.42		152.92
Documentaion and other bank charges		4.55		4.18
Foreign exchange difference (Net)		4.94		4.55
		165.91		161.65
Less : Interest & Documentation charges capitalized during the period		(1.68)		(6.98)
Less : Interest subsidy claimed under UPSIPP 2013		(5.58)		(5.01)
Total		158.65		149.66

25 - Details of pre-operative and trial run expenses included in Capital Work in Progress:

(₹ in crores)

Particulars	2015-2016	2014-2015
Opening Balance	1.12	17.77
(a) Raw Material Consumed	4.99	3.58
(b) Consumption of Stores & other Manufacturing Expenses	0.01	0.06
(c) Power & Fuel	0.16	0.16
(d) Payments to and Provision for Employees	0.11	0.09
(e) Administrative and Other Expenses	0.00	0.18
(f) Interest Finance and Loan Raising Expenses	1.68	6.98
Total	8.07	28.82
Less:		
(g) Borrowing Cost Capitalised during the year	0.54	4.96
(h) Pre-operative expenses capitalised during the year	0.42	18.34
(i) Sale of Power	0.00	4.40
Balance Pre-Operative Expenses Pending for Allocation	7.11	1.12

- 26** 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 revenue subsidy for reimbursement of taxes and other charges aggregating to ₹60.50 crores upto 31st March, 2016 (including ₹2.70 crores for the current year).
- 27** During the year, the company earned net gain of ₹14.59 crores (net of expenses of ₹3.31 crores) on sale of 119348 numbers of Renewal Energy Certificates (RECs). These RECs were generated due to environmental concerns and allotted to the company as per Regulation on REC, notified by Central Electricity Regulatory Commission. The earning of these RECs are not an off shoot of business but an off shoot of environmental concerns and hence, the net gain from such sale has been held to be a capital receipt and not an income forming part of the operations of the company by the courts. The courts have further held that the net earning on the sale of these RECs does not fall within the definition of income under the Income Tax Act, 1961 and hence could not be taxed under the normal provisions of taxation as well as under the provisions of section 115JB of the Act. In view of these legal pronouncements, the net earnings on such sale amounting to ₹14.59 crores, credited to the profit and loss statement as other Income, has been concurrently added to the "Capital Reserve" by reduction from "Net Profit carried to the Surplus/Deficit" treating it as a capital receipt.
- 28** During the year, U.P. Government has remitted part of cane commission payable for the sugar season 2012-13 amounting to ₹14.60 Crores. The same has been shown as exceptional items (net of taxes) in the profit and loss account.
- 29** In the 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.

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

30 - Expenditure on Corporate Social Responsibilities (CSR) Activities:

The various heads under which the CSR expenditure was incurred during the year is detailed as follows:

(₹ in crores)

S. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2015-2016	2014-2015
a)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	0.36	0.05
b)	Clause (vii)	Promoting rural sports, nationally recognised sports, paralympic sports and Olympic sports	0.03	0.00
Total			0.39	0.05

31 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 :

(₹ in crores)

Particulars	2015-2016	2014-2015
A) Change in Obligation over the year ended 31.03.2016		
Present value of defined obligation as on 01.04.2015	22.45	21.58
Current Service Cost	1.22	1.23
Interest Cost	1.78	1.81
Actuarial Gains/Losses	(1.27)	(1.30)
Benefits Paid	(1.48)	(0.87)
Present value of defined obligation as on 31.03.2016	22.70	22.45
B) Expenses recognised during the year ended 31.03.2016		
Current Service Cost	1.22	1.23
Interest Cost	1.78	1.81
Actuarial Gains/Losses	(1.27)	(1.30)
Current Service Cost & Actuarial losses in respect of seprated employees	0.35	0.89
Total	2.08	2.63
C) Principal Actuarial Assumptions :		
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate (per Annum)	8.00%	(8.00%)
Rate of Escalation in Salary (per Annum)	5.50%	(5.50%)

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 :

(₹ in crores)

Particulars	2015-2016	2014-2015
Employer's Contribution to Provident Fund :	1.80	2.94
Employer's Contribution to Pension Fund :	3.02	2.73

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

31 Employees Benefits : (contd.)

(iv) In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Provident Fund:

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Company, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2015-16.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Company:

(₹ in crores)		
Particulars	2015-2016	2014-2015
A) Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation at beginning of the year	51.82	47.59
Current Service Cost	1.39	1.51
Interest Cost	4.15	3.81
Employee Contribution	3.29	2.99
Actuarial (Gain)/loss	0.70	0.80
Benefits paid	6.44	4.87
Closing defined benefit obligation at end of the year	54.91	51.83
B) Change in Plan Assets:		
Opening fair value of Plan Assets as at beginning of the year	52.98	49.07
Expected Return on Plan Assets	4.66	4.29
Contributions	4.68	4.50
Benefits Paid	6.44	4.87
Actuarial Gain/(Loss) on plan Assets	(0.24)	(0.01)
Closing fair value of plan assets as at end of the year	55.64	52.98
C) Reconciliation of present value of the obligation and fair value of the plan assets:		
Present Value of Funded obligation at end of the year	54.91	51.83
Fair Value of Plan assets at end of the year	55.64	52.98
Deficit/(Surplus)	(0.73)	(1.15)
Net Asset not recognised in Balance Sheet	(0.73)	(1.15)
D) Net Cost recognised in the profit and loss account:		
Current Service Cost	1.39	1.51
Interest Cost	4.15	3.81
Expected return on plan assets	4.66	4.29
Interest shortfall reversed	0.51	0.48
Total costs of defined benefit plans included in Note No 22 "Payments to and provisions for employees"	1.39	1.51
E) Principal Actuarial Assumptions:		
(i) Economic Assumptions		
(a) Expected statutory interest rate	8.80%	8.75%
(b) Expected short fall in interest earnings on the fund	0.05%	0.05%
(ii) Demographic Assumptions		
(a) Mortality	IALM (2006-08)	IALM (2006-08)
(b) Disability	None	None
(c) Withdrawal Rate (Age related)		
Up to 30 Years	3.00%	3.00%
Between 31 - 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%
(d) Normal Retirement Age (in Years)	60	60

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

32 Segment Reporting:

The Company has identified three primary business segments viz. Sugar, Distillery and Co-generation. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and are not allocated to segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- Since the company's activities/operations are primarily within country and considering the nature of products. Its risk and returns are same as such there is only one geographical segment.

(₹ in crores)

Particulars	Sugar	Chemicals	Co-gen	Others	Total
1. Segment Revenue (Including Excise Duty)					
a) External Sales	1473.33	407.54	218.67	225.50	2325.04
Previous year	(1338.00)	(321.84)	(163.27)	(20.10)	(1843.21)
b) Inter Segment Sales	341.32	5.48	260.21	157.28	764.29
Previous year	(273.94)	(4.84)	(217.14)	(125.46)	(621.38)
c) Total Revenue	1814.65	413.02	478.88	382.78	3089.33
Previous year	(1611.94)	(326.68)	(380.41)	(145.56)	(2464.59)
2. Segment Results					
(Profit+)/Loss(-) before tax and interest from each segment)	(40.15)	64.66	188.77	(8.06)	205.22
Previous year	(-90.91)	(47.02)	(160.34)	(-5.79)	(110.66)
Less : Finance costs					158.65
Previous year					(149.66)
Less/ Add :Other Unallocable Expense/Income					
Net off Unallocable Income/Expenses					15.18
Previous year					(15.16)
Net Profit(+)/Loss(-) Before Tax					31.39
Previous year					(-54.16)
Less: Tax expense (Net)					(5.51)
Previous year					(41.33)
Net Profit after Tax (Before Adjustment of Minority Interest)					25.88
Previous year					(-12.83)
Share of Profit/Loss to Minority					0.00
Previous year					0.00
Net Profit after Tax (after adjustment of Minority Interest)					25.88
Previous year					(-12.83)

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

32 Segment Reporting:: (contd.)

(₹ in crores)

Particulars	Sugar	Chemicals	Co-gen	Others	Total
3. Other Information					
a) Segment Assets	2106.47	339.85	674.15	24.34	3144.81
Previous year	(2016.81)	(305.57)	(679.77)	(16.41)	(3018.56)
Unallocable Corporate Assets					50.69
Previous year					(9.19)
Total Assets					3195.50
Previous year					(3027.75)
b) Segment Liabilities	782.93	11.63	3.83	16.55	814.94
Previous year	(952.48)	(21.03)	(4.57)	(4.97)	(983.05)
Unallocable Corporate Liabilities					1669.87
Previous year					(1620.99)
Total Liabilities					2484.81
Previous year					(2604.04)
c) Capital Expenditure	21.96	22.13	5.20	0.68	49.97
Previous year	(15.72)	(2.75)	(19.24)	(3.74)	(41.45)
d) Depreciation	31.61	8.74	14.18	0.61	55.14
Previous year	(39.11)	(8.79)	(13.76)	(0.82)	(62.48)
e) Non Cash Expenditure other than Depreciation	0.34	#	0.00	#	0.34
Previous year	(0.84)	(0.02)	(0.09)	0.00	(0.95)

33 - Earnings per Share (EPS) :

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
i) Net Profit/ Loss(-) after Extra Ordinary Items & Provision for Taxes (Attributable to Equity Shareholders)				
(Used as numerator for calculating EPS)	₹ in crores	24.44	₹ in crores	(14.54)
ii) Weighted average No.of Equity Shares outstanding during the period: (Used as denominator for calculating E.P.S.)				
- for Basic EPS	No.	59151734	No.	57223154
- for Diluted EPS	No.	59151734	No.	58723154
iii) Earning per Share before and after Extra Ordinary Items				
- Basic	₹	4.13	₹	(2.54)
- Diluted	₹	4.13	₹	(2.48)
(Equity Share of Face value of ₹10 each)				

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

34 Related Party Disclosures:

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

i) Enterprises which have significant influence and also owned or significantly influenced by Key Management Personnel

- 1 Goel investments Limited
- 2 Ujjwal Rural Services Limited
- 3 Saraswati Properties Limited
- 4 Dhampur Global Pte. Limited

ii) Enterprises owned or significantly influenced by Key Management Personnel or their relatives

- 1 Shudh Edible Products Limited
- 2 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. Arhant Jain, Executive President (Finance) & Company secretary
Mrs. Brij Bala Jain (Mother), Mr. Arvind Jain (Brother), Mrs. Anita Jain (Wife), Mr. Anubhav Jain (Son), Mr. Ashish Jain (Son),
Mrs. Ankita Jain (Daughter in law), Mrs. Shruti Jain (Daughter in law),
Arhant Jain (HUF), Anubhav Jain (HUF), Ashish Jain (HUF), Arvind Jain (HUF).
- 6 Mr. Sandeep Kumar Sharma, Executive President
Mrs. Poonam Sharma (Wife), Mr. Rahul Sharma (Son), Ms. Sona Sharma (Daughter)
Sandeep Kumar Sharma (HUF)
- 7 Mr. Priya Brat, Director
Mrs. Shakuntala Brat (Wife), Ms. Anu Mahendru (Daughter)
- 8 V. K. Goel, H.U.F.
- 9 A.K. Goel, H.U.F.
- 10 Gaurav Goel, H.U.F.
- 11 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, 2016

(₹ in crores)

Sl.No.	Particulars	2015-2016	2014-2015
Transactions during year ended 31.03.2016			
1	Loans/advances given	0.08	2.02
	Dhampur Global Pte Ltd.	0.08	0.00
	Goel Investment Limited	0.00	0.39
	India Greenfuel Private Limited	0.00	0.07
	Saraswati Properties Limited	0.00	0.86
	Shudh Edible Products Limited	0.00	0.71

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

34 Related Party Disclosures: (contd.)

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016

		(₹ in crores)	
Sl.No.	Particulars	2015-2016	2014-2015
2	Receipts towards Loan /Advances given	0.00	2.02
	Goel Investment Limited	0.00	0.39
	India Greenfuel Private Limited	0.00	0.07
	Saraswati Properties Limited	0.00	0.86
	Shudh Edible Products Limited	0.00	0.71
3	Loans taken	1.51	5.04
	Goel Investment Limited	0.50	0.84
	India Greenfuel Private Limited	0.00	0.06
	Saraswati Properties Limited	0.00	2.87
	Shudh Edible Products Limited	0.00	1.23
	Ujjwal Rural Services Limited	0.00	0.04
	Mr. Gautam Goel	0.26	0.00
	Mr. Gaurav Goel	0.75	0.00
4	Loans repaid	1.84	4.32
	Dhampur Global Pte Ltd.	0.08	0.00
	Goel Investment Limited	0.31	0.47
	India Greenfuel Private Limited	0.01	0.03
	Saraswati Properties Limited	0.27	2.63
	Shudh Edible Products Limited	0.04	1.19
	Ujjwal Rural Services Limited	0.12	0.00
	Mr. Gautam Goel	0.26	0.00
	Mr. Gaurav Goel	0.75	0.00
5	Unsecured Deposits Taken (Fixed Deposit)	7.60	3.42
	Mrs. Deepa Goel	0.13	0.22
	Mr. Ashok Kumar Goel	0.31	0.88
	Mrs Vinita Goel	1.27	1.11
	Mrs Priyanjali Goel	0.12	0.54
	Mrs Bindu Vashist Goel	0.33	0.07
	Mr. Arhant Jain	0.17	0.00
	Mrs. Brij Bala Jain	0.74	0.00
	Mrs. Anita Jain	0.40	0.00
	Mr. Anubhav Jain	0.16	0.00
	Mr. Ashish Jain	0.62	0.00
	Mrs. Ankita Jain	0.28	0.00
	Mrs. Shruti Jain	0.69	0.00
	Arhant Jain (HUF)	0.41	0.00
	Ashish Jain (HUF)	0.12	0.00
	Anubhav Jain (HUF)	0.11	0.00
	Arvind Jain (HUF)	0.23	0.00
	Mrs. Poonam Sharma	0.12	0.00
	Ms. Sona Sharma	0.06	0.03

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

34 Related Party Disclosures: (contd.)

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016

		(₹ in crores)	
Sl.No.	Particulars	2015-2016	2014-2015
	Sandeep Kumar Sharma (HUF)	0.05	0.04
	Mrs. Shakuntala Brat	0.12	0.00
	V.K. Goel (HUF)	0.26	0.12
	A.K. Goel (HUF)	0.30	0.14
	Gaurav Goel (HUF)	0.30	0.14
	Gautam Goel (HUF)	0.30	0.14
6	Unsecured Deposits Matured (Fixed Deposit)	6.77	2.58
	Mrs. Deepa Goel	0.11	0.21
	Mr. Ashok Kumar Goel	0.22	0.66
	Mrs Vinita Goel	1.06	0.42
	Mrs Priyanjali Goel	0.09	0.54
	Mrs Bindu Vashist Goel	0.26	0.06
	Mr. Arhant Jain	0.11	0.00
	Mrs. Brij Bala Jain	0.68	0.00
	Mrs. Anita Jain	0.24	0.00
	Mr. Anubhav Jain	0.35	0.00
	Mr. Ashish Jain	0.87	0.00
	Mrs. Ankita Jain	0.23	0.00
	Mrs. Shruti Jain	0.75	0.00
	Arhant Jain (HUF)	0.33	0.00
	Ashish Jain (HUF)	0.08	0.00
	Anubhav Jain (HUF)	0.07	0.00
	Arvind Jain (HUF)	0.18	0.00
	Mrs. Poonam Sharma	0.06	0.11
	Mr. Rahul Sharma	0.01	0.01
	Ms. Sona Sharma	0.06	0.02
	Sandeep Kumar Sharma (HUF)	0.04	0.04
	Mrs. Shakuntala Brat	0.03	0.00
	V.K. Goel (HUF)	0.21	0.12
	A.K. Goel (HUF)	0.24	0.14
	Gaurav Goel (HUF)	0.25	0.13
	Gautam Goel (HUF)	0.24	0.13
7	Subscription of Equity Shares on conversion of Warrants	3.71	3.71
	M/s Saraswati Properties Ltd.	0.00	3.71
	Mr. Gaurav Goel	1.86	0.00
	Mr. Gautam Goel	1.85	0.00
8	Rent paid	3.60	3.58
	Goel Investment Limited	0.12	0.12
	Saraswati Properties Limited	1.48	1.48
	Shudh Edible Products Limited	1.98	1.98
	Ujjwal Rural Services Limited	0.02	0.00

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

34 Related Party Disclosures: (contd.)

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016

(₹ in crores)

Sl.No.	Particulars	2015-2016	2014-2015
9	Remuneration paid	3.75	2.23
	Mr. Vijay Goel	0.89	0.48
	Mr. Ashok Kumar Goel	0.89	0.48
	Mr. Gaurav Goel	0.89	0.48
	Mr. Gautam Goel	0.75	0.48
	Mr. Arhant Jain	0.10	0.10
	Mr. Sandeep Kumar Sharma	0.15	0.14
	Mr. Arvind Jain	0.08	0.07
10	Directors Perquisites (As per Income Tax Act)	0.51	0.00
	Mr. Vijay Goel	0.13	0.00
	Mr. Ashok Kumar Goel	0.12	0.00
	Mr. Gaurav Goel	0.12	0.00
	Mr. Gautam Goel	0.13	0.00
	Mr. Sandeep Kumar Sharma	0.01	0.00
11	Interest expense	1.08	0.81
	Mrs. Deepa Goel	0.04	0.02
	Mr. Ashok Kumar Goel	0.13	0.05
	Mrs Vinita Goel	0.18	0.08
	Mrs Priyanjali Goel	0.08	0.05
	Mrs. Bindu Goel	0.05	0.04
	Mr. Arhant Jain	0.01	0.01
	Mrs. Brij Bala Jain	0.05	0.05
	Mrs. Anita Jain	0.04	0.03
	Mr. Anubhav Jain	0.04	0.02
	Mr. Ashish Jain	0.07	0.12
	Mrs. Ankita Jain	0.03	0.03
	Mrs. Shruti Jain	0.07	0.10
	Arhant Jain (HUF)	0.04	0.00
	Ashish Jain (HUF)	0.01	0.01
	Anubhav Jain (HUF)	0.01	0.01
	Arvind Jain (HUF)	0.02	0.02
	Mr. Sandeep Kumar Sharma	#	#
	Mrs. Poonam Sharma	0.01	0.01
	Mr. Rahul Sharma	#	#
	Ms. Sona Sharma	0.00	#
	Sandeep Kumar Sharma (HUF)	#	#
	Mrs. Shakuntala Brat	#	#
	V.K. Goel (HUF)	0.05	0.03
	A.K. Goel (HUF)	0.05	0.04
	Gaurav Goel (HUF)	0.05	0.04
	Gautam Goel (HUF)	0.05	0.04

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

34 Related Party Disclosures: (contd.)

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016

		(₹ in crores)	
Sl.No.	Particulars	2015-2016	2014-2015
Amount due to/ from Related Parties:			
1	Deposits from Related Parties	10.11	9.28
	Mrs. Deepa Goel	0.35	0.32
	Mr. Ashok Kumar Goel	1.18	1.10
	Mrs Vinita Goel	1.71	1.49
	Mrs Priyanjali Goel	0.66	0.64
	Mrs Bindu Vashist Goel	0.39	0.33
	Mr. Arhant Jain	0.13	0.07
	Mrs. Brij Bala Jain	0.71	0.65
	Mrs. Anita Jain	0.40	0.24
	Mr. Anubhav Jain	0.17	0.36
	Mr. Ashish Jain	0.62	0.87
	Mrs. Ankita Jain	0.28	0.23
	Mrs. Shruti Jain	0.69	0.75
	Arhant Jain (HUF)	0.41	0.33
	Ashish Jain (HUF)	0.10	0.07
	Anubhav Jain (HUF)	0.09	0.05
	Arvind Jain (HUF)	0.23	0.18
	Mr. Sandeep Kumar Sharma	0.01	0.00
	Mrs. Poonam Sharma	0.08	0.03
	Mr. Rahul Sharma	#	0.00
	Ms. Sona Sharma	0.03	0.03
	Sandeep Kumar Sharma (HUF)	0.05	0.04
	Mrs. Shakuntala Brat	0.12	0.03
	V.K. Goel (HUF)	0.38	0.33
	A.K. Goel (HUF)	0.44	0.38
	Gaurav Goel (HUF)	0.44	0.38
	Gautam Goel (HUF)	0.44	0.38
2	Unsecured Loans and Advances from related parties	0.58	0.84
	Goel Investment Limited	0.56	0.38
	India Green Fuel Private Limited	0.02	0.03
	Saraswati Properties Limited	0.00	0.27
	Shudh Edible Products Limited	0.00	0.04
	Ujjwal Rural Services Limited	0.00	0.12
3	Payables	1.03	0.29
	Saraswati Properties Limited	0.31	0.00
	Shudh Edible Products Limited	0.01	0.00
	Ujjwal Rural Services Limited	0.01	0.00
	Mr. Ashok Kumar Goel	0.09	0.01

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

34 Related Party Disclosures: (contd.)

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016

(₹ in crores)

Sl.No.	Particulars	2015-2016	2014-2015
	Mr. Gaurav Goel	0.18	0.13
	Mr. Gautam Goel	0.33	0.14
	Mr. Vijay Kumar Goel	0.10	0.01
4	Security Deposits	2.19	2.19
	Goel Investment Limited	0.50	0.50
	Saraswati Properties Limited	0.65	0.65
	Shudh Edible Products Limited	0.99	0.99
	Ujjwal Rural Services Limited	0.05	0.05

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

- Sundry creditors include a sum aggregating ₹5.22 Crores (₹2.83 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.

36 Details of loans and advances given; investment made; guarantee given and security provided as required to be disclosed as per provision of section 186(4) of Companies Act, 2013 have been disclosed under the respective heads.

37 Additional information on net assets and share of profits of the Company and its subsidiaries as considered in Consolidated Financial Statements:

Particulars	Net assets		Share in profit or (loss)	
	As a % of Consolidated net assets	₹ in crores	As a % of Consolidated profit or (loss)	₹ in crores
Parent Company	100.12%	711.55	123.45%	31.95
Foreign Subsidiaries				
Dhampur International Pte. Ltd. (wholly owned subsidiary)	(-0.12)%	(0.86)	(-23.45)%	(6.07)

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

38 CONTINGENT LIABILITIES AND COMMITMENTS : NOT PROVIDED FOR IN RESPECT OF :

I Contingent Liabilities

(₹ in crores)

Particulars	As at 31st March, 2016	As at 31st March, 2015
i) Demands being disputed by the Company:		
a) Excise duty and Service Tax demands	44.51	35.26
b) Trade Tax and Entry Tax demands	49.34	31.99
c) Other demands	8.08	1.09
d) Estimated amount of interest on above	112.87	92.35
ii) Claims against the company not acknowledged as debts :		
a) Statutory liability being disputed by authorities	0.36	2.84
b) Income Tax demand on processing of TDS Returns	0.25	0.32
c) Other Liabilities	26.17	5.71
d) In respect of some pending cases of employees under labour laws	Amount not ascertainable	Amount not ascertainable

The Company has initiated steps for revising the TDS forms to remove various defects due to which demands were raised by authorities and is confident that the demand will be substantially reduced after these rectification.

The Government of Uttar Pradesh had always waived liabilities of interest on account of delayed payment of sugar cane price in past for the industry and also considering the fact that the various initiatives taken by the Government to support the Sugar Industry, the Company as well as the industry believe that the interest on delayed payment of Cane Price for sugar season 2014-15 onwards will also be waived by the U.P. Government. Therefore, the same has not been recognised as liability.

The amount shown above represents the best possible estimates arrived on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal process which have been invoked by the company or the claimants as the case may be, therefore it cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome.

II Commitments

A Estimated amount of contracts remaining to be executed on capital account and not provided for ₹12.78 Crores (P.Y. - ₹6.45 crores).

B Corporate Guarantee given by the Company ₹325 Crores.

III Arrears of Cumulative Preference share dividend including Corporate dividend tax is amounting to ₹4.62 Crores (Including ₹1.44 Crore for the year).

39 Previous year figures in bracket have been regrouped/restated wherever considered necessary.

For Mittal Gupta & Co.

For and on behalf of the Board of Directors

B. L. Gupta

Partner

Chartered Accountants

Arhant Jain

Executive President (Finance)

& Secretary

V. K. Goel

Chairman

A. K. Goel

Vice Chairman

Place : New Delhi

Dated : 10-05-2016

Gaurav Goel

Managing Director

A. K. Gupta

Director

M.P. Mehrotra

Director

STANDALONE SECTION

Independent Auditors Report

To

The Members of

Dhampur Sugar Mills Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Dhampur Sugar Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended, in which are incorporated the financial statements for the year ended on that date of two units audited by the branch auditors of the Company.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its Profit and its Cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of two units which are included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 846.98 Crores as at 31st March, 2016 and total revenues of ₹ 434.08 Crores for the year ended on that date, as considered in the standalone financial statements. The financial statements of two units have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these units, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure – 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The reports on the accounts of the two units of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

- (d) 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.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such Controls, refer to our separate report in Annexure – 'B'
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- iii. As explained, there has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

(B. L. Gupta)

Partner
Membership No. 073794

Place: New Delhi
Date: 10th May, 2016

Annexure – ‘A’ to the Independent Auditors’ Report

The Annexure – ‘A’ referred to in our Independent Auditors’ Report of even date to the members of the Company on the standalone financial statements for the year ended 31st March, 2016:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The management has verified major fixed assets during the year and as explained there is no material discrepancy on such verification.
 - (c) The title deeds of the immovable properties, as disclosed in the financial statements, are held in the name of the company.
- (ii) The inventories except goods in transit have been physically verified by the management at reasonable interval during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
- (iii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any loan secured or unsecured to the companies, firms, limited liability partnership and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii) of the order is not applicable to the company.
- (iv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the company has not granted any loans, or provided any security or guarantee to the parties covered under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investment made or loans or guarantee or security provided to the parties covered under section 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, in our opinion, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed there under. 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 in this connection.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost records and Audit) Rules, 2014 under section 148 of the Companies Act and are of the opinion that, prima facie, the prescribed cost record have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees’ state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities except for demand raised by Income Tax Authorities at the time of processing of TDS return. There are no undisputed statutory dues as referred to above as at 31st March, 2016 outstanding for a period of more than six months from the date they become payable except for demand raised by Income Tax Authorities at the time of processing of TDS return aggregating to ₹ 0.25 Crores. We have been informed by the Company that they are in process of getting these returns rectified and are hopeful that these demands will be substantially reduced after rectification.
- (b) According to the information and explanations given to us, the particulars of Income tax, Service-tax, Sales-tax, Custom Duty, Excise Duty, Entry tax, Value Added Tax, which have not been deposited on account of any dispute, are as referred to Annexure – ‘A1’.
- (viii) According to the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of loans and borrowings to any financial institution, bank and government during the period. The Company has not borrowed any money by way of issue of debentures.
- (ix) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the money raised by the Company by way of term loans during the year have been applied for the purposes for which they were obtained. The Company has not raised any money by way of Initial Public Offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company is not a Nidhi Company. Accordingly the paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, during the year, the Company has allotted equity shares on conversion of equity share warrants, which were issued on preferential basis in earlier years. The company has complied with the requirements of section 42 of the Companies Act in respect of such allotment and money raised on such allotment has been used for the purpose for which the funds were raised. The Company has not made any other preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not entered into any non-cash transactions as specified u/s 192 of the Act, with its directors or persons connected to him. Accordingly, the paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: New Delhi
Date: 10th May, 2016

Annexure – 'A1' to the Independent Auditors' Report

(The Annexure - 'A1' referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016)

(₹ in crores)

S. No.	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty	0.20	2010-11	CESTAT
2	Central Excise Act, 1944	Excise Duty	0.53	2009-10	CESTAT
3	Central Excise Act, 1944	Excise Duty	2.89	2010-11	CESTAT
4	Central Excise Act, 1944	Excise Duty	4.75	2010-11	CESTAT
5	Central Excise Act, 1944	Excise Duty	3.09	2010-11	CESTAT
6	Central Excise Act, 1944	Excise Duty	0.23	2010-11	CESTAT
7	Central Excise Act, 1944	Excise Duty	0.31	2010-11	CESTAT
8	Central Excise Act, 1944	Excise Duty	0.18	2010-11	CESTAT
9	Central Excise Act, 1944	Excise Duty	0.40	2010-11	CESTAT
10	Central Excise Act, 1944	Excise Duty	0.15	2011-12	CESTAT
11	Central Excise Act, 1944	Excise Duty	0.02	2011-12	CESTAT
12	Central Excise Act, 1944	Excise Duty	0.15	2011-12	CESTAT
13	Central Excise Act, 1944	Excise Duty	0.01	2011-12	CESTAT
14	Central Excise Act, 1944	Excise Duty	0.02	2011-12	CESTAT
15	Central Excise Act, 1944	Excise Duty	0.18	2011-12	CESTAT
16	Central Excise Act, 1944	Excise Duty	2.08	2014-15	CESTAT
17	Central Excise Act, 1944	Excise Duty	0.02	2010-11	CESTAT
18	Central Excise Act, 1944	Excise Duty	0.02	2010-11	CESTAT
19	Central Excise Act, 1944	Excise Duty	0.02	2010-11	CESTAT
20	Central Excise Act, 1944	Excise Duty	0.80	2011-12	CESTAT
21	Central Excise Act, 1944	Excise Duty	0.02	2011-12	CESTAT
22	Central Excise Act, 1944	Excise Duty	0.92	2012-13	CESTAT
23	Central Excise Act, 1944	Excise Duty	0.28	2010-11	CESTAT
24	Central Excise Act, 1944	Excise Duty	0.17	2010-11	CESTAT
25	Central Excise Act, 1944	Excise Duty	0.25	2010-11	CESTAT
26	Central Excise Act, 1944	Excise Duty	0.19	2010-11	CESTAT
27	Central Excise Act, 1944	Excise Duty	0.14	2010-11	CESTAT
28	Central Excise Act, 1944	Excise Duty	0.03	2010-11	CESTAT
29	Central Excise Act, 1944	Excise Duty	0.04	2011-12	CESTAT
30	Central Excise Act, 1944	Excise Duty	0.07	2012-13	CESTAT
31	Central Excise Act, 1944	Excise Duty	0.07	2008-09	CESTAT
32	Central Excise Act, 1944	Excise Duty	0.56	2009-10	CESTAT
33	Central Excise Act, 1944	Excise Duty	0.71	2008-09	CESTAT
34	Central Excise Act, 1944	Excise Duty	1.63	2007-08	CESTAT
35	Central Excise Act, 1944	Excise Duty	0.23	2007-08	CESTAT
36	Central Excise Act, 1944	Excise Duty	0.17	2007-08	CESTAT
37	Central Excise Act, 1944	Excise Duty	2.49	2008-09	CESTAT
38	Central Excise Act, 1944	Excise Duty	0.07	2005-06	CESTAT
39	Central Excise Act, 1944	Excise Duty	0.04	1995-96	CESTAT

Annexure – ‘A1’ to the Independent Auditors’ Report

Contd.

(₹ in crores)

S. No.	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the dispute is pending
40	Central Excise Act, 1944	Excise Duty	0.26	2005-06	CESTAT
41	Central Excise Act, 1944	Excise Duty	0.01	1996-97	CESTAT
42	Central Excise Act, 1944	Excise Duty	0.03	2008-09	CESTAT
43	Central Excise Act, 1944	Excise Duty	0.01	2008-09	CESTAT
44	Central Excise Act, 1944	Excise Duty	0.04	2009-10	CESTAT
45	Central Excise Act, 1944	Excise Duty	0.04	2009-10	CESTAT
46	Central Excise Act, 1944	Excise Duty	8.07	2009-10	CESTAT
	Sub-total		32.57		
1	Central Excise Act, 1944	Excise Duty	0.06	2012-13	High Court
2	Central Excise Act, 1944	Excise Duty	0.01	2012-13	High Court
3	Central Excise Act, 1944	Excise Duty	0.04	2008-09	High Court
4	Central Excise Act, 1944	Excise Duty	10.73	2011-12	High Court
	Sub-total		11		
1	Central Excise Act, 1944	Excise Duty	1.08	2010-11	Supreme Court
2	Central Excise Act, 1944	Excise Duty	0.02	2007-08	Supreme Court
	Sub-total		1.10		
	Total Excise duty demands		44.51		
1	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	1.32	2005-06	Additional Commissioner (Appeals)
2	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	1.10	2006-07	Additional Commissioner (Appeals)
3	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.47	2008-09	Additional Commissioner (Appeals)
4	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.65	2010-11	Additional Commissioner (Appeals)
5	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	1.94	2011-12	Additional Commissioner (Appeals)
6	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	2.84	2012-13	Additional Commissioner (Appeals)
7	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.43	2013-14	Additional Commissioner (Appeals)
8	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.06	2003-04	Joint Commissioner (Appeals)
9	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.00	2002-03	Joint Commissioner (Appeals)
10	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.88	2004-05	Deputy Commissioner (Appeals)

Annexure – ‘A1’ to the Independent Auditors’ Report

Contd.

(₹ in crores)

S. No.	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the dispute is pending
11	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	1.40	2009-10	Joint Commissioner (Appeals)
	Sub-total		11.09		
1	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.05	2000-01	Commercial Tax Tribunal
2	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.02	2007-08	Commercial Tax Tribunal
3	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.89	2009-10	Commercial Tax Tribunal
4	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.27	2004-05	Commercial Tax Tribunal
	Sub-total		1.23		
1	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.88	2001-02	High Court
2	U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	0.39	2002-03	High Court
			1.28		
1	U.P. Trade Tax Act, 1948	Trade Tax	5.51	2005-2006 (U.P)	Additional Commissioner (Appeals)
2	U.P. Trade Tax Act, 1948	Trade Tax	0.05	2005-2006 (Centre)	Additional Commissioner (Appeals)
3	U.P. Trade Tax Act, 1948	Trade Tax	2.75	2006-2007 (U.P)	Additional Commissioner (Appeals)
4	U.P. Trade Tax Act, 1948	Trade Tax	0.04	2006-2007 (Centre)	Additional Commissioner (Appeals)
5	U.P. Trade Tax Act, 1948	Trade Tax	1.26	2008-2009 (U.P)	Additional Commissioner (Appeals)
6	U.P. Trade Tax Act, 1948	Trade Tax	1.77	2008-2009 (Centre)	Additional Commissioner (Appeals)
7	U.P. Trade Tax Act, 1948	Trade Tax	0.84	2010-2011 (U.P)	Additional Commissioner (Appeals)
8	U.P. Trade Tax Act, 1948	Trade Tax	1.42	2010-2011 (Centre)	Additional Commissioner (Appeals)
9	U.P. Trade Tax Act, 1948	Trade Tax	0.14	2011-2012 (U.P)	Additional Commissioner (Appeals)
10	U.P. Trade Tax Act, 1948	Trade Tax	0.28	2011-2012 (Centre)	Additional Commissioner (Appeals)
11	U.P. Trade Tax Act, 1948	Trade Tax	0.07	2012-2013 (U.P)	Additional Commissioner (Appeals)
12	U.P. Trade Tax Act, 1948	Trade Tax	0.73	2012-2013 (Centre)	Additional Commissioner (Appeals)
13	U.P. Trade Tax Act, 1948	Trade Tax	0.10	2013-2014 (U.P)	Additional Commissioner (Appeals)
14	U.P. Trade Tax Act, 1948	Trade Tax	1.77	2013-2014 (Centre)	Additional Commissioner (Appeals)
	Sub-total		16.75		
1	U.P. Trade Tax Act, 1948	Trade Tax	0.94	1998-1999 (U.P)	Commercial Tax Tribunal
2	U.P. Trade Tax Act, 1948	Trade Tax	1.34	1998-1999 (Centre)	Commercial Tax Tribunal
3	U.P. Trade Tax Act, 1948	Trade Tax	0.72	1999-2000 (U.P)	Commercial Tax Tribunal

Annexure – ‘A1’ to the Independent Auditors’ Report

Contd.

(₹ in crores)

S. No.	Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the dispute is pending
4	U.P. Trade Tax Act, 1948	Trade Tax	1.12	1999-2000 (Centre)	Commercial Tax Tribunal
5	U.P. Trade Tax Act, 1948	Trade Tax	0.43	2001-2002 (U.P)	Commercial Tax Tribunal
6	U.P. Trade Tax Act, 1948	Trade Tax	2.65	2001-2002 (Centre)	Commercial Tax Tribunal
7	U.P. Trade Tax Act, 1948	Trade Tax	0.63	2007-2008 (U.P)	Commercial Tax Tribunal
8	U.P. Trade Tax Act, 1948	Trade Tax	0.60	2007-2008 (Centre)	Commercial Tax Tribunal
9	U.P. Trade Tax Act, 1948	Trade Tax	0.66	2009-2010 (U.P)	Commercial Tax Tribunal
10	U.P. Trade Tax Act, 1948	Trade Tax	1.08	2009-2010 (Centre)	Commercial Tax Tribunal
11	U.P. Trade Tax Act, 1948	Trade Tax	2.29	2004-2005 (U.P)	Commercial Tax Tribunal
12	U.P. Trade Tax Act, 1948	Trade Tax	0.03	2004-2005 (CENTRE)	Commercial Tax Tribunal
	Sub-total		12.49		
1	U.P. Trade Tax Act, 1948	Trade Tax	0.26	2011-12	High Court
2	U.P. Trade Tax Act, 1948	Trade Tax	0.64	2011-12	High Court
3	U.P. Trade Tax Act, 1948	Trade Tax	0.01	1993-94	High Court
4	U.P. Trade Tax Act, 1948	Trade Tax	0.04	1995-96	High Court
5	U.P. Trade Tax Act, 1948	Trade Tax	0.09	1996-97	High Court
6	U.P. Trade Tax Act, 1948	Trade Tax	0.10	1996-97	High Court
7	U.P. Trade Tax Act, 1948	Trade Tax	0.18	1997-98	High Court
8	U.P. Trade Tax Act, 1948	Trade Tax	0.35	1998-99	High Court
9	U.P. Trade Tax Act, 1948	Trade Tax	0.75	1999-00	High Court
10	U.P. Trade Tax Act, 1948	Trade Tax	0.04	1999-00	High Court
11	U.P. Trade Tax Act, 1948	Trade Tax	0.40	2000-01	High Court
12	U.P. Trade Tax Act, 1948	Trade Tax	0.02	2000-01	High Court
13	U.P. Trade Tax Act, 1948	Trade Tax	0.41	2001-02	High Court
14	U.P. Trade Tax Act, 1948	Trade Tax	0.16	2001-02	High Court
15	U.P. Trade Tax Act, 1948	Trade Tax	0.73	2002-03	High Court
16	U.P. Trade Tax Act, 1948	Trade Tax	0.15	2002-03	High Court
17	U.P. Trade Tax Act, 1948	Trade Tax	0.49	2003-04	High Court
18	U.P. Trade Tax Act, 1948	Trade Tax	0.07	2003-04	High Court
19	U.P. Trade Tax Act, 1948	Trade Tax	0.59	2004-05	High Court
20	U.P. Trade Tax Act, 1948	Trade Tax	1.04	2003-04	High Court
	Sub-total		6.51		
	Total Entry & Trade Tax		49.34		

Annexure - 'B' to the Independent Auditor's Report

(The Annexure – 'B' referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2016)

Report on the Internal Financial Control under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control over financial reporting of Dhampur Sugar Mills Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipt and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure - 'B' to the Independent Auditor's Report

Contd.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31 March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **Mittal Gupta & Co.,**
Chartered Accountants
FRN01874C

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

Place : New Delhi
Dated : 10th May, 2016

Balance Sheet as at 31st March, 2016

(₹ in crores)

Particulars	Note No.	As at 31.03.2016		As at 31.03.2015	
Equity and Liabilities					
Shareholders' funds					
Share capital	3	75.30		75.96	
Reserves and surplus	4	647.05		352.10	
Money received against Equity share warrants	3B	0.00	722.35	1.24	429.30
Non-current liabilities					
Long-term borrowings	5	545.79		571.24	
Other long-term liabilities	8	0.99		3.49	
Long-term provisions	6	20.82	567.60	20.65	595.38
Current liabilities					
Short-term borrowings	7	928.47		893.88	
Trade payables	8	456.88		675.19	
Other current liabilities	8	503.95		428.30	
Short-term provisions	9	12.64	1901.94	10.01	2007.38
Total			3191.89		3032.06
Assets					
Non-current assets					
Fixed assets					
Tangible assets	10	1493.79		1251.74	
Capital work-in-progress		28.17		17.74	
Non-current investments	11	11.60		11.58	
Deferred tax Assets (Net)	12	35.21		45.10	
Long-term loans and advances	13	19.93		12.77	
Other non-current assets	14	0.19	1588.89	0.21	1339.14
Current assets					
Inventories	15	1261.78		1252.26	
Trade receivables	16	256.26		221.69	
Cash and cash equivalents	17	18.13		13.96	
Short-term loans and advances	13	26.58		39.35	
Other current assets	14	40.25	1603.00	165.66	1692.92
Total			3191.89		3032.06
Significant Accounting Policies					
Notes on Financial Statements	1 to 41				

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

For Mittal Gupta & Co.,

(B. L. Gupta)
Partner
Chartered Accountants

Place : New Delhi
Dated : 10-05-2016

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

A.K. Gupta
Director

M.P. Mehrotra
Director

Profit And Loss Statement for the year ended 31st March, 2016

(₹ in crores)

Particulars	Note No.	Year ended 31.03.2016		Year ended 31.03.2015	
Income					
Revenue from operations	18	2275.41		1841.92	
Less : Excise duty and other taxes		92.02	2183.39	65.82	1776.10
Other income	19		24.05		16.49
Total revenue			2207.44		1792.59
Expenses					
Cost of Raw materials consumed	20		1515.82		1274.06
Purchases of Stock-in-Trade	18		172.03		103.78
(Increase)/Decrease in inventories of finished goods, Work-in-progress and traded goods	21		1.07		19.93
Employee benefits expense	22		80.57		74.33
Finance costs	24		158.63		149.66
Depreciation and amortization expense			54.86		55.15
Other expenses	23		197.22		167.37
Total Expenses			2180.20		1844.28
Profit before exceptional and extraordinary items and tax			27.24		(51.69)
Exceptional items -					
- Remission of Cane Commission liability relating to earlier years (Net of taxes)			10.22		0.00
Profit before extraordinary items and tax			37.46		(51.69)
Extraordinary items			0.00		0.00
Profit/(loss) before tax			37.46		(51.69)
Tax expense:					
Current tax/ Income tax adjustments			4.11		1.60
MAT credit entitlement			(4.11)		-
Deferred tax assets/(liability) (Net)			(5.51)		42.93
Profit/(loss)			31.95		(10.36)
Earning per equity share (nominal value of share ₹ 10/- each)					
Basic (₹ per share)			5.16		(2.11)
Diluted (₹ per share)			5.16		(2.06)
Significant Accounting Policies					
Notes on Financial Statements	1 to 41				

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

For **Mittal Gupta & Co.,**

For and on behalf of the Board of Directors

(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

A.K. Gupta
Director

M.P. Mehrotra
Director

Place : New Delhi
Dated : 10-05-2016

Cash Flow Statement for the year ended 31st March, 2016

(₹ in crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
A. Cash flow from operating activities:				
Net Profit/(Loss) before tax and exceptional items		27.24		(51.69)
Adjustment for:				
Depreciation	54.86		55.15	
Profit/ Loss on sale of fixed assets (Net)	(1.26)		0.50	
Finance Cost	158.63		149.66	
Provision for impairment of investment reversed	(3.24)		0.00	
Interest and other investment income	(2.39)		(1.41)	
Molasses storage fund	0.16		0.10	
Provision for doubtful debts & balance written off/(back)	(2.37)	204.39	0.19	204.19
Operating profit before working capital changes		231.63		152.50
Adjustments for:				
Trade and other receivables	109.35		(254.29)	
Inventories	(9.50)		(27.88)	
Trade and other payables	(167.85)	(68.00)	51.57	(230.60)
Cash generated from operation		163.63		(78.10)
Taxes refund/(paid)		0.06		(0.26)
Net cash from operating activities (A)		163.69		(78.36)
B. Cash flow from investing activities :				
Purchases of fixed assets (Net)		(48.50)		(46.76)
Purchases/Sale of investments (Net)		3.54		(0.50)
Interest and other investment income		2.61		1.46
Net cash used in investing activities (B)		(42.35)		(45.80)
C. Cash flow from financing activities :				
Redemption of preference shares		(2.16)		(5.95)
Money Received against share warrants/Equity Share Capital		3.71		3.71
Proceeds from borrowings (Net)		47.30		272.43
Change in deposit pledged against margin money/guarantee with bank		(0.17)		0.91
Dividend including dividend distribution tax		0.00		(0.38)
Finance Cost Paid		(165.72)		(147.01)
Net cash used in financing activities (C)		(117.04)		123.71
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		4.30		(0.45)
Opening Balance of Cash and Cash Equivalents		6.68		7.13
Closing Balance of Cash and Cash Equivalents as per cash flow		10.98		6.68

Reconciliation of Cash & Cash Equivalents :

Particulars	As at 31.03.2016	As at 31.03.2015
Closing Balance of Cash & Cash Equivalents as per Cash Flow Statement	10.98	6.68
Add: Balance in Unpaid Dividend account	0.26	0.26
Add: Deposit pledged against margin money/guarantee	2.44	2.27
Add: Deposits earmarked for Fixed Deposit	3.66	3.57
Add: Deposits earmarked for Molasses Storage Fund	0.79	1.18
Closing Balance of Cash & Cash Equivalents as per Note No - 17	18.13	13.96

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

For Mittal Gupta & Co.,

(B. L. Gupta)
Partner
Chartered Accountants

Place : New Delhi
Dated : 10-05-2016

For and on behalf of the Board of Directors

Arhant Jain
Executive President (Finance)
& Secretary

Gaurav Goel
Managing Director

V.K. Goel
Chairman

A.K. Gupta
Director

A.K. Goel
Vice Chairman

M.P. Mehrotra
Director

Notes on Financial Statements for the year ended 31st March, 2016

1) Corporate Information:

Dhampur Sugar Mills Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913. Its shares are listed on two stock exchanges in India namely, National Stock Exchange of India Ltd. and BSE Ltd.

The company is engaged mainly in the manufacturing and selling of sugar, chemicals, ethanol and co-generation of power.

2) Significant Accounting Policies:

i. Basis of Preparation of Financial statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Policies in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("The 2013 Act"). The Financial Statements have been prepared on Accrual Basis on the Historical cost convention except for certain tangible fixed assets which are carried on revalued amounts.

All assets and liabilities have been classified as current and non-current as per Company's normal Operating Cycle and other criteria set out in Schedule III to the Companies Act, 2013. The company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

ii. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management of the company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

iii. Fixed Assets and work-in-progress

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, and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

Expenditure during construction period: Directly attributable expenditure (Including finance cost related to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation and capital assets under installation are treated as pre-operative expenses pending allocation to assets and are shown under "Capital work-in-progress". Capital Work-in-progress is stated at the amount expended up to the date of Balance Sheet for the cost of fixed assets that are not ready for their intended use.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at the lower of their net book value and estimated realizable value.

iv. Depreciation and Amortization

Depreciation on fixed assets is provided for over the useful life of assets specified in the Schedule –II of Companies Act, 2013 as under:

Depreciation on plants and buildings acquired up to 31st March 1989 and other assets acquired up to 31st March, 2014 is provided on written down value method.

Depreciation on plants and buildings acquired after 31st March 1989 and other fixed assets acquired after 31st March, 2014 is provided on straight line method.

v. Foreign Exchange Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year-end rates. In case of items which are covered by forward exchange contracts, the premium or discount arising out at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the exchange reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/ expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising in respect of long term borrowings or liabilities relating to the acquisition of the depreciable capital assets which are adjusted to the cost of fixed assets.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

Notes on Financial Statements for the year ended 31st March, 2016

vi. Inventories

Raw material, process chemicals, stores, spares and packing material are carried at weighted average cost.

Finished goods, Goods in Process and Traded goods except by-products are carried at lower of cost and net realizable value. Cost of trading goods is determined using FIFO basis. Cost of finished goods and Goods in Process comprises of raw material cost (net of realizable value of By-products), variable and fixed production overhead, which are allocated to work in progress and finished goods on full absorption cost basis.

Stock of finished farm products, molasses and bagasse are carried at estimated Net Realizable Value.

Standing cane and other crops are carried at cost.

Loose tools and instruments are carried at depreciated value.

By-products are carried at net realizable value.

vii. Excise duty

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

viii. Employees Benefits

Defined contribution plan:

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

Defined benefit plan:

Company's liabilities toward defined benefit plans are determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measure each unit separately to build up the final obligation. Actuarial gain and losses are recognized 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 of the defined benefit obligation.

Short term benefits are recognized as expense at the undiscounted amount in the Statement of the profit and loss account for the year in which the related service is rendered.

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

ix. Leases

a) Leases rentals in respect of operating leases, if any, are expensed with reference to lease term, except for rentals pertaining to the period up to the date of commissioning of the assets which are capitalized.

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

x. Investments

Investments are either classified current or long-term based on Management's intention at the time of acquisition:-

Current investments are carried at lower of cost and net realizable value.

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

Cost includes acquisition price and directly attributable acquisition charges such as brokerage, fee and duties.

xi. Revenue Recognition

Revenue is recognized only when it can be reliably measured and is reasonable to expect ultimate collection. Revenue from sale of goods is recognized on transfer of significant risk and reward of ownership to the customer. Revenue includes excise duty and excludes sales tax/VAT, trade discount and rebates. Interest income is recognized when no significant uncertainty as to measurability or collectability exists.

Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims..

Export benefits are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

xii. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized 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.

xiii. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits under the provision of Income Tax Act, 1961. Deferred tax

Notes on Financial Statements for the year ended 31st March, 2016

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 on the balance sheet date. The deferred tax assets is recognized and carried forward only if there is virtual certainty that the assets will be realized in future.

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

xiv. 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 factor. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. Impairment is charged to the profit and loss account in the year in which an asset is identified as impaired. Impairment losses recognized in prior accounting period are reversed if there is any change in the estimate of the recoverable amount.

xv. Government Grants

Government grants are recognized where there is reasonable assurance that the condition attach to them will be complied and the grants will be received. Government grants are accounted for as under:

Government grants of the nature of promoters' contribution are credited to the capital reserve and treated as a part of the Shareholders' Fund.

Government grants related to specific depreciable fixed assets are adjusted with the value of assets. Government grants related to the specific non-depreciable fixed assets are credited to capital reserve.

Government grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support are either deducted from the expenditure in case these relate to specific expenditure and in other cases, are treated as other income. These grants, if available, to the industry in general are treated as ordinary items and if available only to the company are treated as an extraordinary item and disclosed accordingly.

xvi. Provisions, Contingent Liabilities and Assets

Provisions are recognized in respect of obligation 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 account 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 recognized in the financial statements.

xvii. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

xviii. Cash Flow Statement

Cash flows are stated using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xix. Earning Per Share

Basic earnings per share are computed by dividing the net profit/(loss) after tax (Including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (Including the post-tax effect of extra ordinary items, if any), attributable to the equity shareholder, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented.

xx. Segment Reporting

Segments are identified based on dominant source and nature of risks and returns and the internal organizational and management structure. The accounting policies adopted for segment reporting are in the line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter segment transfers. Inter segment transfers are accounted for, based on the estimated market price in case of marketable product and cost plus markup basis in case of non-marketable product.

Notes on Financial Statements for the year ended 31st March, 2016

"3" Share Capital

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Authorized				
11,38,26,000 equity shares of ₹ 10/- each		113.83		113.83
69,17,400 preference shares of ₹ 100/- each		69.17		69.17
Issued , subscribed and paid-up				
Equity shares				
6,02,14,935 (5,87,14,935) equity shares of ₹ 10/- each fully paid-up	60.21		58.71	
3,25,496 equity shares forfeited	0.07		0.07	
Less : Calls in arrears	#	60.28	#	58.78
Preference shares				
0 (4,13,940), 6% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up {Amount pending for redemption - ₹ Nil (₹ 33.33) per share}		0.00		1.38
0 (4,69,013), 1% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up {Amount pending for redemption - ₹ Nil (₹ 16.67) per share}		0.00		0.78
18,01,817, 8% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up {Amount pending for redemption - ₹ 83.35 (₹ 83.35) per share}		15.02		15.02
Total		75.30		75.96

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

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	No.	(₹ Crores)	No.	(₹ Crores)
Authorized shares				
Equity shares				
At the beginning of the period	113826000	113.83	113826000	113.83
Outstanding at the end of the period	113826000	113.83	113826000	113.83
Preference shares				
At the beginning of the period	6917400	69.17	6917400	69.17
Outstanding at the end of the period	6917400	69.17	6917400	69.17
Issued , subscribed and paid-up shares				
Equity shares				
At the beginning of the period	58714935	58.71	57214935	57.21
Issued during the period	1500000	1.50	1500000	1.50
Outstanding at the end of the period	60214935	60.21	58714935	58.71
Preference shares				
At the beginning of the period	2684770	17.18	2684770	23.13
Redeemed during the period	882953	2.16	0	5.95
Outstanding at the end of the period	1801817	15.02	2684770	17.18

Notes on Financial Statements for the year ended 31st March, 2016

"3. b." Details of shareholders holding more than 5% shares :

Particulars	As at 31.03.2016		As at 31.03.2015	
	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid-up				
Goel Investments Ltd.	11255515	18.69	11255515	19.17
Sonitron Ltd.	4940716	8.21	4940716	8.41
Shudh Edible Products Ltd.	4549680	7.56	4549680	7.75
Mr. Gautam Goel	4242339	7.05	3492339	5.95
Mr. Gaurav Goel	4211379	6.99	3461379	5.90
Saraswati Properties Limited	3416758	5.67	3416758	5.82
6% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	0	0.00	413940	100.00
1% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	0	0.00	469013	100.00
8% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
JK Tyre & Industries Limited	1801817	100.00	1801817	100.00

"3. c" - Calls unpaid of equity shares

Particulars	As at 31.03.2016		As at 31.03.2015	
	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

"3. 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 if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the shareholders of equity shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

"3. e" - 33,08,960 Equity shares of ₹ 10 each and 18,01,817 8% Cumulative Redeemable Preference shares of ₹ 100 each were allotted during the year 2013-14 to the shareholders of J K Sugar Ltd pursuant to the scheme of amalgamation without payment being received in cash.

"3. f" - Right attached to Preference shares

- The Preference shares will constitute direct, unconditional, un-subordinated and unsecured obligations of the company and will at all times rank pari passu and without any preference among them.
- No premature redemption option to the company, nor to the shareholders of Cumulative Redeemable Preference shares and no option to the shareholders to seek redemption in case of non-payment of dividend.

"3. g" - Terms of redemption of Preference shares

- 18,01,817 - 8% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 3 equal yearly installments commencing from April 01, 2014. The amount due for redemption as at 31st March, 2016 is ₹ 9 Crores, (₹3 Crores).

Notes on Financial Statements for the year ended 31st March, 2016

"3.h" - The Board of directors recommended the following dividend :

Particulars	As at 31.03.2016	As at 31.03.2015
Proposed dividend per equity share of ₹ 10/- each	₹ NIL	₹ NIL
Proposed dividend per 6% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ NIL	₹ NIL
Proposed dividend per 1% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ NIL	₹ NIL
Proposed dividend per 8% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ NIL	₹ NIL

"3B" - Money received against Equity share warrants

(₹ in crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Money recieved against Equity share warrants 0 (15,00,000) Equity share warrants of ₹ 8.25 per warrant	0.00	1.24
Total	0.00	1.24

"3B. a"- During the financial year, 15,00,000 Equity shares of ₹ 10/- each at a premium of ₹ 23/- per share has been allotted on conversion of 15,00,000 equity share warrants.

Notes on Financial Statements for the year ended 31st March, 2016

"4" Reserves And Surplus

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Capital reserve				
Balance as per last account	10.64		10.64	
Add: Net gain on sale of RECs' transfer from surplus	14.59	25.23	0.00	10.64
Securities premium reserve				
Balance as per last account	323.41		319.96	
Add: received during the year	3.45	326.86	3.45	323.41
Reserve for construction of Molasses Storage Tank				
Balance as per last account	1.06		1.57	
Add: Provided during the period	0.16		0.10	
Less: Transferred to General Reserve	0.00	1.22	(0.61)	1.06
Capital redemption reserve				
Balance as per last account	3.72		0.00	
Add: transferred from general reserve	0.00	3.72	3.72	3.72
Revaluation Reserve				
Balance as per last account	35.69		35.69	
Add: During the year (Refer Note No. - '10')	259.39	295.08	0.00	35.69
General reserve				
Balance as per last account	46.24		54.43	
Add: Transferred from Reserve for Construction of Molasses Storage Tank	0.00		0.61	
Less: adjustment relating to fixed assets	0.00		5.08	
Less: Transferred to Capital Redemption Reserve	0.00	46.24	3.72	46.24
Surplus/(Deficit)				
Balance as per last account	(68.66)		(58.30)	
Profit/(loss) for the year	31.95		(10.36)	
Less: Net gain on sale of RECs' transfer to Capital Reserve	14.59		0.00	
Net deficit		(51.30)		(68.66)
Total		647.05		352.10

Notes on Financial Statements for the year ended 31st March, 2016

"5" - Long-term borrowings

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
Term loans				
Secured				
Rupee term loans from banks	349.26	85.22	340.88	76.92
Rupee term loans from banks SEFASU	66.94	36.51	103.45	6.08
Rupee term loans from banks Soft loan	99.09	0.00	0.00	0.00
Foreign currency term loan from bank	0.00	0.00	44.80	24.05
Zero coupon rupee term loans from banks	0.00	0.00	0.00	2.06
Rupee term loans from sugar development fund	18.24	25.37	44.07	25.83
	533.53	147.10	533.20	134.94
Unsecured				
Deposits - from related parties	4.13	2.68	2.68	5.80
- from public	4.76	2.08	4.20	2.52
Buyers' credit from bank	3.37	29.67	31.16	0.00
	12.26	34.43	38.04	8.32
Total	545.79	181.53	571.24	143.26

"5.a" - Nature of security

- Rupee term loan from bank under the Government sponsored subvention Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU), 2014 of ₹ 103.45 crores are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.
- Rupee term loan from bank under the Government sponsored Scheme for Extending soft loan to sugar mills of ₹ 99.09 crores are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.
- Rupee 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 are secured by first parri passu charge on all movable and immovable assets except book debts, stock-in-trade, raw materials, spare parts and other current assets.
- All the term loans are guaranteed by four directors.

Notes on Financial Statements for the year ended 31st March, 2016

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

(₹ in crores)

Particulars	ROI (%) as on 31.03.2016	F.Y.-2017-18	F.Y.-2018-19	F.Y.-2019-20	Beyond F.Y.-2019-20	Total
Secured						
Term Loans from banks	12.70%	4.86	0.00	0.00	0.00	4.86
	12.50%	2.50	0.00	0.00	0.00	2.50
	12.45%	10.83	10.83	10.83	18.96	51.45
	12.35%	52.83	36.63	25.00	0.00	114.46
	12.25%	11.39	15.18	15.18	34.16	75.91
	12.20%	8.00	6.00	0.00	0.00	14.00
	12.00%	9.00	8.50	3.75	0.00	21.25
	11.35%	23.20	23.20	17.40	0.00	63.80
	10.00%	0.84	0.19	0.00	0.00	1.03
Term Loans from banks Soft loan	*2.25%	14.86	19.82	19.82	39.87	94.37
Term Loans from banks Soft loan	*1.75%	0.59	1.18	1.18	1.77	4.72
Term Loans from banks SEFASU	Nil	36.51	30.43	0.00	0.00	66.94
Sub-total		175.41	151.96	93.16	94.76	515.29
Rupee term loans from sugar development fund	7.00%	3.60	2.23	0.67	0.00	6.50
	4.00%	11.74	0.00	0.00	0.00	11.74
Sub-total		15.34	2.23	0.67	0.00	18.24
Total secured		190.75	154.19	93.83	94.76	533.53
Unsecured Deposits	11% to 12%	8.89	-	-	-	8.89
Buyers Credit from Bank	1.78%	2.97	0.40	-	-	3.37
Grand-total		202.61	154.59	93.83	94.76	545.79

* Net of interest subvention of 10% from Ministry for Consumer Affairs, Food and Public Distribution for one year from the date of disbursement. After one year interest would be payable as per rate applicable to the company, which is 12.25% & 11.75% respectively as on 31st March 2016.

"6" Long-term Provisions

(₹ in crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits :		
Provision for gratuity	20.82	20.65
Total	20.82	20.65

Notes on Financial Statements for the year ended 31st March, 2016

"7" - Short-term Borrowings

(₹ in crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured		
Cash credit from banks	919.32	858.58
Rupee loans from banks	0.00	30.00
	919.32	888.58
Unsecured		
Deposits - from related parties	3.30	0.80
- from public	5.26	3.64
Short term loans and advances - from related parties	0.59	0.84
- from others	0.00	0.02
	9.15	5.30
Total	928.47	893.88

"7.a" - Nature of security

Cash Credit limits from District Co-operative Banks/UPCBs' having outstanding of ₹ 355.46 Crores as at 31st March, 2016 are secured by pledge of stocks of sugar and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

All other Cash credit limits from banks having outstanding of ₹ 563.86 Crores as at 31st March, 2016 are secured by pledge of stocks of sugar and hypothecation of consumable stores and spare parts, chemicals, molasses etc. and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

"8" - Trade payables and Other Liabilities

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
Trade payables (Refer Note No. - '36' of dues to micro and small enterprises)	0.00	456.88	0.00	675.19
Other Non Current & Current Liabilities				
Current maturities of long term borrowings (Refer Note No. - '5')	0.00	181.53	0.00	143.26
Interest accrued but not due on borrowings	0.99	2.94	3.49	4.29
Interest accrued and due on borrowings*	0.00	5.31	0.00	3.79
Unpaid dividend	0.00	0.26	0.00	0.26
Unpaid matured deposits and interest accrued thereon	0.00	0.20	0.00	0.31
Advance from customers	0.00	1.52	0.00	1.17
Security deposits	0.00	4.42	0.00	4.11
Statutory dues payable	0.00	68.59	0.00	41.56
Other Liabilities	0.00	239.18	0.00	229.55
Sub Total	0.99	503.95	3.49	428.30
Total	0.99	960.83	3.49	1103.49

"8.a" Other Liabilities represents amounts payable to commercial banks in respect of agriloans facilitated by the company. The company has provided corporate guarantee in respect of such loans including interest due thereon.

* Represents interest debited by banks on loans at the close of business hours as at 31st March 2016 which has been repaid by the company on next working day.

Notes on Financial Statements for the year ended 31st March, 2016

"9" - Short-term provisions

(₹ in crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits :		
Provision for employees	8.53	10.01
Other provisions :		
Provision for tax	4.11	0.00
Total	12.64	10.01

"10" - Tangible Assets

(₹ in crores)

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Railway sidings	Weigh-bridge	Computers	Office Equipments	Electrical Appliances	Vehicles	Live Stock	Farm Asset & Equipment	Total (2015-2016)	Total (2014-2015)
Cost														
As on 01-04-2015	87.22	171.53	1635.15	11.71	0.00	7.55	10.21	2.46	8.51	17.20	0.01	0.55	1952.10	1726.22
Addition on account of revaluation (Refer Note No. - "10.a")	259.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	259.39	0.00
Additions	0.12	1.13	31.89	0.40	0.00	0.24	0.69	0.08	0.37	3.46	0.00	0.34	38.72	223.60
Disposals	0.09	0.76	1.59	0.45	0.00	0.00	1.01	0.00	0.00	1.11	0.00	0.00	5.01	2.67
Other adjustments : - Exchange differences	0.00	0.00	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29	(0.01)
- Borrowing costs	0.00	0.00	0.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.54	4.96
As at 31-03-2016	346.64	171.90	1666.28	11.66	0.00	7.79	9.89	2.54	8.88	19.55	0.01	0.89	2246.03	1952.10
Depreciation														
As on 01-04-2015	0.00	46.45	610.34	8.22	0.00	6.27	8.83	2.22	5.34	12.30	0.00	0.39	700.36	640.27
Charges for the year	0.00	6.30	44.19	1.07	0.00	0.25	0.47	0.07	0.86	1.58	0.00	0.04	54.83	55.13
Disposals	0.00	0.63	0.66	0.07	0.00	0.00	0.68	0.00	0.00	0.91	0.00	0.00	2.95	2.29
Adjusted from retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.25
As at 31-03-2016	0.00	52.12	653.87	9.22	0.00	6.52	8.62	2.29	6.20	12.97	0.00	0.43	752.24	700.36
Net Block														
As at 31-03-2015	87.22	125.08	1024.81	3.49	0.00	1.28	1.38	0.24	3.17	4.90	0.01	0.16	1251.74	1085.95
As at 31-03-2016	346.64	119.78	1012.41	2.44	0.00	1.27	1.27	0.25	2.68	6.58	0.01	0.46	1493.79	1251.74

"10.a" The Company has revalued its land of as on 25.03.2016 at fair market value as valued by an independent certified valuer. The land at meerganj unit has also been revalued as on 07.10.2013 at replacement value, valued by independent certified valuer. Consequent to revaluation as at 25/03/2016, the value of land is further increased by ₹ 259.39 Crores during the year and by ₹ 295.08 Crores as at 31st March, 2016.

Notes on Financial Statements for the year ended 31st March, 2016

"11" - Non-current Investments

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Trade Investments :-				
Ramganga Sanyukta Sahkari Kheti Samiti Limited (Unquoted)				
01 Equity share of ₹ 100/- each fully paid-up		#		#
In Subsidiary Companies (Unquoted) :				
Investment in Equity shares (fully paid-up unless otherwise stated)				
Dhampur International Pte Ltd.:-				
10000 Equity shares of SG\$ 1/- each		#		#
2000000 Equity Shares of US \$ 1/- each		10.80		10.80
Other Investments :-				
In Other Companies :				
Investment in Equity shares (fully paid-up unless otherwise stated)				
VLS Finance Limited (Quoted)				
263142 Equity shares of ₹ 10/- each	0.44		0.44	
South Asian Enterprises Limited (Quoted) (**)				
250000 Equity shares of ₹ 10/- each				
(At cost less provision for diminution in value				
₹ 0.25 crores (P.Y. ₹ 0.25 crores))	#	0.44	#	0.44
Investment in Mutual fund				
Baroda Pioneer Income Fund - Dividend Reinvestment Plan (Quoted)				
(Merged out from Baroda Pioneer PSU Bond Fund - Monthly Dividend Plan)				
160174 (334356) Units of ₹ 10/- (₹10/-) each		0.36		0.34
Total		11.60		11.58

(₹ in crores)

Disclosure of non-current investments	As at 31.03.2016	As at 31.03.2015
Aggregate amount of quoted investments	0.80	0.78
Aggregate amount of unquoted investments	10.80	10.80
Total investments net of provision for diminution	11.60	11.58
Aggregate provision for diminution in value of investments (**)	0.25	0.25
Aggregate market value of quoted investments	1.17	1.25

"12" - Deferred Tax Asset/(Liability) (Net)

(₹ in crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Deferred Tax Asset :		
i) On account of timing difference of expenses which are allowable under		
Income Tax Laws in subsequent years	10.83	12.77
ii) On account of carried forward losses and unabsorbed depreciation	169.95	148.82
	180.78	161.59
Deferred Tax Liability :		
i) On account of differences in written down value of fixed assets	145.57	116.49
Net Deferred Tax Asset/ (Liability)	35.21	45.10

Notes on Financial Statements for the year ended 31st March, 2016

"13" - Long and short term loans and advances

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
(Unsecured considered good unless otherwise stated)				
Capital advances	5.64	0.00	2.12	0.00
Security deposits:-				
- to related parties (Refer Note No. - '34' for details)	2.19	0.00	2.19	0.00
- to others	0.82	0.12	1.29	0.17
Other loans and advances :				
Advances to employees	0.00	0.46	0.00	0.53
Advances to suppliers/contractors/service providers	0.00	10.07	0.00	13.33
Loans	0.00	0.00	0.00	0.56
Balances with revenue authorities	0.00	9.92	0.00	18.61
Income tax and wealth tax payments	0.00	1.21	0.00	1.27
MAT credit entitlement	11.28	0.00	7.17	0.00
Payments of taxes under protest/appeal	0.00	1.57	0.00	1.83
Prepaid expenses	0.00	3.23	0.00	3.05
Total	19.93	26.58	12.77	39.35

Details of Loan:				
Ujjwal Microfinance Finance Private Ltd.	0.00	0.00	0.00	0.56

"14" - Other non-current and current assets

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current	Non-Current	Current
(Unsecured considered good unless otherwise stated)				
Others :				
Inventory - Loose tools and equipments	0.19	0.00	0.21	0.00
Insurance claim receivable	0.00	6.79	0.00	11.14
Subsidy receivable from government/government authority	0.00	32.88	0.00	150.87
Interest receivable	0.00	0.29	0.00	0.54
Others	0.00	0.29	0.00	3.11
Total	0.19	40.25	0.21	165.66

Notes on Financial Statements for the year ended 31st March, 2016

"15" - Inventories

(₹ in crores)

Particulars	As at 31.03.2016	As at 31.03.2015
(Refer Note No. - '2' for Mode of Valuation)		
Raw materials	36.37	53.87
Goods-in-process	35.91	30.73
Standing cane and other crops	0.35	0.28
Finished goods	1148.09	1126.15
Traded goods	4.42	5.02
Stores, Spare parts, P.P. bags, Chemicals etc.	36.64	36.21
Total	1261.78	1252.26

"16" - Trade receivables

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding six months from the date they are due for payment :				
- Considered good	1.87		0.67	
- Considered doubtful	0.00		0.02	
- Provision for doubtful	0.00	1.87	(0.02)	0.67
Other receivables		254.39		221.02
Total		256.26		221.69

"17" - Cash and cash equivalents

(₹ in crores)

Particulars	As at 31.03.2016		As at 31.03.2015	
Cash and cash equivalents				
Balances with banks :				
On Current accounts	9.42		4.81	
On unpaid dividend account	0.26	9.68	0.26	5.07
Cash on hand		1.56		1.87
Other bank balances :				
Deposits pledged against margin money/guarantee	2.44		2.27	
Deposits earmarked for Fixed Deposit	3.66		3.57	
Deposits earmarked for Molasses Storage Fund	0.79	6.89	1.18	7.02
Total		18.13		13.96

Notes on Financial Statements for the year ended 31st March, 2016

"18" - Revenue From Operations/purchases of Stock-in-trade/inventories

(₹ in crores)

Particulars	Opening stock	Production/Purchases	Sales/Revenue from operations	Closing stock
	Value (₹)	Value (₹)	Value (₹)	Value (₹)
Revenue from operations				
Sale of Products				
Finished goods				
Sugar	971.73	-	1468.52	1036.74
Previous year	(1020.88)	-	(1224.81)	(971.73)
Molasses	91.37	-	-	67.58
Previous year	(64.61)	-	(9.83)	(91.37)
Chemicals	26.14	-	402.85	14.99
Previous year	(26.20)	-	(305.38)	(26.14)
Farm produce	0.06	-	0.77	0.31
Previous year	(0.10)	-	(1.04)	(0.06)
Power	-	-	218.42	-
Previous year	-	-	(163.14)	-
Others	36.85	-	0.19	28.47
Previous year	(28.56)	-	(0.97)	(36.85)
Sub-total finished goods	1126.15	0.00	2090.75	1148.09
Previous year	(1140.35)	0.00	(1705.17)	(1126.15)
Traded goods				
Coal	-	42.85	43.71	-
Previous year	-	(36.93)	(37.70)	-
Soyabean Oil	-	38.20	37.91	-
Previous year	-	(36.24)	(36.84)	-
Sugar	-	60.96	61.32	-
Previous year	-	-	-	-
Other purchases	5.02	30.02	31.88	4.42
Previous year	(0.79)	(30.61)	(28.02)	(5.02)
Sub-total traded goods	5.02	172.03	174.82	4.42
Previous year	(0.79)	(103.78)	(102.56)	(5.02)
Total	1131.17	172.03	2265.57	1152.51
Previous year	(1141.14)	(103.78)	(1807.73)	(1131.17)
Stock-in-process :				
Sugar	16.46		-	16.92
Previous year	(26.82)			(16.46)
Molasses	1.93			1.51
Previous year	(2.01)			(1.93)
Chemicals	12.34			17.48
Previous year	(6.81)			(12.34)
Standing crops	0.28			0.35
Previous year	(0.33)			(0.28)
Sub-total Stock-in-process	31.01		-	36.26
Previous year	(35.97)			(31.01)
Total (Gross) (A)	1,162.18	172.03	2,265.57	1,188.77
Previous year	(1,177.11)	(103.78)	(1,807.73)	(1,162.18)

Notes on Financial Statements for the year ended 31st March, 2016

Other operating revenue

(₹ in crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Miscellaneous income	2.20	3.52
Refund of administrative charges on Molasses	0.00	5.78
Scrap sale	1.43	1.85
Balances written back	1.23	2.40
Insurance claim received	0.00	10.22
Provision no longer required written back	1.14	4.38
Duty Draw Back	3.84	6.04
Other operating revenue (B)	9.84	34.19
Total Revenue from operations (Gross)(A+B)	2275.41	1841.92

"19" - Other income

(₹ in crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Rent	1.28	1.13
Profit on sale of assets	1.44	0.16
Income from Consultancy services	0.09	0.00
Services charges received	1.02	0.00
Interest income	2.36	1.39
Foreign exchange differences (net)	0.00	3.40
Provision for impairment of investment reversed	3.24	0.00
Income from REC (Net of expenses)	14.59	10.39
Dividend income	0.03	0.02
Total	24.05	16.49

"20" - Cost of Raw materials consumed

(₹ in crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	(₹)	(₹)
Sugar cane consumed		
Sugar cane purchases	1346.52	1268.87
Expenses on purchase of sugar cane	42.23	39.51
Cane commission	13.93	7.68
Less: Subsidy from state government	(30.64)	(154.86)
	1372.04	1161.20
Add : Opening stock of cane	2.87	3.12
Less : Closing stock of cane	(2.85)	(2.87)
Sub-total	1372.06	1161.45
Molasses consumed	58.41	32.44
Bagasse & other fuel consumed	37.59	2.48
Chemicals and others	47.76	77.69
Total	1515.82	1274.06

Notes on Financial Statements for the year ended 31st March, 2016

"21" - (Increase)/Decrease in inventories

(₹ in crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Inventories at the end of the year		
Finished goods	1148.09	1126.15
Stock-in-process	36.26	31.01
Traded goods	4.42	5.02
	1188.77	1162.18
Inventories at the beginning of the year		
Finished goods	1126.15	1140.35
Stock-in-process	31.01	35.97
Traded goods	5.02	0.79
	1162.18	1177.11
Net excise duty on account of (Increase)/decrease in inventories	27.66	5.00
(Increase)/Decrease in inventories	1.07	19.93

"22" - Employees benefits expense

(₹ in crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Salary, wages and bonus	69.81	62.97
Contribution to provident and other funds	6.21	5.67
Workmen and staff welfare expenses	1.79	2.30
Gratuity	2.08	2.63
Voluntary retirement compensation	0.68	0.76
Total	80.57	74.33

Notes on Financial Statements for the year ended 31st March, 2016

"23" - Other expense

(₹ in crores)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Consumption of stores, spares and other manufacturing expense		43.68		30.42
Packing material expense		26.68		26.75
Expenditure on crops		0.56		0.48
Power and fuel		7.02		3.73
Repairs and maintenance :				
Plant and machinery	40.16		32.42	
Buildings	4.62		3.50	
Others	2.58	47.36	2.62	38.54
Rent		5.78		5.09
Rates and taxes		2.30		2.16
Charity and donation		0.23		0.23
Insurance		2.01		1.81
Molasses fund		0.16		0.10
Selling expenses :				
Commission to selling agents	11.21		8.86	
Other selling expense	10.75	21.96	16.69	25.55
Payment to auditors :				
Audit fee	0.21		0.20	
Tax audit fee	0.06		0.05	
Income Tax Matters & Other Certification Fees	0.08		0.06	
Reimbursement of expenses	0.02	0.37	0.01	0.32
Miscellaneous expenses		24.01		23.60
CSR Expenses		0.39		0.05
Cane development expense		7.12		7.27
Expenses relating to earlier year		0.02		0.31
Foreign exchange difference (Net)		1.70		0.00
Balances written-off		0.00		0.17
Provision for doubtful debts		0.00		0.02
Directors sitting fee		0.11		0.11
Loss on sale of fixed assets		0.18		0.66
Loss on sale of export quota obligation		5.58		0.00
Total		197.22		167.37

"24" - Finance costs

(₹ in crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest	156.40	152.92
Documentaion and other bank charges	4.55	4.18
Foreign exchange difference (Net)	4.94	4.55
	165.89	161.65
Less : Interest & documentation charges capitalized during the period	(1.68)	(6.98)
Less : Interest subsidy claimed under UPSIPP 2013	(5.58)	(5.01)
Total	158.63	149.66

Notes on Financial Statements for the year ended 31st March, 2016

"25" Details of pre-operative and trial run expenses included in Capital Work in Progress: (₹ in crores)

Particulars	2015-2016	2014-2015
Opening Balance	1.12	17.77
(a) Raw Material Consumed	4.99	3.58
(b) Consumption of Stores & other Manufacturing Expenses	0.01	0.06
(c) Power & Fuel	0.16	0.16
(d) Payments to and Provision for Employees	0.11	0.09
(e) Administrative and Other Expenses	-	0.18
(f) Interest Finance and Loan Raising Expenses	1.68	6.98
Total	8.07	28.82
Less:		
(g) Borrowing Cost Capitalised during the year	0.54	4.96
(h) Pre-operative expenses capitalised during the year	0.42	18.34
(i) Sale of Power	-	4.40
Balance Pre-Operative Expenses Pending for Allocation	7.11	1.12

26 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 revenue subsidy for reimbursement of taxes and other charges aggregating to ₹ 60.50 crores upto 31st March, 2016 (including ₹ 2.70 crores for the current year).

27 During the year, the company earned net gain of ₹ 14.59 crores (net of expenses of ₹ 3.31 crores) on sale of 119348 numbers of Renewal Energy Certificates (RECs). These RECs were generated due to environmental concerns and allotted to the company as per Regulation on REC, notified by Central Electricity Regulatory Commission. The earning of these RECs are not an off shoot of business but an off shoot of environmental concerns and hence, the net gain from such sale has been held to be a capital receipt and not an income forming part of the operations of the company by the courts. The courts have further held that the net earning on the sale of these RECs does not fall within the definition of income under the Income Tax Act, 1961 and hence could not be taxed under the normal provisions of taxation as well as under the provisions of section 115JB of the Act. In view of these legal pronouncements, the net earnings on such sale amounting to ₹ 14.59 crores, credited to the profit and loss statement as other income, has been concurrently added to the "Capital Reserve" by reduction from "Net Profit carried to the Surplus/Deficit" treating it as a capital receipt.

28 During the year, U.P. Government has remitted part of cane commission payable for the sugar season 2012-13 amounting to ₹ 14.60 Crores. The same has been shown as exceptional items (net of taxes) in the profit and loss account.

29 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.

30 Expenditure on Corporate Social Responsibilities (CSR) Activities:
The various heads under which the CSR expenditure was incurred during the year is detailed as follows:

(₹ in crores)

S. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2015-2016	2014-2015
a)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	0.36	0.05
b)	Clause (vii)	Promoting rural sports, nationally recognised sports, paralympic sports and Olympic sports	0.03	0.00
	Total		0.39	0.05

Notes on Financial Statements for the year ended 31st March, 2016

31 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:

(₹ in crores)

	2015-2016	2014-2015
A) Change in Obligation over the year ended 31.03.2016		
Present Value of defined obligation as on 01.04.2015	22.45	21.58
Current Service Cost	1.22	1.23
Interest Cost	1.78	1.81
Actuarial Gains/losses	(1.27)	(1.30)
Benefits Paid	(1.48)	(0.87)
Present Value of defined obligation as on 31.03.2016	22.70	22.45
B) Expenses recognised during the year ended 31.03.2016		
Current Service Cost	1.22	1.23
Interest Cost	1.78	1.81
Actuarial Gains/losses	(1.27)	(1.30)
Current Service Cost & Actuarial losses in respect of seprated employees	0.35	0.89
Total	2.08	2.63
C) Principal Actuarial Assumptions :		
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate (per Annum)	8.00%	(8.00%)
Rate of Escalation in Salary (per Annum)	5.50%	(5.50%)

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

(iii) Defined Contribution Plan:

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

(₹ in crores)

	2015-2016	2014-2015
Employer's Contribution to Provident Fund :	1.80	1.43
Employer's Contribution to Pension Fund :	3.02	2.73

(iv) In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Provident Fund:

Actuarial valuation carried out in respect of interest shortfall in the Provident Fund Trust of the Company, as per Deterministic Approach shows "Nil" liability, hence no provision is made in F.Y. 2015-16.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Company:

Notes on Financial Statements for the year ended 31st March, 2016

(₹ in crores)

	2015-2016	2014-2015
A) Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation at beginning of the year	51.82	47.59
Current Service Cost	1.39	1.51
Interest Cost	4.15	3.81
Employee Contribution	3.29	2.99
Actuarial (Gain)/loss	0.70	0.80
Benefits paid	6.44	4.87
Closing defined benefit obligation at end of the year	54.91	51.83
B) Change in Plan Assets:		
Opening fair value of Plan Assets as at beginning of the year	52.98	49.07
Expected Return on Plan Assets	4.66	4.29
Contributions	4.68	4.50
Benefits Paid	6.44	4.87
Actuarial Gain/(Loss) on plan Assets	(0.24)	(0.01)
"Closing fair value of plan assets as at end of the year"	55.64	52.98
C) Reconciliation of present value of the obligation and fair value of the plan assets:		
Present Value of Funded obligation at end of the year	54.91	51.83
Fair Value of Plan assets at end of the year	55.64	52.98
Deficit/(Surplus)	(0.73)	(1.15)
Net Asset not recognised in Balance Sheet	(0.73)	(1.15)
D) Net Cost recognised in the profit and loss account:		
Current Service Cost	1.39	1.51
Interest Cost	4.15	3.81
Expected return on plan assets	4.66	4.29
Interest shortfall reversed	0.51	0.48
Total costs of defined benefit plans included in Note No 22		
"Payments to and provisions for employees"	1.39	1.51
E) Principal Actuarial Assumptions:		
(i) Economic Assumptions		
(a) Expected statutory interest rate	8.80%	8.75%
(b) Expected short fall in interest earnings on the fund	0.05%	0.05%
(ii) Demographic Assumptions		
(a) Mortality	IALM (2006-08)	IALM (2006-08)
(b) Disability	None	None
(c) Withdrawal Rate (Age related)		
Up to 30 Years	3.00%	3.00%
Between 31 - 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%
(d) Normal Retirement Age (in Years)	60	60

Notes on Financial Statements for the year ended 31st March, 2016

"32" Segment information as per Accounting Standard - 17 on "Segment Reporting" :-

The Company has identified three primary business segments viz. Sugar, Distillery and Power. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and are not allocate to segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- Since the company's activities/operations are primarily within country and considering the nature of products. Its risk and returns are same as such there is only on geographical segment.

(₹ in crores)

Particulars	Sugar	Chemicals	Co-gen	Others	Total
1. Segment Revenue (including Excise Duty)					
a) External Sales	1,473.33	407.54	218.67	175.87	2,275.41
Previous Year	(1,338.00)	(321.84)	(163.27)	(18.81)	(1,841.92)
b) Inter Segment Sales	341.32	5.48	260.21	12.55	619.56
Previous Year	(273.94)	(4.84)	(217.14)	-	(495.92)
c) Total Revenue	1,814.65	413.02	478.88	188.42	2,894.97
Previous Year	(1,611.94)	(326.68)	(380.41)	(18.81)	(2,337.84)
2. Segment Results					
(Profit+)/Loss(-) before Tax and Interest from each segment)	(40.15)	64.66	188.77	(3.02)	210.26
Previous Year	(-90.91)	(47.02)	(160.34)	(-3.38)	(113.07)
Less : Finance costs					158.63
Previous Year					(149.66)
Less/ Add :Other Unallocable Expense/Income					
net off Unallocable Income/Expenses					14.17
Previous Year					(15.10)
Net Profit(+)/loss(-) before Tax					37.46
Previous Year					(51.69)
Less: Tax expense (Net)					(5.51)
Previous Year					(41.33)
Net Profit(+)/Loss(-) after Tax					31.95
Previous Year					(-10.36)
3. Other Information					
a) Segment Assets	2,106.47	339.85	674.15	9.93	3,130.40
Previous Year	(2,016.81)	(305.57)	(679.77)	(9.92)	(3,012.07)
Unallocable Corporate Assets					61.49
Previous Year					(19.99)
Total Assets					3,191.89
Previous Year					(3,032.06)
b) Segment Liabilities	782.93	11.63	3.83	2.00	800.39
Previous Year	(952.48)	(21.03)	(4.57)	(4.44)	(982.52)
Unallocable Corporate Liabilities					1,669.15
Previous Year					(1,620.24)
Total Liabilities					2,469.54
Previous Year					(2,602.76)
c) Capital Expenditure	21.96	22.13	5.20	0.68	49.97
Previous Year	(15.72)	(2.75)	(19.25)	(1.54)	(39.26)
d) Depreciation	31.61	8.74	14.18	0.33	54.86
Previous Year	(39.11)	(8.79)	(13.76)	(0.74)	(62.40)
e) Non Cash Expenditure other than Depreciation	0.34	#	-	#	0.34
Previous Year	(0.84)	(0.02)	(0.09)	-	(0.95)

Notes on Financial Statements for the year ended 31st March, 2016

"33" Earnings per Share (EPS) :

	Year Ended 31.03.2016		Year Ended 31.03.2015	
i) Net Profit/ Loss(-) after Extra Ordinary Items & Provision				
for Taxes	₹ in crores	30.51	₹ in crores	(12.07)
(Used as numerator for calculating EPS)				
ii) Weighted average No.of Equity Shares outstanding				
during the period:				
(Used as denominator for calculating EPS)				
- for Basic EPS	No.	59151734	No.	57223154
- for Diluted EPS	No.	59151734	No.	58723154
iii) Earning per Share before and after Extra Ordinary Items				
- Basic	₹	5.16	₹	(2.11)
- Diluted	₹	5.16	₹	(2.06)
(Equity Share of Face value of ₹ 10 each)				

34 Related Party Disclosures:

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

i) Enterprises where control exists:

Subsidiary -

1 Dhampur International Pte Limited

ii) Enterprises which have significant influence and also owned or significantly influenced by Key Management Personnel

1 Goel investments Limited

2 Ujjwal Rural Services Limited

3 Saraswati Properties Limited

iii) Enterprises owned or significantly influenced by Key Management Personnel or their relatives

1 Shudh Edible Products Limited

2 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. Arhant Jain, Executive President (Finance) & Company secretary

Mrs. Brij Bala Jain (Mother), Mr. Arvind Jain (Brother), Mrs. Anita Jain (Wife), Mr. Anubhav Jain (Son), Mr. Ashish Jain (Son),

Mrs. Ankita Jain (Daughter in law), Mrs. Shruti Jain (Daughter in law),

Arhant Jain (HUF), Anubhav Jain (HUF), Ashish Jain (HUF), Arvind Jain (HUF).

6 Mr. Sandeep Sharma, Executive President

Mrs. Poonam Sharma (Wife), Mr. Rahul Sharma (Son), Ms. Sona Sharma (Daughter)

Sandeep Sharma (HUF)

7 Mr. Priya Brat, Director

Mrs. Shakuntala Brat (Wife), Ms. Anu Mahendru (Daughter)

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

9 A.K. Goel, H.U.F.

10 Gaurav Goel, H.U.F

11 Gautam Goel, H.U.F

Notes on Financial Statements for the year ended 31st March, 2016

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016
(₹ in crores)

Particulars	2015-2016	2014-2015
Transactions during year ended 31.03.2016		
1 Loans/advances given	0.00	2.02
Goel Investment Limited	-	0.39
India Greenfuel Private Limited	-	0.07
Saraswati Properties Limited	-	0.86
Shudh Edible Products Limited	-	0.71
2 Reciepts towards Loan /Advances given	0.00	2.02
Goel Investment Limited	-	0.39
India Greenfuel Private Limited	-	0.07
Saraswati Properties Limited	-	0.86
Shudh Edible Products Limited	-	0.71
3 Loans taken	1.51	5.04
Goel Investment Limited	0.50	0.84
India Greenfuel Private Limited	-	0.06
Saraswati Properties Limited	-	2.87
Shudh Edible Products Limited	-	1.23
Ujjwal Rural Services Limited	-	0.04
Mr. Gautam Goel	0.26	-
Mr. Gaurav Goel	0.75	-
4 Loans repaid	1.76	4.32
Goel Investment Limited	0.31	0.47
India Greenfuel Private Limited	0.01	0.03
Saraswati Properties Limited	0.27	2.63
Shudh Edible Products Limited	0.04	1.19
Ujjwal Rural Services Limited	0.12	-
Mr. Gautam Goel	0.26	-
Mr. Gaurav Goel	0.75	-
5 Unsecured Deposits Taken (Fixed Deposit)	7.60	3.42
Mrs. Deepa Goel	0.13	0.22
Mr. Ashok Kumar Goel	0.31	0.88
Mrs Vinita Goel	1.27	1.11
Mrs Priyanjali Goel	0.12	0.54
Mrs Bindu Vashist Goel	0.33	0.07
Mr. Arhant Jain	0.17	-
Mrs. Brij Bala Jain	0.74	-
Mrs. Anita Jain	0.40	-
Mr. Anubhav Jain	0.16	-
Mr. Ashish Jain	0.62	-
Mrs. Ankita Jain	0.28	-
Mrs. Shruti Jain	0.69	-
Arhant Jain (HUF)	0.41	-

Notes on Financial Statements for the year ended 31st March, 2016

(₹ in crores)

Particulars	2015-2016	2014-2015
Ashish Jain (HUF)	0.12	-
Anubhav Jain (HUF)	0.11	-
Arvind Jain (HUF)	0.23	-
Mrs. Poonam Sharma	0.12	-
Ms. Sona Sharma	0.06	0.03
Sandeep Sharma (HUF)	0.05	0.04
Mrs. Shakuntala Brat	0.12	-
V.K. Goel (HUF)	0.26	0.12
A.K. Goel (HUF)	0.30	0.14
Gaurav Goel (HUF)	0.30	0.14
Gautam Goel (HUF)	0.30	0.14
6 Unsecured Deposits Matured (Fixed Deposit)	6.77	2.58
Mrs. Deepa Goel	0.11	0.21
Mr. Ashok Kumar Goel	0.22	0.66
Mrs Vinita Goel	1.06	0.42
Mrs Priyanjali Goel	0.09	0.54
Mrs Bindu Vashist Goel	0.26	0.06
Mr. Arhant Jain	0.11	-
Mrs. Brij Bala Jain	0.68	-
Mrs. Anita Jain	0.24	-
Mr. Anubhav Jain	0.35	-
Mr. Ashish Jain	0.87	-
Mrs. Ankita Jain	0.23	-
Mrs. Shruti Jain	0.75	-
Arhant Jain (HUF)	0.33	-
Ashish Jain (HUF)	0.08	-
Anubhav Jain (HUF)	0.07	-
Arvind Jain (HUF)	0.18	-
Mrs. Poonam Sharma	0.06	0.11
Mr. Rahul Sharma	0.01	0.01
Ms. Sona Sharma	0.06	0.02
Sandeep Sharma (HUF)	0.04	0.04
Mrs. Shakuntala Brat	0.03	-
V.K. Goel (HUF)	0.21	0.12
A.K. Goel (HUF)	0.24	0.14
Gaurav Goel (HUF)	0.25	0.13
Gautam Goel (HUF)	0.24	0.13
7 Sale of Goods	126.29	125.46
Dhampur International Pte Limited	126.29	125.46
8 Purchase of Goods	18.45	0.00
Dhampur International Pte Limited	18.45	-

Notes on Financial Statements for the year ended 31st March, 2016

(₹ in crores)

Particulars	2015-2016	2014-2015
9 Subscription of Equity Shares on conversion of Warrants	3.71	3.71
M/s Saraswati Properties Ltd.	-	3.71
Mr. Gaurav Goel	1.86	-
Mr. Gautam Goel	1.85	-
10 Rent paid	3.60	3.58
Goel Investment Limited	0.12	0.12
Saraswati Properties Limited	1.48	1.48
Shudh Edible Products Limited	1.98	1.98
Ujjwal Rural Services Limited	0.02	-
11 Remuneration paid	3.75	2.23
Mr. Vijay Kumar Goel	0.89	0.48
Mr. Ashok Kumar Goel	0.89	0.48
Mr. Gaurav Goel	0.89	0.48
Mr. Gautam Goel	0.75	0.48
Mr. Arhant Jain	0.10	0.10
Mr. Sandeep Sharma	0.15	0.14
Mr. Arvind Jain	0.08	0.07
12 Directors Perquisites (As per Income Tax Act)	0.51	0.00
Mr. Vijay Kumar Goel	0.13	-
Mr. Ashok Kumar Goel	0.12	-
Mr. Gaurav Goel	0.12	-
Mr. Gautam Goel	0.13	-
Mr. Sandeep Sharma	0.01	-
13 Interest expense	1.08	0.81
Mrs. Deepa Goel	0.04	0.02
Mr. Ashok Kumar Goel	0.13	0.05
Mrs Vinita Goel	0.18	0.08
Mrs Priyanjali Goel	0.08	0.05
Mrs. Bindu Goel	0.05	0.04
Mr. Arhant Jain	0.01	0.01
Mrs. Brij Bala Jain	0.05	0.05
Mrs. Anita Jain	0.04	0.03
Mr. Anubhav Jain	0.04	0.02
Mr. Ashish Jain	0.07	0.12
Mrs. Ankita Jain	0.03	0.03
Mrs. Shruti Jain	0.07	0.10
Arhant Jain (HUF)	0.04	-
Ashish Jain (HUF)	0.01	0.01
Anubhav Jain (HUF)	0.01	0.01
Arvind Jain (HUF)	0.02	0.02
Mr. Sandeep Sharma	#	#
Mrs. Poonam Sharma	0.01	0.01

Notes on Financial Statements for the year ended 31st March, 2016

(₹ in crores)

Particulars	2015-2016	2014-2015
Mr. Rahul Sharma	#	#
Ms. Sona Sharma	0.00	#
Sandeep Sharma (HUF)	#	#
Mrs. Shakuntala Brat	#	#
V.K. Goel (HUF)	0.05	0.03
A.K. Goel (HUF)	0.05	0.04
Gaurav Goel (HUF)	0.05	0.04
Gautam Goel (HUF)	0.05	0.04
Amount due to/ from Related Parties:		
1 Deposits from Related Parties	10.11	9.28
Mrs. Deepa Goel	0.35	0.32
Mr. Ashok Kumar Goel	1.18	1.10
Mrs Vinita Goel	1.71	1.49
Mrs Priyanjali Goel	0.66	0.64
Mrs Bindu Vashist Goel	0.39	0.33
Mr. Arhant Jain	0.13	0.07
Mrs. Brij Bala Jain	0.71	0.65
Mrs. Anita Jain	0.40	0.24
Mr. Anubhav Jain	0.17	0.36
Mr. Ashish Jain	0.62	0.87
Mrs. Ankita Jain	0.28	0.23
Mrs. Shruti Jain	0.69	0.75
Arhant Jain (HUF)	0.41	0.33
Ashish Jain (HUF)	0.10	0.07
Anubhav Jain (HUF)	0.09	0.05
Arvind Jain (HUF)	0.23	0.18
Mr. Sandeep Sharma	0.01	0.00
Mrs. Poonam Sharma	0.08	0.03
Mr. Rahul Sharma	#	0.00
Ms. Sona Sharma	0.03	0.03
Sandeep Sharma (HUF)	0.05	0.04
Mrs. Shakuntala Brat	0.12	0.03
V.K. Goel (HUF)	0.38	0.33
A.K. Goel (HUF)	0.44	0.38
Gaurav Goel (HUF)	0.44	0.38
Gautam Goel (HUF)	0.44	0.38
2 Unsecured Loans and Advances from related parties	0.58	0.84
Goel Investment Limited	0.56	0.38
India Green Fuel Private Limited	0.02	0.03
Saraswati Properties Limited	-	0.27
Shudh Edible Products Limited	-	0.04
Ujjwal Rural Services Limited	-	0.12

Notes on Financial Statements for the year ended 31st March, 2016

(₹ in crores)

Particulars	2015-2016	2014-2015
3 Investments	10.80	10.80
Dhampur International Pte Limited	10.80	10.80
4 Receivables	12.14	8.31
Dhampur International Pte Limited	12.14	8.31
5 Payables	1.03	0.29
Saraswati Properties Limited	0.31	-
Shudh Edible Products Limited	0.01	-
Ujjwal Rural Services Limited	0.01	-
Mr. Ashok Kumar Goel	0.09	0.01
Mr. Gaurav Goel	0.18	0.13
Mr. Gautam Goel	0.33	0.14
Mr. Vijay Kumar Goel	0.10	0.01
6 Security Deposits	2.19	2.19
Goel Investment Limited	0.50	0.50
Saraswati Properties Limited	0.65	0.65
Shudh Edible Products Limited	0.99	0.99
Ujjwal Rural Services Limited	0.05	0.05

35 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 31.03.20156	Maximum balance during the period	Investment in the Shares of the Company
		(₹ in crores)		No. of Shares
Dhampur International Pte Ltd.	Subsidiary	0.00	0.00	10000 Equity Shares of SG\$ 1/- each & 2 million Equity Shares of US \$ 1/- each

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

- Sundry creditors include a sum aggregating ₹ 5.22 crores (P.Y. - ₹ 2.83 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, 2016

37 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 (₹ in crores)
31.03.2016	0	0.00	0.00
31.03.2015	11	4.06	25.39

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	US Dollar Equivalent (Million)	INR Equivalent (₹ in crores)	US Dollar Equivalent (Million)	INR Equivalent (₹ in crores)
a) Amounts payable in foreign currency on account of the following:				
Stock-in-trade/Raw materials	4.53	30.02	11.68	73.11
Loans Payable	4.98	33.04	15.98	100.01
b) Amounts receivable in foreign currency on account of the following:				
Export receivable	1.83	12.14	1.54	9.65

38 Additional informations

(₹ in crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
A Imports calculated on CIF basis in respect of:		
1. Stores and spare parts	0.29	0.28
2. Stock-in trade	132.56	73.33
3. Capital goods	1.01	3.19
B Expenditure in foreign currency during the period :		
1. For foreign travel	0.58	1.41
2. Interest	1.42	3.86
3. Others	1.99	0.45

Notes on Financial Statements for the year ended 31st March, 2016

C Consumption of :	Year ended 31.03.2016		Year ended 31.03.2015	
	Amount (₹ in crores)	% age	Amount (₹ in crores)	% age
1. Stores, spare parts etc.				
i) Value of imported goods	0.29	0.45	0.29	0.34
ii) Value of indigenous stores and spare parts	64.70	99.55	85.93	99.66
	65.00	100.00	86.22	100.00
2. Raw materials				
i) Value of imported goods	33.89	2.24	58.95	4.42
ii) Value of indigenous goods	1481.93	97.76	1215.12	95.58
	1515.82	100.00	1274.06	100.00
D Earnings in Foreign Exchanges				
i) Export of Goods	166.69		179.24	

39 Details of loans and advances given; investment made; guarantee given and security provided as required to be disclosed as per provision of section 186(4) of Companies Act, 2013 have been disclosed under the respective heads.

40 Contingent Liabilities And Commitments : Not Provided For In Respect of:

Particulars	As at 31.03.2016	As at 31.03.2015
i) Demands being disputed by the Company :		
a) Excise duty and Service Tax demands	44.51	35.26
b) Trade Tax and Entry Tax demands	49.34	31.99
c) Other demands	8.08	1.09
d) Estimated amount of interest on above	112.87	92.35
ii) Claims against the company not acknowledged as debts :		
a) Statutory liability being disputed by authorities	0.36	2.84
b) Income Tax demand on processing of TDS Returns	0.25	0.32
c) Other Liabilities	26.17	5.71
d) In respect of some pending cases of employees under labour laws	Amount not ascertainable	Amount not ascertainable

The Company has initiated steps for revising the TDS forms to remove various defects due to which demands were raised by authorities and is confident that the demand will be substantially reduced after these rectification.

The Government of Uttar Pradesh had always waived liabilities of interest on account of delayed payment of sugar cane price in past for the industry and also considering the fact that the various initiatives taken by the Government to support the Sugar Industry, the Company as well as the industry believe that the interest on delayed payment of Cane Price for sugar season 2014-15 onwards will also be waived by the U.P. Government. Therefore, the same has not been recognised as liability.

The amount shown above represents the best possible estimates arrived on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal process which have been invoked by the company or the claimants as the case may be, therefore it cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome.

Notes on Financial Statements for the year ended 31st March, 2016

II. Commitments

(A) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 12.78 Crores (P.Y. - ₹ 6.45 crores).

(B) Corporate guarantee given by the Company - ₹ 325 Crore.

III. Arrears of Cumulative Preference share dividend including Corporate dividend tax is amounting to ₹ 4.62 Crores (including ₹ 1.44 Crore for the year).

41. Previous year figures in bracket have been regrouped/restated wherever considered necessary.

As per our report of even date

For **Mittal Gupta & Co.,**

(B. L. Gupta)

Partner
Chartered Accountants

Place : New Delhi
Dated : 10-05-2016

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

A.K. Gupta

Director

M.P. Mehrotra

Director

Corporate Information

Board of Directors

Shri V. K. Goel, *Chairman*
Shri A. K. Goel, *Vice Chairman*
Shri Gaurav Goel, *Managing Director*
Shri Gautam Goel, *Managing Director*
Shri Sandeep Kumar Sharma, *Whole time Director*
Shri A. K. Gupta, *Independent Director*
Shri M. P. Mehrotra, *Independent Director*
Shri Priya Brat, *Independent Director*
Shri Harish Saluja, *Independent Director*
Shri Rahul Bedi, *Independent Director*
Smt. Nandita Chaturvedi,
Independent Director
Shri D. L. Mittal, *Nominee Director,*
– Punjab National Bank

Executive President Finance & Company Secretary

Shri Arhant Jain

Registrar and Share Transfer Agent

M/s Alankit Assignments Limited
Alankit House, 4E/2 Jhandewalan Extension,
New Delhi – 110055

Auditors

Statutory Auditors

Mittal Gupta & Company
Chartered Accountants, Kanpur

Branch Auditors

M/s S. S. Kothari Mehta & Company,
Chartered Accountants, New Delhi

Internal Auditors

M/s D. C. Chhajer & Associates,
Chartered Accountants, New Delhi

Cost Auditors

Shri S. R. Kapur, *Cost Auditors,*
Khatauli (Muzaffarnagar)

Secretarial Auditors

GSK & Associates, *Company Secretaries, Kanpur*

Bankers

Punjab National Bank
Bank of Baroda
Central Bank of India
ICICI Bank Limited
IFCI Limited
Prathma Bank
UP Co-operative & District Co-operative Banks

Registered office

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

Corporate office

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

Branch Office

1/125, Vijay Khand
Gomti Nagar,
Lucknow – 226010

Works

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

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