Dwarikesh Sugar Industries Limited

Junoon!

AND HOW THIS PASSION HAS SET OUR COMPANY APART IN INDIA'S COMPETITIVE SUGAR INDUSTRY

Dilon
me apne
betaabiyaan
leke chal
rahe ho to
zinda ho
tum!

Nazar mein
khwaabo
ki bijliyaan
leke chal
rahe ho to
zinda ho
tum!

Javed Akhtar

Twenty Third
Annual Report
2016-17



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Cautionary statement

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral –that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise





Ek se ek mile to qatra ban jata hai dariya

Ek se ek mile to zarra ban jata hai sehra.

Ek se ek mile to raaii ban sakti hai parbat.

Ek se ek miley to insaan bas mein kar le kismet.

Saathi haath badhaana!

Lyrics Sahir Ludhianvi, **Film** Naya Daur (1957),
Song Saathi haath badhaana


What is that one reason that has evolved Dwarikesh Sugar to a cost leadership position in the Uttar Pradesh sugar industry?
Junoon.
What prompted Dwarikesh Sugar to become the first to embrace clonal cane planting in the Uttar Pradesh sugar industry?
Junoon.
What makes Dwarikesh Sugar's factories the most efficient in Uttar Pradesh and one of the most productive in India?
Junoon.


What made Dwarikesh Sugar report an average group recovery of 11.78% in crushing season 2016-17 that was 32 bps higher than the group recovery of nearest Uttar Pradesh player?
Junoon.
What made Dwarikesh Sugar among the first in Uttar Pradesh to clear cane arrears to farmers?
Junoon.
What empowered Dwarikesh Sugar to cover interest outflow even in the worst of the industry's slowdowns in the last few years?
Junoon.

Corporate identity

DWARIKESH SUGAR INDUSTRIES LIMITED IS ONE OF THE MOST EFFICIENT SUGAR COMPANIES IN INDIA.

THE COMPANY'S GROUP RECOVERY DURING SEASON 2016-17 WAS THE HIGHEST IN UTTAR PRADESH AND RECOVERY CLOCKED IN ONE OF ITS MILLS WAS AMONG THE HIGHEST FOR THE SEASON ACROSS THE COUNTRY.

OVER THE YEARS, THE COMPANY HAS BROAD-BASED ITS PERSONALITY FROM A SINGULAR FOCUS ON SUGAR TO A MULTI-PRODUCT ORGANISATION WHERE NON-SUGAR PRODUCTS NOW ACCOUNT FOR 16.26% OF ITS REVENUES.





Our vision

- To be a torchbearer of the sugar industry and re-write the rules of running the sugar business
- To establish itself as a market leader in the sugar industry. To be an archetype of international quality standards
- To become a large sugar conglomerate with interests in synergistic businesses
- To ensure that the name of the company becomes synonymous with good corporate governance and transparency
- To be a paragon of virtue and righteous corporate with a human face
- To contribute in bringing about a metamorphosis in the lives of the have-nots

Our mission

- Produce sugar of the highest quality and be the benchmark for the industry to follow.
- Achieve growth every year with optimum technical efficiency and minimum cost of production.
- Ensure maximum customer satisfaction and employee/farmer welfare.
- Protect the environment and uphold the highest standards of integrity, values, along with passion for excellence and respect for all, while striding towards achieving our objectives.

Our background

Dwarikesh Sugar Industries Limited was founded in 1993 by Mr. Gautam Morarka with a crushing capacity of 2,500 tonnes of cane per day. Over the decades, the company has evolved into an integrated sugar company with a cane crushing capacity of 21,500 TPD and engaged in the manufacture of sugar, ethanol (30,000 KLPD) and power co-generation (86MW).

Our locations

Dwarikesh Sugar's manufacturing operations are located completely in Uttar Pradesh. The company has three units – two in Bijnor and one in Bareilly. These units are located in cane-rich belts, enhancing supply chain efficiency. Besides, these units are 194 kms, 210 kms and 284 kms respectively from New Delhi, enhancing its access to one of the largest sugar consuming pockets of India.

Our vendors

Dwarikesh Sugar works with more than 97,000 farmers across its command areas (aggregate 1,731 Sq Km). Over the years, the company evoked increased confidence among these farmers to have generated progressively increased cane quantities: from 197.12 lakh quintals in SS 2007-08, 237.15 lakh quintals in SS 2011-12 to 283.43 lakh quintals in SS 2016-17. As a result of closer farmer engagement, average farm supply yields climbed from 246 quintal per hectare in 2007-08 to 295 quintals per hectare in 2011-12 to 356 quintals per hectare in 2016-17.

Our customers

Dwarikesh Sugar generated 83.74% of its revenues from sugar in 2016-17. Industrial alcohol accounted for 2.37% of revenues; co-generation accounted for 13.89%. Over the last five years, the company increased the proportion of non-sugar revenues, strengthening its sectoral de-risking. A major chunk of the industrial alcohol revenues were derived from sales of ethanol to prominent Indian oil marketing companies. The entire external sale of the co-generated power was marketed to the Uttar Pradesh state electricity board.


Our business portfolio
Intermediate
Sugarcane Juice
Residue
Molasses (By-product)
Bagasse (Residue)
Output product
Sugar
Power
Industrial Alcohol
Molasses (external sales)
Bagasse (external sales)
Biofertilisers

Our employees

Dwarikesh Sugar employs 638 full-time permanent employees in addition to seasonal and other indirect labour across its three manufacturing locations and administration offices. The company has a relatively young team.

Our financials

Dwarikesh Sugar is largely a debt-free company (long-term debt) with gross revenues of ₹1,256.10 cr. and profit after tax of ₹158.47 cr. in 2016-17. The company reported higher-than-average sectoral margins during the year under review, emphasising its positioning as one of the most efficient mid-sized sugar companies in India.

Our awards and accreditations during season 2016-17

- On 20th March, 2017: 1st Prize for highest Sugar Recovery at Dwarikesh Nagar Plant in Ganna Kishan Mela evam Krishank Vaigaynik Vichar Sangosthi (Mithas-2017), organised by U.P. Sugarcane Research Centre, Shahjahanpur (U.P.).
- On 12th May, 2017: Industry Excellence Award for being most efficient factory (Dwarikesh Nagar) of the year 2016-17 in NISSTA Convention-2017 by North Indian Sugarcane and Sugar Technologists' Association and Indian Institute of Sugarcane Research, held at Lucknow.

Our listing

The Company's shares are listed and traded on the National Stock Exchange and Bombay Stock Exchange. The Company enjoyed a market capitalisation of more than ₹828 cr. as on 31st March 2017.

Our business portfolio

- Sugar
- Power
- Industrial Alcohol
- Molasses (external sales)
- Bagasse (external sales)

Our management

G R Morarka

Founder, Managing Director

- Founder promoter with more than two decades of sectoral experience
- Commerce graduate and ICWA Inter
- Received Indira Gandhi Priyadarshini Award for Management, Bhamasha Award, Indira Gandhi Sadbhavna Award and Swami Krishnanad Saraswati Purashkar

Vijay S Banka

Whole Time Director and CFO

- Qualified Chartered Accountant
- Employed with the Company since 2007
- Whole Time Director and CFO since 2009
- Possesses more than two decades of sectoral experience in the areas of Finance and Strategy

B J Maheshwari

Whole Time Director, CS/CCO

- Chartered Accountant cum Company Secretary
- Employed with the Company since 1994
- Whole Time Director since 2009
- Possesses more than two decades of experience in the areas of Legal, Taxation, Secretarial and Administration

Our manufacturing capacities

Capacity as on 31st March 2017	Dwarikesh Nagar (Bijnor)	Dwarikesh Puram (Bijnor)	Dwarikesh Dham (Bareilly)	Aggregate
Sugar (TCD)	6,500	7,500	7,500	21,500
Cogeneration (MW)	17	33	36	86
Distillery (LPD)	30,000	-	-	30,000

Our growth across the decades

Segment	1995	2002	2004	2005	2007	2017
Sugar (TCD)	2,500	6,500	6,500	14,000	21,500	21,500
Power (MW)	6	6	17	26	86	86
Distillery (LPD)	Nil	Nil	Nil	30,000	30,000	30,000

Junoon has made all the difference!



DWARIKESH SUGAR INDUSTRIES LIMITED REPORTED A 51% INCREASE IN REVENUES AND A 307% GROWTH IN PROFIT AFTER TAX IN 2016-17. THIS SHARPLY DIVERGENT PROFITABLE GROWTH VALIDATES WHAT WE ALWAYS BELIEVED: THAT OUR COMPANY WOULD BE THE LAST MAN STANDING DURING A SECTORAL TROUGH AND THE FIRST TO REBOUND FOLLOWING INDUSTRY RECOVERY. EPS FOR FY 17 WAS ₹88.36 VIS-À-VIS ₹22.02 IN FY 16. CEPS FOR FY 17 WAS 135.08 COMPARED TO ₹41.08 DURING FY 16

There have been a number of reasons why our company never reported cash losses even during the most challenging sectoral tenures of the last few years.

Passion at work

Primarily, we worked with a deeper passion than most; this made it possible to generate an incremental gain over the sectoral average; when you aggregate the improvements (whether in-plant availability or the speed with which we brought in the cane for onward crushing, or the way we maintained the road network within our command area to smoothen logistics), the result was that we generated a recovery that was usually among the highest in Uttar Pradesh.

At Dwarikesh, this junoon was complemented by some standing rules that we applied to ourselves.

We would seek to be the best, never the biggest. The result is that we invested more in enhancing operating efficiency than taking large loans to set up new factories that may have stretched our management bandwidth.

We selected to focus on becoming the best mid-sized sugar plants in the country because this is the scale that we would be the best at managing, as opposed to scaling our business to a size where we would have compromised precisely what we prided and sought to protect the most

– our passionate micro-management in a business that warrants effective micro-management.

We would seek to create an optimal package of core and byproduct businesses within a manufacturing location. The result was that the size of our cane crushing capacity was directly influenced by the size of the command area and the quantum of cane that could be drawn from it; the size of our distillery was influenced by the quantum of molasses that could be generated from within; the size of our co-generation capacity would, in turn, follow the same principle, it would be sized in line with the quantum of bagasse that could be generated from within. We believe that this optimal package makes it possible to maximise (or progressively maximise) the consumption of what we produce within, enriching our value-addition and enhancing our outperformance.

Precious learnings

In addition to these standing rules, we added some precious learnings derived from the last sectoral slowdown.

One, we will never leverage our Balance Sheet in the agri-commodity business where price swings can occasionally be so severe that only companies that have less debt on their books would be able to survive.

Two, we will expand but only to the extent that can be sustained by our Balance Sheet and desired risk appetite.

Three, we will seek to maximise revenues from our non-sugar business as a hedge against sugar price declines.

Four, we will enhance process automation and asset modernisation with the objective to strengthen operating efficiencies.



Taking our business ahead

At Dwarikesh, we are at an attractive point in our existence.

We made a qualified institutional placement of 2,515,471 equity shares at ₹236.11 each, mobilising an aggregate ₹59.39 cr. We used this mobilisation in accelerated repayment of our debt. Following this net worth infusion and accruals generated from 2016-17, the company's debt-equity ratio has strengthened from 2.58 as at 31.03.2016 to 0.46 as at 31.03.2017.

We expect to take our business ahead through the following initiatives:

- Substantially moderate long-term debt of ₹145.44 cr. as on 31 March 2017 and moderate working capital debt of ₹357.77 cr. as on 31 March, 2017
- Explore opportunities to acquire factories in other prominent sugar producing states, which would enhance our geographical de-risking
- Modernise our sugar manufacturing plant; add efficiencies, add a refined sugar plant to facilitate value-addition and entry into a brand-enhancing niche area
- Expand our existing distillery capacity from 30 KLPD to 90 KLPD
- Develop cane planting in the Bareilly command area, increasing cane coverage by 30%

We believe that these initiatives will graduate our company from a focus on cyclical profitability to long-term sustainability.

Gautam R. Morarka
Managing Director

Dwarikesh. We are an agriculture education company that also manufactures some sugar

NOTHING MORE PLEASES OUR PEOPLE THAN GETTING ON TO A MOTOR CYCLE, RIDING AT 60 KMPH, PASSING THROUGH LUSH GREEN *KHET* OF UTTAR PRADESH AND EVANGELISING THE BENEFITS OF GROWING MORE CANE.



This is our life; everything else that we do is a by-product; we bring to this a distinctive junoon.

We read and research scientific practices; we transform them into charts; we aggregate farmers; we conduct 'classes'.

A number of companies do this; we are different in that we fuss over what may appear as niggling to a lot of people; if one farmer generates a cane girth of 'x' while another has generated 'x plus two cm' we engage in soil analyses, topography gradient studies, ambient growth examination, farmer's knowledge enhancement, nature of seed used, understanding of wind direction and fertilizer application …the list is encyclopaedic. Our work never stops.

We are also different in that we spread the gospel of prudent cane practices (read varietal replacement and ratoon management) through *nukkad naataks* and whatever engages the farmer's interest.

And lastly, we are different because even as we engaged with about 97,000 farmers, we work right down with every single one of them. At Dwarikesh, only after we have had three cups of tea on the farmer's *khatiya* and got to know the names of his children, do we possess a reasonable confidence that the farmer will indeed increase his cane planting area for the next season.

Junoon is the difference.


Ham mehanatavaalo
ne jab bhi milkar
kadam badhaya
Sagar ne rasta
chhod parbat ne
sheesh jhukaya
Fauladi hain seenay
apne fauladi hain
baahein
Ham chaahein
to paida karde,
chattaano mein
raahein ...
Lyrics Sahir Ludhianvi,
Film Naya Daur (1957),
Song Saathi haath badhaana

Dwarikesh. A number of sugar companies prefer to commission one demonstration plot. We said, 'Multiply that number by 100'.

WE RECOGNISED EARLY IN OUR PRESENCE IN THIS CHALLENGING BUSINESS THAT THE INDIAN FARMER IS A SMART MAN.

You can try to sell him a story on what some fancy cane variety did and how it will transform his fortunes should he select to plant it, but he will see it through.

He will tell you (and we have been told this so many thousand times that we stopped counting years ago) to go and try it on your farm first.

Except that in the days when we entered this business, we did not have a farm; we had a factory.

But we cottoned on to this fast. We created a demonstration plot. We planted the best seed varieties. We invested the best farm practices. And then sure enough, we were able to show the farmers how our demonstrated plot had reported yields, which if they merely imbibed, would make them very very rich indeed (most were rich).

And then we heard the first whisper. That perhaps our demonstrated plot was doctored.

Of course, it wasn't. We could have heard and shrugged. We surprised them instead. We said we would create a demonstrated plot in every village. We had more than 100 demonstrated plots in operation by the close of 2016-17.

Of course, some of the well-meaning people asked 'Will you be able to maintain all 100?' Some of the less well-meaning were more terse. 'Dwarikesh will fail.'

We are still around.

Junoon is the difference.



Lyrics Gopaldas Saxena (Neeraj),
Film Mera Naam Joker (1970),
Song Ai bhai zaraa dekh ke chalo

Dwarikesh.
We believe that the most potent fertilizer is not what you spray on the fields. It is the promoter's feet inside the factory location.

THERE IS A TERM IN ENGLISH FOR INVOLVED PEOPLE. IT IS 'HANDS-ON'.

AT DWARIKESH, WE ADAPTED THE TERM TO 'FEET-ON'.



And 'feet-on' is something that the promoters of the company applied quite literally to their own presence during the sugar season.

At a time when it is becoming increasingly acceptable (and convenient) to operate remotely through video-conferencing, the promoters at our company did just the reverse.

They selected to spend 75 days of the sugar season across the three plants. And an aggregate 135 days either in New Delhi (closest metro city to the factories) or the plants. Which is almost as much as the 150 day tenure of a sugar season spent outside their Mumbai domicile.

A number of people have asked: 'Is it necessary? You can always call and check if things are alright.'

In the sugar industry, only the paranoid survive. Only those who measure productivity (read bagasse pol, molasses purity and plant availability) every single hour. Only those who will call the Production In-Charge at 2:45 am with 'Can you find out specific reason why plant efficiency was 0.15% lower half an hour ago?' Only those who will call to check if any trucker carting precious cane into the factory has sidled along the highway and gone to sleep.

We believe that at any company, where the promoter is not an absentee landlord, will keep making all those who may have hissed 'The best is over' want to eat their words.

Junoon is the difference.



Lyrics Sahir Ludhianvi,
Film Hum Dono (1961),
Song Main zindagi ka saath nibhaata chala gaya

Dwarikesh. Where 'one of them' is treated like 'one of us'

IN A SENTIMENT-DRIVEN COUNTRY LIKE INDIA, EMOTION PREVAILS OVER LOGIC.

AND THERE IS PERHAPS NO EMOTION BETTER THAN MAKING 'ONE OF THEM' FEEL LIKE 'ONE OF US'.

GENUINELY. FAITHFULLY. DEEP-HEARTEDLY.



The result is that the promoters and senior executives will probably attend the marriage of a junior officer over a social engagement. Or where the education needs of the children of employees is addressed by the management. Or where anyone needing the ears of a senior or the management can get a 'sunvaayi' within minutes. Where the employees hold a large chunk of the company's 'emotional equity'. Where any positive contribution is immediately recognised. Where celebrations are collective. Where we would prefer to lose money than be unfair. Where the Dwarikesh *parivaar* has long since extended from direct employees to cane growers, employee family members, non-cane vendors and community beneficiaries.

We could have remained the starchy stiff upper-lip kind of corporate people. We would rather be the earthy, accessible and 'Kaisey ho bhayya?' kind of company.

The result of this difference is that our people have stayed with us longer. A number of who left us have since returned. A number of the second generation has selected to work with us. Those who work with us engage beyond the normal call of duty.

Over time, a distinctive Dwarikesh culture has emerged. We may not be the largest sugar company. But we are driven by the raw desire of staying the best.

Junoon is the difference.



Lyrics Vishal Dadlani
Film Waisa Bhi Hota Hai Part II (2003),
Song Allah ke bande hans de

Dwarikesh.
When we realised there was not much land left in our command area to plant more cane, we figured we would now grow faster than ever.

A FEW YEARS AGO, WE FACED A CHALLENGING REALITY. CANE ACCOUNTED FOR NEARLY 90% OF OUR BIJNOR COMMAND AREA. THERE WAS SIMPLY NO MORE ROOM TO PLANT MORE CANE.



Most managements would have seen the writing on the wall: no growth from that point onwards.

We took a different view. We felt that farmers would have no choice but to turn to superior cane varieties. Not having an option would turn into the best thing for livelihoods – and ours.

And that is how we evangelised Co 0238, the 10-month early maturing variety. We conducted lab analyses. We engaged in small planting trials. We showcased superior results.

The cane stick that used to grow no higher than four feet now rose to more than 12 feet. The farm that would generate a yield no higher than 350 quintals per hectare now began to report one that was significantly higher. The cane that would barely deliver 10% recovery now began to deliver 12% and sometimes 14% during the season.

When farmers in other command areas began to hear what their trade brethren were generating, there was almost a union-like stridency in their well-meaning voices: 'We also demand the new *ganna* variety!'

And that is how we transformed a near-plateau in farmer earnings into one of the earliest, most successful and extensive transformation stories in Uttar Pradesh's rural prosperity.

Junoon is the difference.


Pochh kar
ashq apni
aankho se
Muskurao to
koi baat bane
Sar jhukaane
se kuch nahi
hoga
Sar uthaao to
koi baat bane!
Lyrics Sahir Ludhianvi,
Film Naya Raasta (1970),
Song Ponch kar ashq
apni aankho se

"We will utilise record accruals to liquidate long-term debt, double distillery capacity and seek to acquire attractive assets"



A performance review by **Vijay S Banka**, Whole Time Director and Chief Financial Officer

Q: Was the management pleased with the performance of the company during the year under review?

The management was absolutely pleased with the performance of the company in 2016-17.

For one, the company reported the highest-ever profits in its existence. The profit after tax of ₹158.47 cr. in 2016-17 was 307% higher than the previous highest bottom-line of ₹38.97 cr. in 2015-16.

Secondly, the company reported sharply divergent profitable growth - 51% increase in revenues corresponded by a 307% increase in profit after tax.

Thirdly, the percentage of profits reported was among the highest reported by sugar companies in Uttar Pradesh, validating our distinctiveness in a competitive business.

Q: What were some of the aspects of the record performance that you want shareholders should know?

I will specifically point to two aspects.

One, it would be important to refresh shareholder and analyst attention that for the last few years when the industry was passing through its most challenging slowdown in years, we had been

How we transformed farmer destinies through superior cane selection

About 5 years ago, the company selected the Co 0238 cane variety for propagation

There was a resistance to this new variety for fear of probable disease

The company convinced farmers through demonstration plots

Farmers who switched were pleasantly surprised to find increased yield and recovery

This early maturing variety transformed farmer destinies

The more farmers earned, the more cane they planted, strengthening the company's sustainability

emphasising the point that when sectoral fortunes revived, Dwarikesh was attractively placed to report possibly the most vigorous significant rebound for a company of its size. As it turned out, we were able to reverse a net loss of ₹16.75 cr. in 2014-15 to a profit of ₹158.47 cr. in 2016-17, which is a profit swing back of ₹175.22 cr. – or a profit swing-back of nearly ₹81,500 per tonne of installed capacity, which could possibly be one of the highest within our sector.

Two, it would be simplistic to believe that the increase in profits were derived from an increase in realisations, implying that the Dwarikesh management had little to do with the financial recovery. This belief would be only partially true; the Dwarikesh team continued to squeeze the metaphorical last drop across just about every aspect of its operations, making it possible to catalyse the impact derived from the improved sectoral environment. The result is that during the course of the year, we continued to reinforce our position as the cost leader in sugar manufacture within Uttar Pradesh.

Q: What were some improvements across operational factors that strengthened the company's working?

We would like to answer this across three buckets – superior cane management, moderating the cut-to-crush tenure and operational efficiency.

Let us start by discussing superior cane management. At Dwarikesh, we have consistently believed that the planting of the best cane variety makes the single biggest difference to the company's competitiveness. A few years ago, the management virtually pioneered the use of the landmark Co 0238 cane variety when it was largely unknown in Uttar Pradesh. At that time, confidence was low; farmers needed to be persuaded; a number of our senior managers felt that the cane variety could potentially bring new diseases and it would be best to stick to the tried and trusted; there was a sectoral feeling of 'let other mills advocate the planting of this new variety and we shall draw from their experience'. At Dwarikesh, we took a differentiated position: we said 'We are convinced that this cane variety is superior, so let us be the first to evangelise this across farmers in our command areas.' We were fortunate in this regard; the farmers in Bijnor are progressive; they were among the first to replace their existing cane varieties in favour of Co 0238. The result is that thanks to the proactive lead, the two Bijnor command areas now enjoy a Co 0238 coverage of nearly 92% and 56% respectively, which could possibly be the highest across any command area in Uttar Pradesh.

That one decisive initiative to proceed with Co 0238 at a time when there were no precedents proved to be a completely game-changer. A couple of decades ago, our first factory (Bundki) reported the highest State recovery of 9.98%; we are pleased to report that in the last ten years, even our lowest recovery has been higher than what we achieved nearly two decades ago. In the last decade, Dwarikesh Nagar has not reported recovery of less than 10% in any single year; at the Dwarikesh Nagar unit in the last four years, the improvement has been pronounced: recovery has improved every single year – from 10.16% in 2011-12 to 12.34% in 2016-17. The incremental pre-tax profit that we are placed to generate from this additional recovery based on the

Big points

- Record profits
- Catalysed by operational improvements
- Superior cane variety selection
- Lower cut-to-crush tenure
- Lower process loss
- New UP government a catalyst
- Focus on debt liquidation

How we transformed our profitability through a culture of eternal vigilance

At Dwarikesh, we maximise resource (time, cane, plant and process) utilisation

We increased cane drawal substantially across our Bijnor command areas

We moderated cut-to-crush tenure to less than 24% across substantial quantity of the cane crushed

We moderated process loss to less than 2%

We increased group recoveries every season from 10.22% in 2013-14 to 10.78% in 2014-15 to 11.73% in 2015-16 to 11.78% in season 2016-17

We reported the highest Uttar Pradesh recoveries in 2016-17

crushing throughput of the last season would be an estimated ₹70 cr. based on prevailing realisations – nearly 33% of the pre-tax profit that we reported in 2016-17. This validates the point that much of our financial improvement was derived from proactive initiatives from within instead of the simplistic understanding that we merely rode the improvement in sugar realisations. Riding ahead of the sectoral curve by two seasons made all the difference.

Q: How did the company moderate its cut-to-crush tenure and protect the cane stick from losing precious sucrose content?

At Dwarikesh, our target is to maximise the crushing of the cane in our command areas within 24 hours of it being harvested. This is a challenging target: it needs seamless communication between the factory and farmer, its needs competent Cane Centre management, it needs better road connectivity, it needs superior and efficient cane loading into trucks in a region where land holdings are fragmented and often the quantum of cane that we receive from one farmer is not enough to completely load the truck, and we need continuous vigilance to minimise mismatches between plan and performance. During the last financial year, we significantly moderated the cut-to-crush ratio to less than 24 hours across our two Bijnor factories, with a corresponding positive impact on our efficiency and financials.

Q: You indicated enhanced operational efficiency as also being critical to enhanced profitability.



There are a number of operating arms where efficiencies can be tweaked, contributing to the overall profit pool. Within our business, we describe these efficiencies through a term called 'process losses' – the lower the better. Process losses are usually minimised through high equipment integrity, no material overflow, efficient milling and lower bagasse moisture. In the sugar sector, the tolerance for process losses is about 2%; anyone reporting 2% or less is considered efficient. We are pleased to report that during the season 2016-17, the company reported an average process loss across our three factories put together was 1.704%; our DP plant reported a process loss of 1.614%.

Q: What aspects of the company's working did not go as per expectations during the year under review?

We believe that our co-generation receivable cycle was weak; for the power that had been sold to the Uttar Pradesh State Electricity Board in 2015-16, we received payments only in March 2017; had these dues been liquidated on schedule, the company would have drawn down its debt faster in 2016-17. We believe that with the new state government in Uttar Pradesh being of the same political party as the one at the Centre, national policies will be more faithfully implemented in the State, strengthening our prospects.

The prevailing molasses policy proved to be unfavourable; a quarter of the molasses that we generated required to be mandatorily given to country liquor manufacturers at a substantial discount (to the extent of 65 to 70%) to the prevailing market price, resulting in a notional loss of more than ₹7.50 cr. based on the

How we strengthened our credit rating and sectoral respect

- At Dwarikesh, we borrowed long-term debt at a cost in excess of 13.5%
- The sugar sector revived; the company reported higher profits
- The company mobilised net worth and repaid debt
- The company's credit rating jumped several notches within a single financial year
- The rating strengthened from BB to A (-) in 2016-17
- Rates of debts were renegotiated substantially cheaper in 2016-17, strengthening viability

throughput that we marketed in 2016-17. We believe that the cartelisation of country liquor manufacturers is prejudicial to the interests of sugar manufacturers and needs to be addressed by the government.

We believe that sugar realisations could have been better; they increased from a year-startlevel up around ₹33,000 per tonne (ex-factory) to a year-end level of around ₹36,000 per tonne, which one felt was slightly below what the country's sugar Balance Sheet (demand and supply) could have indicated.

Q: How did the Dwarikesh management strengthen its business model by capitalising on this landmark year?

The management's biggest priority was to liquidate the long-term debt on its books, which was something completely unthinkable even as recent as a year ago. We commenced the year with ₹301 cr. in long-term debt; this had been moderated to ₹145 cr. by year-close through accruals generated from the business and proceeds from a qualified institutional placement of ₹59 cr. This debt moderation had a sweeping impact on our gearing: we were able to graduate a year-start debt-equity ratio of 2.58 to 0.46 by the end of 2016-17; we are hopeful of liquidating all our long-term interest bearing debt in 2018.

The other business-strengthening initiative was seeking a superior credit-rating, a logical extension of the improvement in our gearing: we were at BB at year-start and we jumped several notches within the space of a single financial year to A (-) by March 2017 for long-term debt, which is a rare phenomenon across any industry.



The superior credit-rating translated into a lower debt cost for long-term debt: from13% a year ago to 9.55% by the year end (and 9.35% for short-term working capital).

What are the probable implications of a new Uttar Pradesh government for the sugar industry?

As we see it from this point, the implications are positive on account of the following assurances: stronger alignment between the policies of the Centre and State, no arbitrary increases in cane price, a quicker liquidation of co-generation dues on account of the sale of power to the state electricity board and an industry-friendly molasses policy. These pronouncements within a couple of months of the new State government assuming control provides the sugar industry with the optimism of a stable and equitable industry environment that could empower the sector to rise to its complete potential.

Q: The biggest question: what will be the company's capital allocation strategy following record accruals?

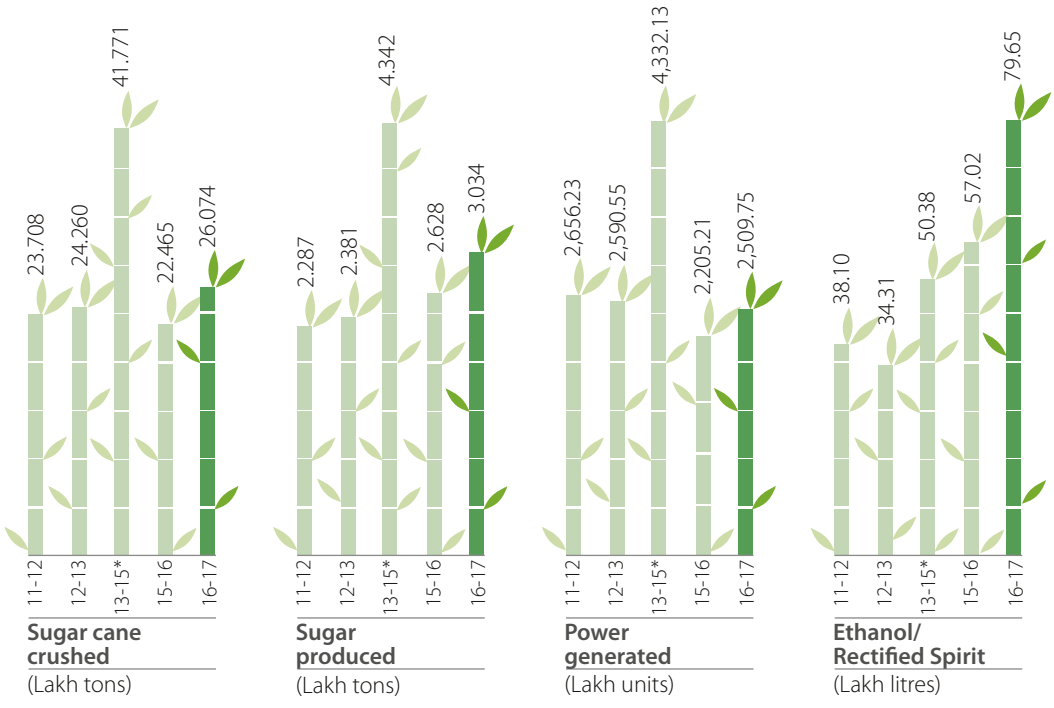
The management has outlined three priorities: to liquidate ₹145 cr. of long-term debt on its books; to correct its molasses-distillery mismatch (we presently consume only a third of all the molasses that we generate and market the rest) to a scenario where we consume two-thirds of all the molasses that we generate through a planned doubling of our distillery capacity; we will prospect attractive acquisition targets that could broadbase our sugar (and byproduct) manufacturing capacity.

How we moderated debt strengthened our credit rating and sectoral respect

- At Dwarikesh, we had a peak debt (long-term) of ₹378 cr. on 31.3.2012
- The company moderated this to ₹301 cr. at the start of 2016-17
- The company made QIP of ₹59 cr. to accelerate debt repayment and strengthen credit rating
- The company moderated debt down to ₹145 cr. by the close of 2016-17
- The company expects to mobilise accruals and repay all interest bearing long-term debt by 2018
- The company expects to renegotiate working capital debt and strengthen interest cover

The health of **our business**

OPERATIONS-FISCAL YEARS



RATIOS

Balance Sheet ratios

Ratios	2011-12	2012-13	2013-2015*	2015-16	2016-17
Earnings per share	(7.88)	(13.53)	(13.19)	22.02	88.36
Book Value per share	66.73	54.86	44.60	52.66	151.61

Though earning per share is ₹88.36 the cash earning per share (CEPS) is 135.08

Profitability ratios

Ratios	2011-12	2012-13	2013-2015*	2015-16	2016-17
EBIDTA margin (%)	11.61	7.72	6.56	14.01	21.26
Net profit margin (%)	(1.37)	(2.08)	(1.15)	4.49	11.86
Return on assets (%)	1.76	2.11	3.67	2.44	4.02
Return on capital employed (%)	13.84	10.72	12.95	21.74	54.99
Return on equity (%)	(10.39)	(21.63)	(23.01)	45.36	55.51

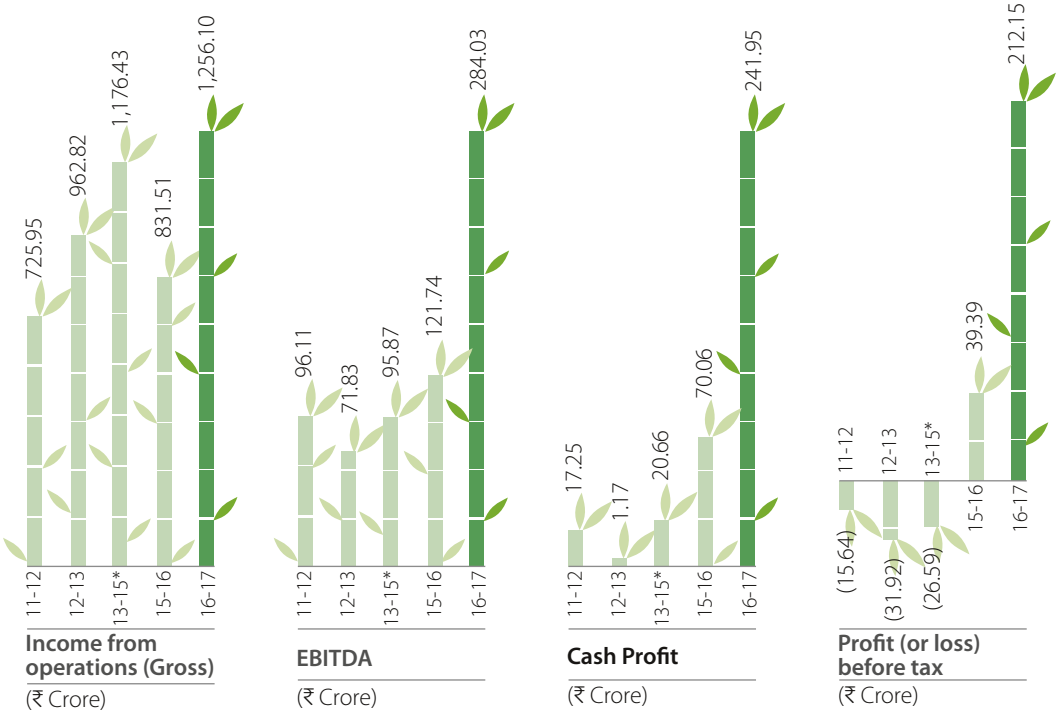
EBIDTA margin as a % of gross revenue is 21.28%. However as a % of net revenue is 23.86%. Similarly net margin as % of net revenue is 13.31%

Management efficiency ratios

Ratios	2011-12	2012-13	2013-2015*	2015-16	2016-17
Inventory-turnover ratio (days)	114.06	67.97	147.77	228.13	172.17
Payables turnover (days)	4.54	26.39	45.46	101.68	46.76
Cash conversion cycle (days)	171.77	109.65	166.14	349.85	144.97

**(18 months)*

FINANCIALS



The gross revenue, EBIDTA, Cash profit & PAT clocked was the highest ever in the history of the Company

Liquidity and solvency ratios

Ratios	2011-12	2012-13	2013-2015*	2015-16	2016-17
Current ratio	0.75	0.54	0.82	0.98	1.15
Quick ratio	0.08	0.02	0.11	0.13	0.10
Debt-equity ratio (incl working capital)	4.20	3.25	6.01	5.60	1.59
Debt-equity ratio (only long-term debt)	2.65	1.99	2.61	2.58	0.46
Interest Cover	1.25	1.83	1.55	0.57	0.17
Receivables in days of turnover equivalent (considering sale of power & ethanol which are only sold on credit)	62.25	68.06	63.84	223.41	19.55
Payables in days of turnover equivalent	4.54	26.39	45.46	101.68	46.76

Improvement in current ratio indicates positive and comfortable working capital position. Lower debt equity ratio is indicative of lower gearing and increased net worth of the company

Stakeholder value creation

Ratios	2011-12	2012-13	2013-2015*	2015-16	2016-17
For farmers through cane purchases (₹ cr.)	584.04	671.83	1,168.57	632.16	800.88
For equity shareholders through dividends (₹ cr.)	---	---	---	--	18.83#
For exchequer through taxes (₹ cr.)	27.35	35.21	40.35	38.62	110.89
For employees through wages (₹ cr.)	38.05	40.30	71.44	49.68	73.66
For customers through volume sales (tonnes)	228,680.30	238,104.50	434,152.90	262,815.50	303,382.20

 # Proposed for the year, yet not forming part of the accounts **(18 months)*

How we are making our business model relatively non-cyclical and sustainable

STRATEGIC

Uttar Pradesh focus

The Company selected to commission operations in the sugarcane rich belt of Western Uttar Pradesh through three factories. This region (western Uttar Pradesh) is marked by large farms, rich climatic and topographical factors and progressive farms who invest in mechanisation and emerging agricultural technologies. The company intends to diversify its geographic presence to non-Uttar Pradesh states across the foreseeable future.

Result: The company conducted its entire manufacturing operations within Uttar Pradesh; the company generated entire revenues from within the state.

Integration

Even as the core business of the company is sugar manufacture, Dwarikesh has progressively evolved into a sugar-cum-ethanol-cum-cogeneration company. The company consumes entire downstream raw material from within; the byproduct of one business became the raw material of the other leading to a reduction of resource costs, superior working capital management, lower logistics costs and business diversification. The company intends to extend into refined sugar to broadbase revenues, enhance value-addition and align with an evolving lifestyle need for hygienic, packaged products.

Result: The proportion of non-sugar revenues climbed to 16.26% in 2016-17; the proportion of non-sugar business contribution to the EBIDTA was a high of 82.60% in 2015-16 before it moderated 34.87% in 2016-17 following an appreciable increase in sugar realisations.

Knowledge accretion

The Company prides on its relationship-driven nature of stakeholder engagement. The company provides an exciting workplace opportunity on the one hand and an appreciative recognition-driven environment on the other. The company is a fair, meritocractic and equitable employer of 638 full-time permanent employees.

Result: The Company's people retention rate is among the highest in the sugar industry; retention within the senior management was almost 100%; most senior executives enjoyed more than a decade's working experience with the company resulting in a stability of relationships with lenders, vendors, customers and shareholders.

Environment focus

Dwarikesh invested in its business model with the objective of aligning shareholder and environment interests. The company allocated its distillery product mix completely to ethanol, which is being used as a petrol additive that enhances engine combustion and moderates emissions; the company utilised its bagasse for co-generation which comprises the generation of energy without fossil fuels. The Company's plants are registered with the Clean Development Mechanism, providing an opportunity to earn Certified Emission Reduction revenues / Renewal energy certificates (REC). Besides, the company moderated the consumption of energy and steam as well as the generation of effluents through equipment investments.

Result: The proportion of 'clean' revenues from the sale of RECs increased over the years.

OPERATIONAL

Farmer engagement

Dwarikesh's core strength lies in the deep confidence that it has evolved among farmers: that Dwarikesh will crush as much cane that has been provided, that Dwarikesh will do so with speed (making it possible for the farmer to clear the farm of cane and move on to another crop), that Dwarikesh will pay with speed for the cane (strengthening the farmer's working capital management) and that Dwarikesh will advise the farmer on the most suitable clonal cane variety before planting.

Result: Cane supply yield increased from 295 quintals per hectare in season 2011-12 to 356 quintals per hectare in season 2016-17; average group recovery strengthened from 9.65% to 11.78% across the period, transforming farmer destinies.

Operational efficiency

Dwarikesh is driven by a culture of passion, which is evident in extensive and intensive micro-management. The promoters are hands-on, spending a large proportion of the sugar season within the company's factories or at a proximate location. The result is that the Company's passion-driven culture is now evident across its three manufacturing facilities and across business functions.

Result: The company's average recovery was the highest in Uttar Pradesh in season 2016-17 and one of the highest three in India.

Quality oriented

Dwarikesh is respected for its product quality. Nearly 95% of the sugar manufactured is of the M30 variety, classified as premium grade by National Sugar Institute. The quality focus makes it possible for the company to generate a premium during a sectoral rebound and liquidate its inventory faster than competition during sluggish markets.

Result: The Company was able to successfully market its inventory in FY 17 even as pockets of Uttar Pradesh encountered increased sugar output.

Sales

Dwarikesh marketed all its sugar through retail channels (no institutional sales). The sales were made through agents who remitted 100% advances for the material to be purchased, insulating the company from receivables or bad debt. The company did not take multi-month futures positions, preferring to sell quantities across the year with the objective to liquidate its sugar inventory by November and benefit from average realisations - a safety-first approach. As a hedge, the company maintained cash deposits of agents to protect from unforeseen developments.

Result: The company did not suffer bad debts against sugar supplied; the working capital outlay remained reasonable.

OUTCOMES

Shareholder focus

Dwarikesh is a mid-sized sugar company focused on shareholder value-accretion. The company's focus on value maximisation translated into enhanced profitability and one of the sharpest swing backs to profit following the revival of the country's sugar industry. From a loss of ₹24.78 cr. in 2007-08 and ₹16.75 cr. in 2014-15, the company reported a profit after tax of ₹158.47 cr. in 2016-17, the company's best-ever year.

Result: The company's valuation strengthened from a low of around ₹33 cr. on 31st March, 2015 to more than ₹828 cr. on 31st March, 2017. Nearly 2,400% appreciation in mere two years was among the highest in percentage terms for Indian sugar companies valued in excess of ₹200 cr. in the last couple of years.

Profit increase

Dwarikesh enjoys an attractive equity-capacity ratio – ₹11,417 tonnes crushing capacity per day for every ₹ cr. of equity capital. This rightsizing made it possible for the company to capitalise effectively on a revival in sugar realisations. An increase in every rupee of sugar realisations holds the potential to enhance pre-tax profits by ₹33 cr.

Result: The company reported a 35.49% increase in realisations corresponded by a 307% increase in profit after tax in 2016-17, indicating profitable growth

Debt decline

Dwarikesh possessed peak long-term debt of ₹378 cr. as in 2011-12. Besides, the company consumes working capital across the product life cycle – from cane purchase to sugar sale. Since this cycle can extend across months, the quantum of working capital required by a sugar company is generally larger than other companies; the working capital is usually liquidated when all the sugar from a particular season has been sold. The company made a QIP of ₹59 cr. in 2016-17 to liquidate a portion of its long-term debt; Remaining interest bearing debt out of the total long term of ₹145 cr. is priced at a concessional 9.55%. The company intends to liquidate all its interest bearing debt by 2018, strengthening its Balance Sheet further.

Result: The company's gearing strengthened from 2.58 to 0.46 in 2016-17 corresponded by a net worth of ₹317 cr., which indicates a vast room to borrow afresh should the company so desire. The company's credit rating strengthened an unprecedented several notches from BB to A (-) through the course of the year, making it possible to moderate debt cost for interest bearing long term debt from 13% to 9.55%.

Aao mehnat ko apna imaan banaaye
Apne haathon ko apna bhagwaan banaaye
Ram ki is dharti ko Gautam ki bhumi ko
Sapnon se bhi pyara Hindustan banaaye!
Naya khun hai, nayi umangein, ab hai nayi jawani!
Hum Hindustani!

Lyrics Prem Dhawan, **Film** Hum Hindustani (1960), **Song** Chhodo kal ki batein, kal ki baat purani

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

The pace of global economic activity was mixed in 2016 as a number of crosswinds affected re-acceleration. Within advanced economies, comprising the US, Europe and Japan, the lingering legacies of the recent crisis, coupled with protracted monetary policy support and return to fiscal neutrality, underpinned a generally-accelerating output with falling unemployment. In countries outside the advanced economies, the sources of slower growth ranged from commodity price declines to overhangs from past rapid credit growth to political turmoil.

Resultantly, global growth is projected to slow to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast was revised down by 0.1 percentage point for 2017 compared to the April 2016 projections. This reflected a more subdued outlook following the Brexit referendum and weaker-than-expected growth in the US.

Having said this, long-term prospects of emerging market economies have improved on the back of a visible lowering of interest rates in advanced economies and firming of commodity prices. Asia in general and India in particular has demonstrated robust growth while sub-Saharan Africa has experienced a sharp slowdown *(Sources: IMF and World Bank)*.

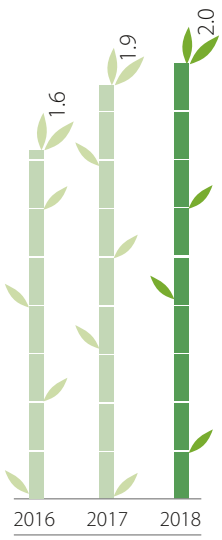
Outlook

The global economy entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy and commodity prices could provide respite for resource-rich economies in 2017. However, the medium-term outlook continues to be bleak with growth declining in investments and labor supply. Businesses will need to prepare themselves adequately to address the challenges arising from geopolitical tensions, policy uncertainties, financial market volatilities and rapid technological advancements.



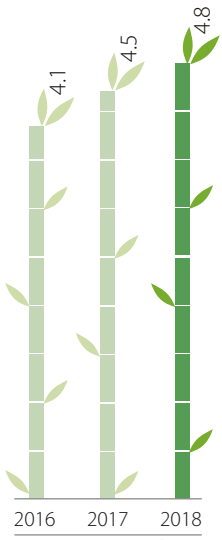
Global economy

(%)



Advanced economies

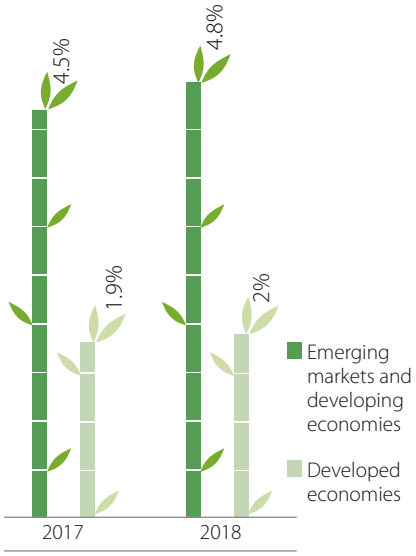
(%)



Emerging market and developing economies

(%)

(Source: IMF)



Estimated Growth

(Source: IMF)

INDIAN ECONOMY OVERVIEW

India's GDP growth was 7.1% for the fiscal 2016-17, down from the 7.9% recorded in 2015-16. Although demonetisation affected the GDP growth rate by 25-100 bps, the governmental initiative of removing specified bank notes from circulation is expected to have long-term benefits.

The growth rate of the industrial sector (measured in the index of industrial production or IIP) was estimated to moderate to 5.2% in 2016-17, down from 7.4% in 2015-16. The country's IIP registered a modest growth of 0.4% during the April-November period of 2016-17.

To boost the rural economy, the Budget 2017-18 set aside ₹48,700 cr. for MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act, 2005) to strengthen the skills development sector, enhancing disposable incomes, increasing consumption and accelerating the rural economic growth.

Outlook

The near-term growth outlook for India seems bright even as the growth forecast for 2017-18 was moderated by 40 bps due to the temporary negative consumption shock induced by demonetisation-induced payment disruptions. Subsequently, India's gross value-added growth is likely to remain at 6.6% as economic activity will take more time to normalise+. However, the implementation of the Goods and Services Tax is expected to boost interstate trade and economic growth.

Projections for 2016-17	
Advance estimates of CSO	7.1
IMF January projection	6.6
IMF's latest projection	6.8

Projections for 2017-18	
IMF	7.2
OECD	7.3
ADB	7.4
Economic survey	6.75-7.5

Figures in % y-o-y
Source: CSO IMF and respective agenciesx

(Source: Hindustan Times, TOI, The Hindu)

GLOBAL SUGAR INDUSTRY OVERVIEW

The prospects for the global sugar industry brightened as Brazil moved towards record output. The global sugar industry is dominated by five sugar producers (Brazil, India, European Union, China and Thailand). Raw sugar prices reached a four-month high in late 2016 due to a deficit in global production which is expected to be neutralised in the 2017-18 sugar year (October 2017-September 2018). The global sugar output in sugar year 2016-17 is estimated at 168 million metric tonnes while consumption is expected at 174 million metric tonnes (raw value) as per USDA which could reduce sugar inventory to a seven-year low and correct sugar prices upwards.

Though the sugar season 2016-17 was characterised by a sugar deficit of nearly 5 million tons, a bumper crop in the world's major sugar producing nations, coupled with slowed consumption growth, could lead to a surplus sugar in season 2017-18. According to Platts Kingsman, an agricultural analysis unit of S&P Global Platt, a surplus of approximately 3 million tons is expected in season 2017-18. Robust sugar production in Brazil and Thailand is expected to drive the world's sugar output by 6.6% to 187.8 million tons, which could overtake consumption, expected to grow 1% in 2017-18 (the lowest y-o-y increase in the last seven years).

Sugar prices more than doubled in 2016 (over 2015) due to a projected decline in production. On the ICE Futures Exchange, sugar prices touched a high of 23 cents per pound in September 2016 following a bottoming out at 11 cents in 2015. *(Source: wallstanalyst, USDA)*

Raw sugar prices reached a four-month high in late 2016 due to a deficit in global production which is expected to be neutralised in the 2017-18 sugar year (October 2017-September 2018).

According to Platts Kingsman, an agricultural analysis unit of S&P Global Platt, a surplus of approximately 3 million tons is expected in season 2017-18.

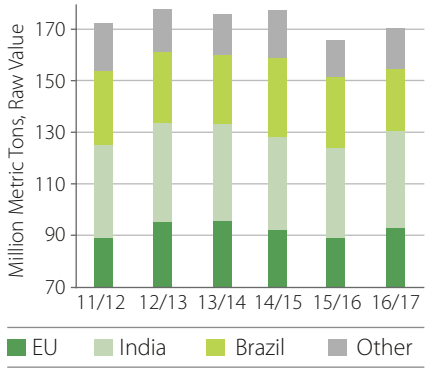
Metrix of estimated sugar balance

WORLD SUGAR BALANCE (OCT-SEP) '000 tons

Season	2016-17	2015-16	2014-15	2013-14	2012-13	2010-11
Production	168.334	166.072	169.607	174.302	172.037	164.712
Consumption	174.203	171.431	167.813	166.007	164.227	157.912
Surplus/Deficit	-5.869	-5.359	1.794	8.295	7.810	6.800
Import Demand	58.095	59.194	57.586	57.993	60.600	54.325
Export Availability	58.250	58.955	57.583	57.983	60.605	54.322
End Stocks	76.265	82.289	87.409	85.612	77.307	69.502
Stocks/ Consumption Ratio in %	43.78	48.00	52.09	51.57	47.07	44.01

Source: ISMA

Key geography wise break up of Global sugar production forecasts is as below:



(Source: USDA)

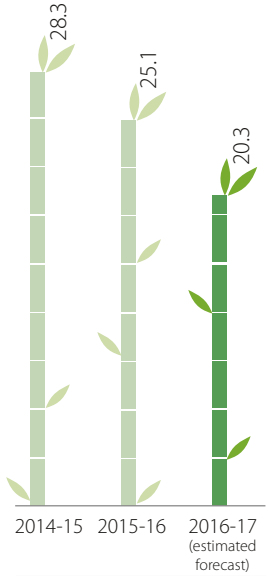
KEY SUGAR MANUFACTURING NATIONS

Brazil: Brazil is the world's largest sugar producer and exporter. However, the Brazilian sugar industry remains debt-ridden with millers increasingly seeking higher production to cover their debt and interest obligations. Nearly 43% of the Brazilian sugar output in 2016-17 was allocated to ethanol manufacture (45% in the previous year) due to remunerative sugar prices. The country's ethanol production could decline in the next sugar season as cane crushers are encouraged to produce additional sugar. In season 2017-18, sugar prices in Brazil could continue to rise, supported by the perception of a global sugar-deficit.

Thailand: Thailand is the world's second-largest sugar exporter. Its output is expected to decline 3.1% in 2016-17 to 9.3 million tonnes (9.7 million tonnes in 2015-16) due to a drought caused by the El Nino effect. Thailand consumes approximately 2.6 million tonnes of sugar a year. While the industry's outlook is that lower production will not affect fortunes, the country slashed its export forecast to 6.8 million tonnes for sugar season 2016-17. Indonesia is one of the largest importers of sugar from Thailand because of a higher import duty applicable to non-ASEAN suppliers. Production in this geography is expected to rise during 2017-18. *(Source: Reuters, FAS)*

China: China is the world's third largest sugar producer. The Ministry of Agriculture indicated production levels of 9.9 million tonnes in 2016-17, a significant increase of 13.79% from 8.7 million tonnes in 2015-16. The increase was attributed to a rise in output from Guangxi, which accounts for two-thirds of the country's output. The output was marked by an increase in the acreage of sugar beet in Northern provinces. China also became the world's biggest sugar importer, importing 6 million tonnes of sugar in 2015-16. The annual sugar consumption in China is estimated at 15 million tonnes. For 2016-17, China remained dependent on imports. China will continue to import during season 2017-18 *(Source: Reuters, Statista, CCM Data and Business Intelligence).*

India: Total sugar production in India on 31st March 2016 was estimated at 25.1 million tonnes, dropping below the production levels of 2015 by 3.2 million tonnes. This caused India's sugar inventory to decline, strengthening realisations. For 2016-17, ISMA reduced forecasts for the third time to ~20.3 million tonnes for the entire year. Cane production declined in drought-affected states like Maharashtra, Karnataka, Andhra Pradesh and Telangana. *(Source: Moneycontrol)*



India's sugar output

(Source: ISMA)

INDIA'S SUGAR HIGHLIGHTS 2016-17

- Sugar production estimates for season 2016-17 underwent revisions from the first estimate of 23.25 million tons by ISMA to around 20 million tons, down from 25.1 million tons in season 2015-16.
- From a high of 8.3 million tons of sugar produced in season 2015-16, Maharashtra's sugar production declined to less than 4.2 million tons in season 2016-17. Similarly, Karnataka's sugar production declined from nearly 4 million tons in the previous season to 2.2 million tons. Production in Uttar Pradesh, which was 6.85 million tons in season 2015-16, rose to nearly 8.8 million tons of sugar in 2016-17.
- With an opening stock of 7.7 million tons, production of 20.3 million tons, consumption of 24 million tons and import of 0.5 million tons, the estimated closing stock was 4.5 million tons. Sugar prices were broadly range-bound between ₹3,500 to ₹3,600 per quintal.
- Sugar production during season 2017-18 is expected to bounce back to nearly 24-25 million tons with a share of more than 9.5 million tons from Uttar Pradesh and approximately 7 million tons from Maharashtra.

Policy interventions by the Central Government:

- The Central Government announced a scheme of compulsory export, which resulted in surplus sugar being evacuated.
- For the season 2016-17, the Central Government announced an FRP of ₹230 per quintal linked to a recovery of 9.50%
- Ethanol prices for fresh contracts entered in the season 2016-17 were reduced to ₹39 per liter. The ethanol blending target remained at 10%.
- The Government announced a duty-free Sugar import of 5 lakh MT.

Sugar Balance Sheet 2016-17

In lakh tons

	2016-17 SS
Opening Stock	77.5
Sugar Production	203
Imports	5
Total	285.5
Domestic Consumption	238-240
Exports	0.50
Total Dispatches	238.5-240.5
Closing Stock	45-47

Source: ISMA

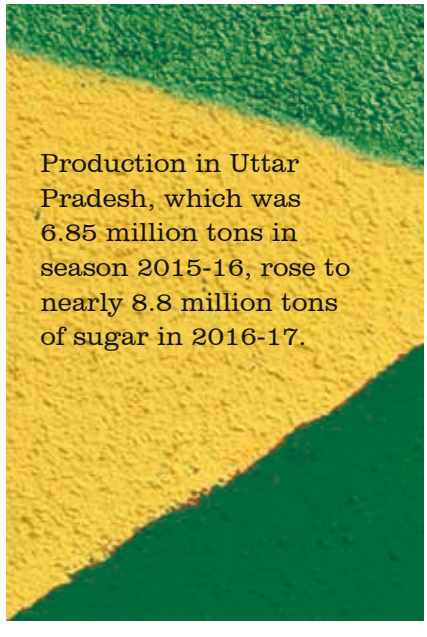
Sugar sector, 2016-17: an inflection point

The year under review proved to be an inflection point for India's sugar industry, especially well-managed sugar companies in Uttar Pradesh. The improvement was on account of a sustained stability in sugar realisations after years of price weakness. Some of the well-managed sugar companies capitalised on this recovery in realisations by complementing it with an increased in recovery – a double-impact. The result was that some sugar companies like Dwarikesh reported their best-ever financials, the growth being higher than the sectoral average increase. These companies capitalised on this development by right-sizing their Balance Sheets through accelerated debt repayment. The gearing of some of the sugar companies was the best they achieved in living memory, a virtual inflection point in their existence. Going ahead, these companies will leverage their enhanced competitiveness, liberating themselves from deep cyclical impact leading to enhanced sustainability.

India: One of the most attractive sugar markets

There are a number of reasons that make India one of the most attractive sugar markets in the world.

- India's population growth is expected to sustain: making it the most populous nation
- India enjoys a deep confectionary tradition – across moments of grief, happiness and everyday living
- India's sugar per capita consumption is largely driven by increased personal incomes, a trend that is unlikely to reverse into the long-term
- India is increasingly a country of young earners, creating a large and new consumption base (among the largest in the world) that is likely to drive sugar consumption
- India is still at the low-end of a packaged foods revolution; as an increasing number of women are drawn into the workforce there is a likelihood of an increase in packaged foods consumption, which draw extensively on the use of sugar as a preservative



The Uttar Pradesh sugar industry

The Uttar Pradesh sugar industry comprises 116 sugar mills. In 2016-17, ISMA indicated that Uttar Pradesh sugar production was 76.60 lakh tonnes. By the third week of April 2017, UP mills had produced 85.27 lakh tons of sugar, exceeding the previous record of 84.75 lakh tonnes in 2006-07. UP has emerged as India's largest sugar producing state in 2016-17.

Surprisingly, this increase in the state's sugar production did not materialise so much on account of increased cane area or crushing quantum as much it was derived from an increase in average sugar-to-cane recovery: from 9.47% in 2006-07 to an estimated 10.6% in 2016-17 following an extensive use of Co 0238 cane variety generating higher farm yields and sucrose content.

The Co 0238 cane variety's early-maturity character, sucrose accumulation and optimum sucrose level a month earlier than the normal 'general' cane varieties enhanced sugar output and mill profitability.

Sugar highlights, Uttar Pradesh

- Most Uttar Pradesh sugar mills reported better crushing, production and recovery.
- SAP during season 2016-17 increased ₹25 per quintal. The cost of the general sugarcane variety delivered at gate during season 2016-17 was ₹305 per quintal. There was no waiver of purchase tax, entry tax and society commission. The claim of society commission of ₹3 per quintal for season 2015-16 was written off consequent to a State government order.
- The year 2017 saw a new government assuming power in Uttar Pradesh; the same government at the Centre and State level is expected to translate into a uniform sugar policy.
- Yield at farm levels increased on account the increased spread of variety Co 0238.
- UPPCL dues remained an area of concern; arbitrary molasses policy proved unfair to the state's sugar industry.

Uttar Pradesh: One of the most attractive global sugar proxies

Uttar Pradesh is one of the most attractive cane-growing geographies, the world over.

- The state accounts for cane production of 8.8 mn quintals, which would have made it one of the largest sugar producers had the state been an independent country
- The state receives abundant sunshine during the year; the state enjoys adequate rain; the state enjoys rich alluvial soil brought in the Ganga and Yamuna rivers, a unique convergence rarely enjoyed by any region in the world
- The state enjoys a long standing cane growing and sugar manufacturing tradition
- The state is attractively placed to supply sugar to the entire North India, Central India and Eastern India, strengthening its logistical competitiveness.
- The state has been a progressive adopter of cutting-edge technologies; the adoption of the Co 0238 cane variety helped increase recovery by more than 100 bps (more than 150 bps for the better-managed companies), virtually transforming sectoral dynamics.

How UP's sugar fundamentals have changed

Year	Cane area (lh)	Cane yield (t/ha)	Cane crush (lt)	Sugar output (lt)	Sugar recovery (%)
2006-07	26.62	59.59	894.94	84.75	9.47
2007-08	28.50	56.44	747.39	73.19	9.79
2008-09	21.40	51.77	454.82	40.64	8.94
2009-10	17.88	58.80	567.34	51.79	9.13
2010-11	21.01	56.34	643.81	58.87	9.14
2011-12	22.51	59.35	768.55	69.74	9.07
2012-13	24.24	61.63	815.06	74.85	9.18
2013-14	23.60	62.74	701.17	64.95	9.26
2014-15	21.32	65.15	744.54	71.01	9.54
2015-16	20.52	66.47	645.66	68.55	10.62
2016-17	20.54	70.00*	830.00*	88.00*	10.60*

**Likely; lh: lakh hectares; t/ha: ton/lakh hectare; lt: lakh tones; Source: Cane Commissioner's Office, Lucknow*

INDIAN SUGAR INDUSTRY SWOT ANALYSIS

Strengths

- The Indian sugar industry is the world's second largest sugar producer after Brazil
- Sugar the main product of mills, expected to fetch stable prices.
- Uttar Pradesh experienced a rebound in sugar production and fortunes.
- The Indian sugar industry provides employment to a large farmer base; it supports other down-stream industries through adequate raw material supply
- This sector is the focal point of socio-economic development of the rural India

Weaknesses

- Most sugar factories are more than 40 years old, using legacy technologies and low installed production capacities leading to sub-optimal costs.
- Low professionalism.
- Most co-operative sugar industries in India struggle to pay farmers for cane.

Opportunities

- The by-products of sugar manufacture enjoy attractive realisations.
- There is a potential to increase cane productivity and sugar recovery.
- Technology upgradation and advanced technologies are available for effective byproduct utilisation.
- The by-products are perceived as environment-friendly.

Threats

- Increased competition within the industry.
- High dependence on ground water for irrigation.
- High political interest in fixing raw material prices.
- Weakening soil quality through prolonged fertilizer and pesticide use

Ethanol

Ethanol, a pure alcohol form, is a byproduct of sugar manufacture. Blending ethanol with automotive fuel enhances fuel combustion, moderates vehicle pollution and generates foreign exchange savings. The national Bio-Fuel Policy comprised the following initiatives:

- Targeted 20% bio-fuel blending by 2017
- Remunerative prices to ethanol producers, inspiring capacity accretion
- Bringing ethanol under the category of declared goods, ensuring the unrestricted and uninterrupted inter-state movement of bio-fuels.

The Central Government is engaged in pricing ethanol and permitting oil marketing companies to market petrol with a 10% ethanol content. The ethanol pricing policy could take a dynamic approach as OMCs have struggled to achieve the government-mandated blend. In 2016-17, OMCs achieved a blend of only 2.3% against the mandated 5%.

The Central Government resolved to reward ethanol suppliers by making payments as per actuals in the case of excise duty and VAT/GST, reimbursing transportation expenses incurred by OMCs. This pricing mechanism takes into account changes in petrol prices, which will reflect in maintaining the fixed cost of ethanol purchase during the year. (Source: Biofuels International, ICICI Direct)

Ethanol blending

- Blended with petrol to reduce fuel consumption, boost octane ratings and moderate tailpipe emissions
- A fuel comprising 85 to 100% ethanol (depending on country specifications) can be used in specially-designed engines
- Benefits comprise cleaner air, lower greenhouse emission, superior fuel performance and lower petroleum consumption.

Cogeneration

Cogeneration is an initiative to produce two energy forms from one fuel (one form of energy being heat and the other being electrical or mechanical energy). In a conventional power plant, fuel is combusted in a boiler to generate high-pressure steam used to drive a turbine, which in turn drives an alternator through a steam turbine to produce electrical power.



Sugar mills in India consume their captively-generated bagasse to run mills during the season and generate steam to run boilers and turbines. The surplus energy is exported to the state electricity grid. The Central Electricity Regulatory Commission regulates generation and supply at the national level; Regulatory Commissions in each state also address this aspect.

The Ministry of New and Renewable Energy (MNRE) has a Biomass Power and Bagasse Co-generation Program which aims at efficient utilisation of biomass for power generation. As per MNRE, due to progressive higher steam temperature and pressure and efficient project configuration in new sugar mills and modernisation of existing ones, the potential of surplus power generation through bagasse cogeneration in sugar mills is estimated at 7,000 MW. Most of this potential comes from sugar producing states such as Maharashtra and Uttar Pradesh. Over 530 biomass power and cogeneration projects aggregating to a capacity of about 7907.4 MW have been installed in the country upto December 2016 for feeding power to the grid.

It is estimated that four million units of electricity per megawatt of capacity of the cogeneration plant is annually generated. The sales realisation of cogenerated power ranges from ₹ 3.50 to ₹ 5.50 per unit depending on the tariff fixed by the State Electricity Regulatory Commission. *(Source: Ministry of New and Renewable Energy, ISMA)*

GLIMPSES OF OPERATIONS & FINANCIAL STATEMENT ANALYSIS

Sugarcane crushed & sugar produced

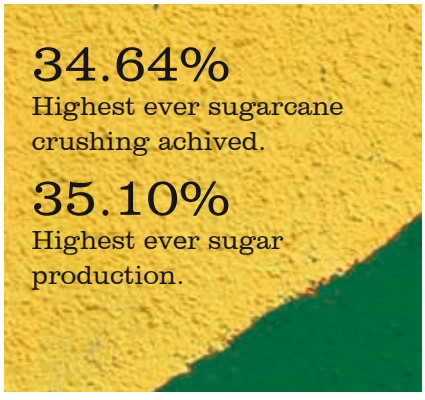
FY 2016-17 (From 1.4.2016 to 31.3.2017), includes a small part of season 2015-16 and a major part of season 2016-17

Particulars	2016-17	2015-16	% Change
Crushing (Lakh/Quintals) – total at all three units	260.74	224.65	16.07
Recovery % (Combined)	11.71	11.67	0.34
Production (Lakh/Quintals) – total at all three units	30.34	26.28	15.44

For completed crushing season 2016-17 vis-à-vis seasons 2015-16

Particulars	2016-17	2015-16	% Change
Crushing (Lakh/Quintals) – total at all three units	283.40	210.49	34.64
Recovery % (Combined)	11.78	11.67	0.94
Production (Lakh/Quintals) – total at all three units*	33.38	24.71	35.10

**Including small quantity of non-marketable (Brown) sugar.*



Season's highlights

- Sugarcane crushing up by 34.64%, highest ever crushing
- Sugar production up by an impressive 35.10%, highest ever
- Impressive recoveries on account of superior varietal mix, with increasing thrust on early maturing varieties such as Co 0238. Impressive recovery in spite of early start of the crushing season
- Highest-ever group recovery of 11.78% with recovery at DN plant at 12.34% and DP plant at 12.11%, accomplishing the coveted number 1 and 2 position in North India. Recovery clocked at DN and DP among the highest in India.

Performance of cogeneration division

- During FY 2016-17 the company sold 1,586 lakh units worth ₹7,952 lakhs (Including sale of 6.33 lakh units (₹ 29.67 lakhs) from unutilised power banked in

Dwarikesh - Financial Scorecard

Particular	2016-17		2015-16	
	Lakhs	%	Lakhs	%
Net revenue (from operations)	119,040	100.00	79,434	100.00
EBIDTA	28,403	23.86	12,175	15.33
EBDTA	24,209	20.34	7,016	8.83
EBT	21,215	17.82	3,939	4.96
EAT	15,847	13.31	3,897	4.91

** Exceptional income of ₹323 lakhs (Previous year ₹492 Lakhs) is added to EBIDTA and EBDTA*

season 2015-16) vis-à-vis 1,377 lakh units worth ₹6,719 lakhs

- During the completed season 2016-17, value of power evacuated to the power gird is approximately ₹90.45 cr., highest ever

Performance of Distillery

During the year 79.65 lakh Liters of rectified Spirit (previous period 57.02 lakh Liters) was produced. The rectified spirt was further reprocessed and 63.55 lakh liters Ethanol (previous period 51.68 lakh liters) was produced at Dwarikesh Nagar Unit of the Company. During the year 82.10 lakh liters of industrial alcohol was sold. The BMSW treatment plant commissioned during 2015-16 is under stabilisation.

The numbers for the year under review make impressive comparison with the numbers of the previous period.

- Highest sale of sugar ever. Highest ever turnover
- Highest ever EBDITA. EBIDTA margin 23.86% vis-à-vis 15.33% in previous year
- Earnings after tax at 13.31% is ₹15,847 lakhs, highest ever vis-à-vis ₹3,897 lakhs (4.91%) during 2015-16
- Long-term debt, including debt of maturity less than one year, reduced to ₹145.44 cr. from ₹301.41 cr. Efficient management of working capital & reduction of long term debt resulted in lower interest outgo. (₹41.94 cr. vis-à-vis ₹51.59 cr. in previous FY)
- The long-term loans of the company are rated 'A' (-) with stable outlook by ICRA.
- During the year, the company successfully concluded a QIP program and raised ₹59.4 cr. and the proceeds of the same was used for accelerated repayment of long term debt

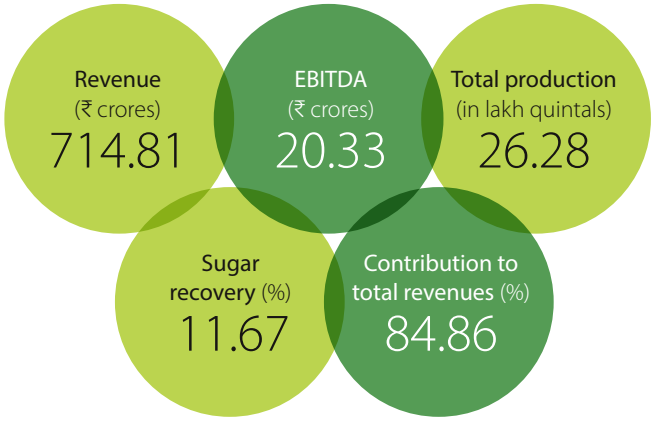
₹15,847 lakhs
Highest-ever earnings after tax during 2016-17

ACCOUNTING POLICIES

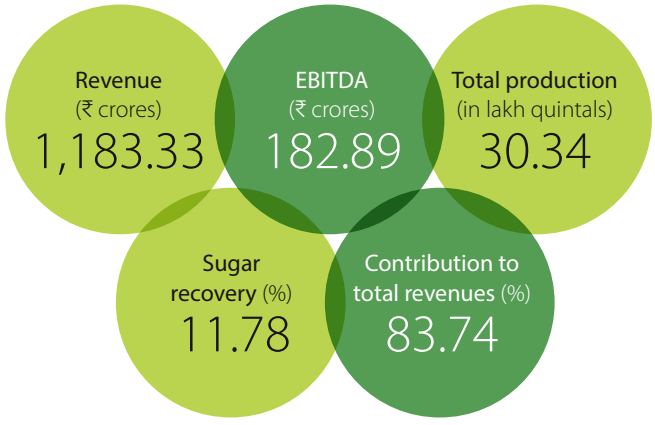
The financial statements were created in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles in India. The accounting policies followed by your Company form an integral part of the annual report

Sugar

2015-16



2016-17



Revenue includes internal revenue as well

Overview

- The oldest and largest vertical within the Company.
- Aggregate capacity 21,500 TCD across three factories in two Uttar Pradesh districts (Bijnor and Bareilly) Factories in cane-rich areas

Performance

- Focus on better cane varieties, lower cut-to-crush tenure and lower plant loss
- Recovery improved over previous year
- Reported the best recovery during season 2016-17

Cane management

- Worked with about 97,000 cane growers
- Provided improved seeds, fertilizer and other subsidised inputs to farmers
- Deployed dedicated teams, engaged in farmer education on superior farm practices (space planting with trenches) and harvest monitoring
- Provided farmers new farming tools and quality fertilizer (Coragen) for pest control
- Conducted village and zone meetings to educate growers on farming advancements
- Formed Kisan Sewa Kendra to promote high-yield seed varieties (Co 0238) pre-treated against disease
- Designed demo-plots of an acre in villages for superior cane cultivation
- Encouraged autumn planting to compensate ratoon loss, generating higher yield and recovery.
- Improved ratoon management, training farmers in stubble saving and efficient pesticide use.
- Strengthened soil testing laboratory to study efficient land use.

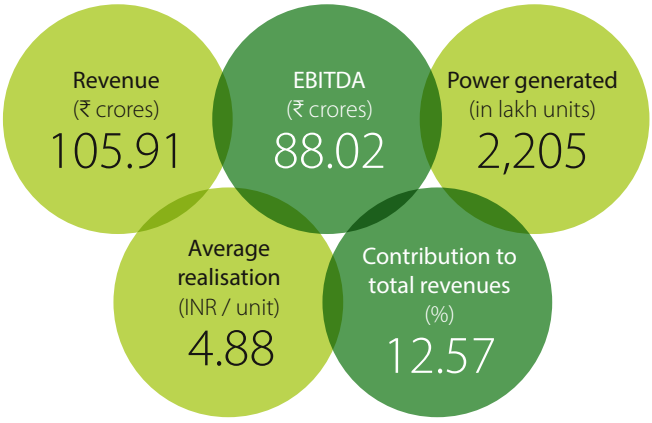
Outlook - 2017-18

- Targeting higher cane recovery
- Targeting minimum 10% cane crushing growth.
- Focus on enhancing cane drawal from Bareilly command area

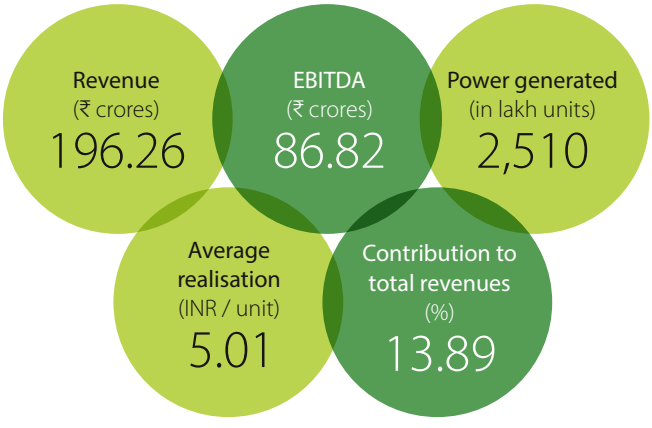
DIVISIONAL ANALYSIS

Co-generation

2015-16



2016-17



Overview

- Consumption of bagasse byproduct derived from cane crushing
- Co-generation capacity 86 MW

36 to 38% of generated power consumed within

- 62 to 64% of generated power marketed to state electricity grid

Highlights - 2016-17

- Power generation per ton of bagasse declined due to improved cane variety (low bagasse)
- Power generation increased following higher crushing.

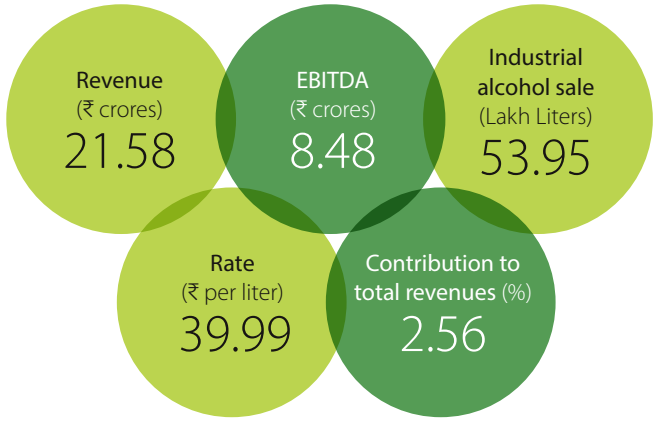
Outlook - 2017-18

- Steam-saving initiatives across three plants to increase power generation
- Improve off-season efficiency
- Moderate captive consumption

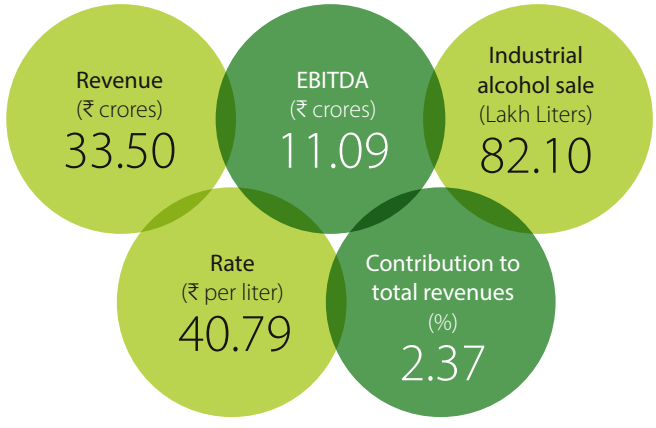
BUSINESS DIVISION

Distillery

2015-16



2016-17



Overview

- Distillery capacity of 30,000 liters per day (Dwarikesh Nagar, Bundki, Bijnor)
- Modern effluent treatment plant
- Use of molasses by-product as raw material
- Manufacture of ethanol and rectified spirit

Outlook - 2017-18

- Enhance distillery availability and revenues
- Maximise ethanol production

Risk management

Sugar production is dependent on cane output and rainfall, which makes the industry potentially cyclical and dependent on realisations. The business is also capital-intensive where input costs are dictated by the government. These reasons place a premium on enhancing operational capability and moderate interest costs.

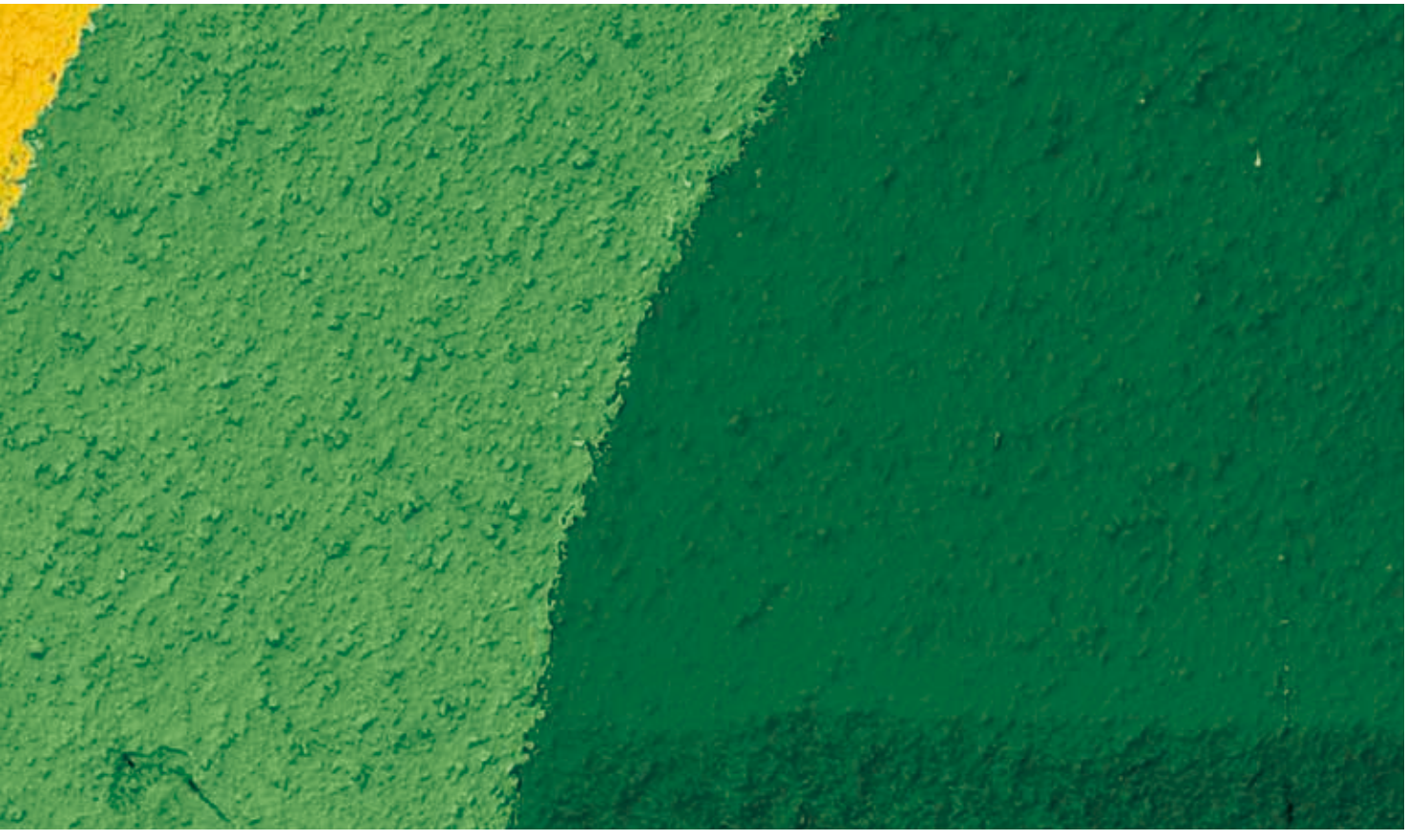
Government policy risk management

The sugar industry is vulnerable to government policies that influence costs, cane availability, distribution controls and exports. In the last couple of years, the Indian government has attempted to provide the sugar industry stability through moderated cane price revisions, soft loans and assurances of pro-industry policies. The election of a new pro-industry government in Uttar Pradesh also augurs well for the sector.

Locational risk management

Freight accounts for a large proportion of production costs, making it imperative for factories to be proximate to sugarcane farms.

Dwarikesh is located in fertile cane-rich regions marked by growers with a progressive mindset who have in turn invested in clonal cane varieties and mechanisation. The company's proactive use of advanced cane seeds increased farm yield and recovery, virtually transforming grower destinies. The Company's command areas are within a radius of 15 kms of mills with minimal cane poaching. The company foresees the opportunity to enhance cane coverage and drawal in its Bareilly command area.



Farmer relationship risk management

A collaborative relationship with cane growers is critical to ensure increased cane throughput, the building block of industry success.

Dwarikesh engages extensively with more than 97,000 cane growers through cane development activities, monthly farmer meetings, educational workshops, provision of subsidised seeds, fertilizers and pesticides and timely payments (seven days in FY 17 against the stipulated 14). This engagement also protects cane quality and translates into superior recovery.

Sugar oversupply risk management

Increased sugarcane output in the state or country could lead to a glut and a decline in realisations. Dwarikesh has invested in quality sugar manufacture, making it possible to sell faster and completely. A decline in the national sugar inventory could at best normalise in the next two years, assuring prospects of stable sugar realisations until then.

Working capital risk management

In a capital-intensive business, the capital to labor ratio required for operations is high; liquidity concerns can impact operations. Dwarikesh attempts to liquidate its inventory by the end of each season, ensuring comfortable liquidity to address working capital needs. Besides, a focus on superior cane management, operations (crushing, co-generation and distillery) has helped enhance cash flows.

Environment management

Creating a cleaner world

At Dwarikesh, we believe that the sugar industry is a completely responsible business that takes the cause of renewable energy ahead.

Over the years, the company strengthened its environment engagement through a business model that maximised output efficiency. The result was that even as the company continued to invest in cane crushing, it diversified into two downstream businesses that were built around a superior utilisation of byproducts – getting more from the same material quantity represents the foundation of responsible environment management.

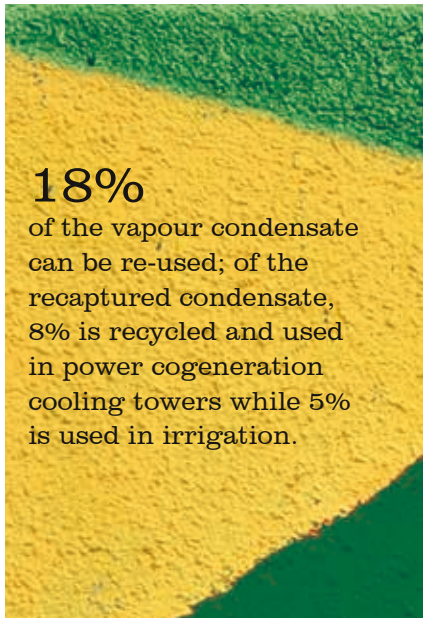
Besides, the two downstream businesses that the company entered comprised distillery-driven ethanol manufacture and power co-generation. The production of ethanol addresses one of the most critical problems of vehicular pollution affecting human kind; there is a growing acceptance that urban air is carcinogenic on account of an increased number of vehicles. The use blending of ethanol with automotive fuel increases combustion and moderates tailpipe emissions.

Besides, Dwarikesh extended to power co-generation, making it possible to generate power from captively-generated bagasse, replacing the consumption of electricity from fossil- fuel-derived resources.

Over the years, the company reinforced its investments in environment-protecting assets with an ongoing priority in moderating the use of finite natural resources.

Water conservation

Overview: Sugarcane contains about 70% water, which is converted into vapor condensate during crushing. Of the condensate, about 27% evaporates through cooling towers; about 18% can be re-used; of the recaptured condensate, 8% is recycled and used in power cogeneration cooling towers while 5% is used in irrigation. Dwarikesh is engaged in rain harvesting, with investments in a roofing system comprising roof ridges that collect rain water passed into a customised pit. Dwarikesh has made adequate arrangements for rain-water harvesting.



Energy conservation

Overview: Bagasse is consumed to generate energy; power generated per ton of bagasse has been stable at around 34.65 units/ton of bagasse. In the last couple of years, the use of superior cane variety (Co 0238) moderated energy generated per ton of bagasse.

Investments: The company replaced electrical lighting across its three units with energy-saving LED lights. The company replaced legacy motors with energy-efficient alternatives. It initiated variable energy drive across plants. The motor use in plants was adjusted during periods of low use to moderate energy consumption.

Benefits: These measures led to substantial power savings

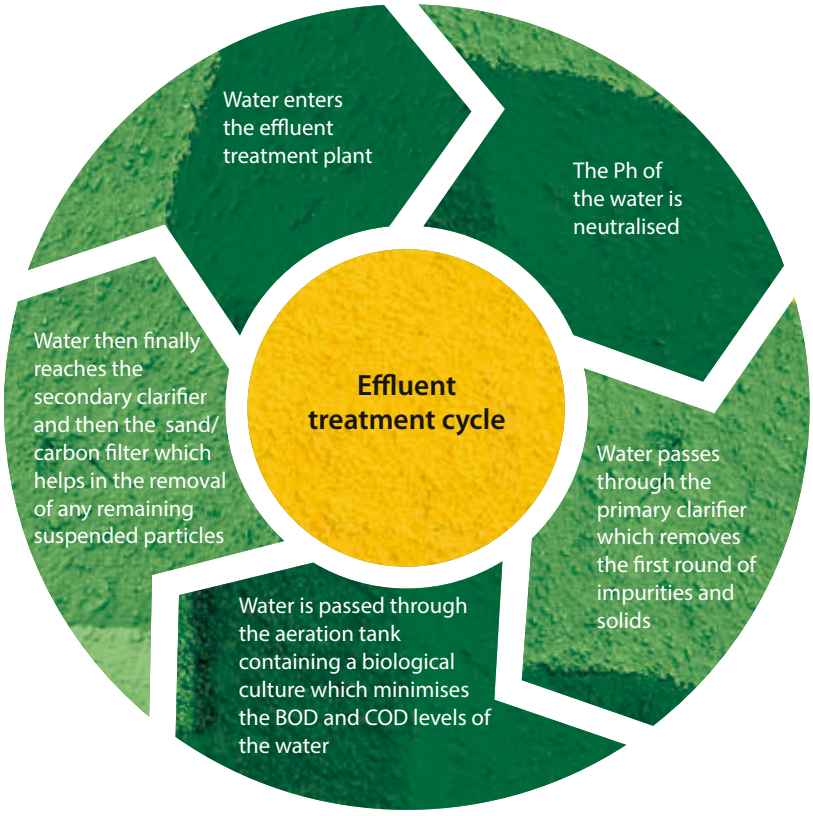
Effluents treatment

Overview: All three units of Dwarikesh were invested with modern effluent treatment plants. The water released from the company's sugar units contains effluents with high Biological Oxygen Demand and Chemical Oxygen Demand, which is subsequently treated. The byproduct molasses is processed within the company's distillery using bore-well water in the fermentation stage and producing spent wash.

The company invested in a digester to process the spent wash and produce methane to fire the boilers. This spent-wash is also concentrated in the evaporator to manufacture bio-compost.

Investments: Repairs were conducted to enhance ETP efficiency. An online monitoring system controlled effluent generation and maintained a consistency in recycled water composition within government-specified norms.

Benefits: The bio-compost produced from effluent treatment is rich in sulphur, potash



and urea. This bio-compost is blended with press-mud (sugarcane residue) for use as a fertilizer. Due to the bio-composting route, the distillery is permitted to run 270 days a year, enhancing profitability.

Internal control systems and their adequacy

The Company has in place an adequate internal control policy and internal control system in order to ensure that all transactions are authorised, recorded and reported correctly and that all assets are protected against the perils of un-authorised use or disposition. Towards enhancing the efficacy of internal controls, services of external consultants are hired wherever necessary, and their suggestions are reviewed and implemented. The Company also periodically reviews its business processes with a view to fine-tune them. The Company also has in place an internal audit system, whereby an independent professional firm of internal auditors conducts regular audits across the Company. Their findings are reviewed by the management and audit committee on a regular basis.

Human resources

The Company has built a strong talent pool – its competitive edge. The Company seeks to recruit and retain talent. Training and development is conducted on the basis of performance appraisals; training programs are redesigned to bridge skill gaps. Industrial relations continued to be cordial during the year; the Company enjoyed among the lowest attrition rates, among peers. As of 31st March, 2017, the Company employed 638 full-time permanent employees.

Cautionary Statement

The statements in the report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. As these statements are based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global or domestic demand and supplies, political and economic developments in India or other countries, government regulations and taxation policies, prices and availability of raw materials, prices of finished goods, abnormal climatic and geographical conditions, among others. The Company assumes no responsibility in respect of forward-looking statements that may be revised or modified in the future on the basis of subsequent developments, information or events.

Corporate social responsibility



Mr. Gautam R. Morarka believed that if India were to become a truly developed nation, then it needed to concentrate on the development of its rural populace. He espoused a principle of 'parhit saris dharma nahi bhai, par peeda sam nahi adhmahi', which means there is no virtue like benevolence, and no meanness like oppression. Dwarikesh too, believes in contributing towards the development of the society, utilising all the resources it can muster. As a means to this end, it established the R.R. Morarka Charitable Trust in 1995 and Narbada Devi Charitable Trust in 1994. In 2004, a sub-division called Sewa Jyoti was formed under the aegis of the R. R. Morarka Charitable Trust's Rajasthan chapter in Jhunjhunu. Sewa Jyoti aims to address basic needs such as those pertaining to food, education, women empowerment, self-employment, and healthcare, among others. The Government of Rajasthan, on multiple occasions, recognised its services and awarded the chief trustee with the prestigious Bhamashah Award in 2006, 2011 and 2016.





EDUCATION

Education represents the backbone of society. What matters the most is quality education. In India, out of the 229 million enrolled students (classes I to XII), only a handful enjoy access to holistic education, competent tutors and basic teaching aids. According to UNICEF, the rate of adolescent (15 to 18 years of age) dropout increased by leaps and bounds. It is common knowledge that financial constraints or domestic chores are the main reasons cited by people for dropping out of education. But data from the National Sample Survey Office shows that 13 out of every 100 Indians between 5-29 years did not attend school or dropped out because they did not consider education 'necessary.'

This is where Dwarikesh stepped in:

- Since its inception in 1994, more than 80,000 children directly benefitted as a result of the Mission Education programme.
- The Radheshyam R. Morarka Government PG College in Jhunjhunu, inaugurated in March 2006, received a facelift in 2010 to accommodate more students. For the academic year 2017-18, a utility block is being constructed in this college under the Swachh Bharat Abhiyan programme.
- Much like a Vedic gurukul, the Radheshyam Morarka Saraswati Vidya Mandir in Madhav Kunj near Meerut imparts multi-faceted, meaningful education among local students as well as those from North Eastern India.
- The R.R. Morarka Public School, established in 1998, imparts quality education among rural children living in the interiors of the Bijnor district.
- The Radheshyam R. Morarka Smriti Samman felicitates meritorious students of Radheshyam R. Morarka Government PG College, Jhunjhunu on an annual basis. Till date a sum of ₹3,52,000 had been provided in the form of scholarships to 182 students. Toppers in every class and faculty received financial rewards and certificates.
- A separate programme encouraged well-performing students of other educational institutions (especially girl students of the Nawalgarh block). Over time, a sum of ₹10,62,956 had been handed to 188 students.
- A special programme was organised for counseling parents of dropouts to get them re-enrolled in schools.
- School uniforms and winter clothing was distributed among 5,000 children hailing from poverty-stricken families.

The R.R. Morarka Public School, established in 1998, imparts quality education among rural children living in the interiors of the Bijnor district.

Over the years it occupied the space of being the most coveted CBSE school in the district and boasts of having some of the best results in both academics as well as extra curricular activities.

The school lays emphasis on the holistic development of its students. The students that graduated from RRMPS have gone on to pursue the successful careers in various fields of science, commerce and arts alike.

RRMPS has been the bridge that has been able to groom the local children of Bundki in a manner that they leave as confident young adults who do not find themselves short on any score when they need to compete with contemporaries from larger towns and cities.





HEALTHCARE

The statistics tell a grim story. India carries 20% of the world's disease burden, according to data from the World Health Organisation. ~75% of deaths globally are caused by communicable diseases, of which India accounts for 17%. A report published by Oxfam says India records the highest number of maternal deaths in the world. Yet, India also is the third largest manufacturer of pharmaceuticals and according to Price Waterhouse Coopers (PwC) India's monthly internal report for June, has the largest number of medical schools globally (381) and produces the most medical graduates each year (50,000). The reason for the dichotomy is simple: India lacks the financial resources required to reinforce its deficient healthcare infrastructure and improve its health indicators.

Dwarikesh has worked tirelessly over the years to correct this skew:

- Dedicated camps offering comprehensive healthcare services (general, gynaecological, paediatric, ophthalmological and surgical) to a large number of people are set up in selected areas on a regular basis.

One bus terminal = multiple benefits

The Radheshyam R. Morarka Memorial Government Roadways Bus Terminal was built in Nawalgarh in 2011 to provide much-needed relief to passengers, staff, tourists and local people. Furthermore, it has been instrumental in creating jobs for the local people and has systematised the unruly traffic situation in what is a popular tourist destination. As of 31st March 2017, work on a CC interlocked paved flooring was in progress at this bus terminal.

- A 30-bed hospital, Radheshyam Morarka Medical Institute, was established in December 2006 at Nawalgarh to provide quality medical services at affordable rates.
- Over the past 19 years, 64 eye camps (the latest being on 15th April, 2017) carried out 1,665 operations and benefitted 10,099 people.
- 50 specialised ENT camps benefitted 1,231 patients.
- 762 units of blood were donated via nine blood donation camps.
- Monthly multi-disciplinary health camps provided free-of-cost services to 85,000 individuals from ~150 villages in and around the Jhunjhunu and Bijnor districts.
- A polio correction camp and a handicap camp saw 8,772 individuals being inspected, 293 patients undergoing corrective surgeries, 832 individuals receiving tricycles, 131 individuals receiving wheelchairs, 935 individuals receiving crutches, 155 individuals receiving prosthetics, 776 individuals receiving calipers, 343 hearing-impaired individuals receiving hearing aids and 103 visually-challenged

SANITATION AND POTABLE WATER

As per the World Health Organisation, India has 63 million people in rural areas without access to clean water. As per the Swachhta Status Report (released by the National Sample Survey Office) more than half the rural population (52.1%) defecates in the open. Contaminated water can cause a variety of infections and epidemics. Inadequate sanitation and no access to toilets results in acute shame, embarrassment and fear for many rural women and girls and higher risk of infections and disease for the general population as well.

Dwarikesh provided access to clean drinking water and maintained hygiene and sanitation to improve healthcare standards in rural India.

- Preservation, repair and construction of water bodies in the catchment areas covering the Nawalgarh block were carried out. Moreover, thousands of saplings were planted in the area to protect the environment.
- Drinking water facilities and separate toilets for boys and girls were constructed in governmental schools in Nawalgarh.

Recognitions

- Received an appreciation letter and memento from the State Women & Child Development Department in December 2016 in recognition of the Beti Bachao – Beti Padhao initiative.
- Awarded by the block administration in 2016 for contribution in the realms of community development, education and healthcare
- Awarded for the third time at the district-level (26th January 2016) for its contribution in the field of rural development.



Lending a helping hand

Traditionally, the arid areas of Rajasthan receive sparse rainfall during the monsoons. However, in July 2010, Jhunjhunu, Nawalgarh and other areas of the Shekhawati region witnessed unusually heavy rainfall resulting in flash floods that inundated many villages leaving thousands of people homeless. They had lost all their belongings and had nowhere to go with no food, clothes, medicines or shelter. As a part of the relief operations, food items were distributed among the affected people.

- Received the Bhamashah Award in 2006, 2011 and 2016 from the Rajasthan Government in recognition of its services to the society.
- Received the Indira Gandhi Sadbhavna Puraskar in 2011and the Swami Krishnanand Saraswati Samman in 2012, in recognition of its contribution towards promotion of social harmony.



Received an appreciation letter and memento from the State Women & Child Development Department in December 2016 in recognition of the Beti Bachao – Beti Padhao initiative.

RURAL DEVELOPMENT

India's economic growth story of the past two decades has a recurrent theme, of accentuating insecurities for millions. Yet, there is a deep divide over how to distribute the fruits of its economic growth. The answer lies in skill development. There is a dual challenge as far as developing skills and utilising them in a proper way is concerned. The skill ecosystem today is struggling to make skill aspirational as vocational education carries a negative perception vis-à-vis formal education. Skill development is imperative for increasing the nation's productivity, ensuring sustained growth and making the most of the untapped demographic dividend in a country where over 54% of the people are under 25 years of age and more than 62% of the population falls within the age group of 15 to 59 years.

Dwarikesh has always been at the forefront when it comes to fostering the cause of skilling India at the grassroots.

- 140 self-help groups were established in different villages to motivate and assist villagers (especially women) in adopting financial prudent practices (opening savings accounts, among others).
- Professional skilling programmes were held in Nawalgarh since September 2006 with the help of NABARD. Consequently, hundreds of women were trained in making readymade garments, soft toys and leather products.



Setting an example

The Rajjupura village in Bijnor district has emerged as a 'model village' following the construction of a community centre, launch of a safe drinking water project and construction of a drainage system and roads connecting nearby villages. Furthermore, educational workshops have been organised for the benefit of >35,000 farmers where information regarding advanced farming techniques, seeds and equipment is disseminated, free-of-cost.

- Through a MIDP (Micro Enterprise Development Programme), the capacities of several participants were enhanced in various farm and non-farm areas. Dozens of such other skill development programmes were carried out in Jhunjhunu throughout the year.
- Five economically-disadvantaged girls were adopted under the Beti Bachao – Beti Padhao programme.
- A flagship outcome-based skill training scheme was operationalised to enhance the employability of local youth with support from different agencies like the Ministry of Skill Development & Entrepreneurship. Under the scheme, 600 apprentices were trained, assessed and certified by affiliated instructors and provided with monetary rewards.
- 246 self-help groups were adopted to reach to the most vulnerable sections of the society and take effective steps towards mainstreaming them. Thus far, 2,706 members gained around ₹85,00,000 from this initiative.
- A campaign to spray mosquito repellents and insecticides was conducted in more than 45 villages. Moreover, qualified medical personnel were deployed and medicines were distributed free to aid affected people.

Corporate Information

Directors

G. R. Morarka	Managing Director
B. K. Agarwal	Independent Director
K. N. Prithviraj	Independent Director
Nina Chatrath	Independent Director
B. J. Maheshwari	WTD & CS cum CCO
Vijay S. Banka	WTD & CFO

Registered Office & Unit 1

Unit I: Dwarikesh Nagar - 246 762
District: Bijnor,
Uttar Pradesh.

Corporate office

511, Maker Chambers – V,
221, Nariman Point,
Mumbai - 400 021.

Other Units

Unit II: Dwarikesh Puram - 246 722.
Tehsil Dhampur, District Bijnor,
Uttar Pradesh.

Unit III: Dwarikesh Dham - 243 503.
Tehsil Faridpur, District Bareilly,
Uttar Pradesh.

Vice President (Corporate Affairs) –

Priyanka G. Morarka

Vice President (Works) – DN & DP Units

B. P. Dixit

Vice President (Works) – DD Unit

R. K. Gupta

Bankers

Punjab National Bank
Sarva UP Gramin Bank Limited
Zila Sahakari Bank Limited

Solicitors

Mulla & Mulla & Craigie Blunt & Caroe
Kanga & Co.

Auditors

S. S. Kothari Mehta & Co.
Chartered Accountants

NOTICE

NOTICE is hereby given pursuant to the relevant provisions of the Companies Act, 2013 (the "Companies Act") read with the Companies (Management and Administration) Rules, 2014 (the "Management Rules"), and other applicable provisions, if any, that the Twenty third Annual General Meeting of the Company will be held on Saturday, August 19, 2017, at 10 a.m. at the Registered Office of the company at Dwarikesh Nagar - 246 762, Dist. Bijnor, Uttar Pradesh, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the year ended 31st March, 2017 together with the Directors' Report and the Auditors' Report thereon.
2. To declare dividend on Cumulative Redeemable Preference Shares for the current financial year together with arrears thereon
3. To declare dividend on equity shares
4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), [(including any statutory modification(s) or re-enactment(s) thereof for the time being in force)], and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. NSBP& Co., Chartered Accountants, New Delhi having ICAI Firm Registration No.001075N, be and is hereby appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 28th AGM of the company to be held in the year 2022 at the remuneration to be fixed by the Board of Directors of the company, in addition to the after service tax (applicable taxes) and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company.

SPECIAL BUSINESS:

5. To re-appoint Mr. G R Morarka (DIN 00002078) as a Managing Director and in this regard, to consider and if thought fit, to pass, the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the Articles of Association of the Company, Mr. G R Morarka (DIN 00002078) be and is hereby re-appointed as Managing Director of the Company for a further period of 3 years with effect from May 1, 2018, on remuneration as set out in the Explanatory Statement attached to this notice.

   RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of Mr. G R Morarka, the remuneration as mentioned in the Explanatory Statement shall be paid to him as Minimum Remuneration".

   RESOLVED FURTHER THAT the Board of Director of the Company ("Board") be and is hereby authorized to vary and/or modify the terms and conditions as set out in the Letter or Agreement of Re-appointment including remuneration, benefits and perquisites payable/ made available to the appointee in such manner as may be agreed to between the Board and Mr. G R Morarka, within and in accordance with or without exceeding the limits prescribed in Schedule V to the Companies Act, 2013 and/or any amendment/modifications that may be made by the Central Government in that behalf from time to time or any amendments or re-enactment of the relevant provisions of the Companies Act, 2013.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any director or to any employee of the company to give effect to the aforesaid resolutions.

6. To re-appoint Mr. B J Maheshwari (DIN 00002075) as a Whole Time Director and in this regard, to consider and if thought fit, to pass, the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the Articles of Association of the Company, Mr. B J Maheshwari (DIN 00002075) be and is hereby re-appointed as Whole Time Director of the Company for a further period of 3 years with effect from May 1, 2018, on remuneration as set out in the Explanatory Statement attached to this notice.

   RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of Mr. B J Maheshwari, the remuneration as mentioned in the Explanatory Statement shall be paid to him as Minimum Remuneration".

RESOLVED FURTHER THAT the Board of Director of the Company ("Board") be and is hereby authorized to vary and/or modify the terms and conditions as set out in the Letter of Re-appointment or agreement including remuneration, benefits and perquisites payable/ made available to the appointee in such manner as may be agreed to between the Board and Mr. B J Maheshwari, within and in accordance with or without exceeding the limits prescribed in Schedule V to the Companies Act, 2013 and/ or any amendment/modifications that may be made by the Central Government in that behalf from time to time or any amendments or re-enactment of the relevant provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any director or to any employee of the company to give effect to the aforesaid resolutions.

7. To re-appoint Mr. V S Banka (DIN 00963355) as a Whole Time Director and in this regard, to consider and if thought fit, to pass, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the Articles of Association of the Company, Mr. V S Banka (DIN 00963355) be and is hereby re-appointed as Whole Time Director of the Company for a further period of 3 years with effect from May 1, 2018, on remuneration as set out in the Explanatory Statement attached to this notice.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of the office of Mr. V S Banka, the remuneration as mentioned in the Explanatory Statement shall be paid to him as Minimum Remuneration".

RESOLVED FURTHER THAT the Board of Director of the Company ("Board") be and is hereby authorized to vary and/or modify the terms and conditions as set out in the Letter of Re-appointment or agreement including remuneration, benefits and perquisites payable/ made available to the appointee in such manner as may be agreed to between the Board and Mr. V S Banka, within and in accordance with or without exceeding the limits prescribed in Schedule V to the Companies Act, 2013 and/or any amendment/modifications that may be made by the Central Government in that behalf from time to time or any amendments or re-enactment of the relevant provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any director or to any employee of the company to give effect to the aforesaid resolutions.

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

"RESOLVED that pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Nina Chatrath (DIN 07700943) who was appointed as a Director in casual vacancy by the Board of Directors at its meeting held on February 4, 2017 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."

9. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, be paid the remuneration as set out in the explanatory statement annexed hereto."

By The Order of the Board,
For **Dwarikesh Sugar Industries Limited**

B. J. Maheshwari
Whole Time Director & CS cum CCO
(DIN - 00002075)

Place: Mumbai
Date: May 18, 2017

Registered Office:
Dwarikesh Nagar – 246762, Dist: Bijnor, Uttar Pradesh.

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or member.
2. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members & Share Transfer Books of the Company will be closed from Saturday, August 12, 2017 to Saturday, August 19, 2017 (both days inclusive) for the purpose of dividend and Annual General Meeting of the Company.
4. Dividend on Preference (Series I to IV) & Equity Shares, if declared, shall be payable those members, whose name appear in Register of Members as on August 11, 2017.
   a. As beneficial owners as at the end of business hours on August 11, 2017 as per the lists to be furnished by Depositories in respect of the shares held in electronic form and
   b. As members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before August 11, 2017.
   c. Members are requested to update their Bank details with their Depository Participants in case of shares held in demat mode else with company or Registrar of tranfer agents if share are held in Physical mode to facilitate smooth payment of dividend as an when declared by the company and approved by the shareholders.
5. The relevant Explanatory Statement pursuant to section 102 of the Companies Act, 2013, setting out material facts in respect of items 5 to 9 are annexed and forms part of this notice.
6. Members are requested to notify any change in their address immediately to the company.
7. Members/proxies are requested to bring their copy of Annual Report, while attending the Annual General Meeting.
8. Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form SH-13 which can be obtained from the Company's Registrar & Transfer Agents (RTA) M/s. Universal Capital Securities Pvt. Ltd.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Registered Office well in advance so that the same reaches the company at least ten days before the date of the meeting to enable the Management to keep the information required readily available.
10. Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with The Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven consecutive years from the date of its transfer to the Unpaid dividend account of the Company is required to be transferred together with the unclaimed shares of such dividend to the Investor Education and Protection Fund established by the Central Government. The unclaimed dividend for the accounting years 1996-97, 1997-98, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 have been transferred to the Investor Education and Protection Fund as on 26/04/2005, 11/05/2006, 29/04/2009, 29/06/2010, 28/04/2011, 5/12/2011, 21/11/2012, 21/04/2014 and 14/4/2017 respectively (there was NIL outstanding in unpaid dividend account of the accounting year 1998-99 & 1999-00 hence the transfers to Central Government were not applicable for these years) respectively and no claim shall lie against the Company for the amount of dividend so transferred. Investors can claim the unpaid dividend so transferred to IEPF / shares by filing form IEPF 5.
11. Pursuant to the green initiatives by the Ministry of corporate affairs, the company proposes to send all documents to be sent to Members like notices of general meeting together with AGM, audited financial statements, directors report, auditors report etc. henceforth to the Members in electronic form, to those members who have made available either directly or through their DP their email addresses to receive the same in electronic form on their email addresses. Members may also download these documents from company's website www.dwarikesh.com. The physical copy of annual report will also be made available free of cost to the members on their written request. Members who have not given specific consent for receipt of these documents in electronic form hitherto are requested to register their email addresses by sending their details to their Depository participants or company or its RTA & also their consent by e mail to investors@dwarikesh.com or by a written consent to Company's corporate office or to it's RTA.
12. SEBI has mandated the submission of PAN by every participant in securities market. Members who are holding the shares in electronic mode are therefore requested to submit the PAN to their depository participants with whom they are having their

demat accounts. Members having shares in physical form can submit their PAN details to the company or its RTA.

13. Other Disclosures:
Other Disclosures are given in corporate governance report.

14. In compliance of provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules 2014, the company is pleased to provide its members facility to exercise their votes by electronic means (remote e-voting) and the business may be transacted through e voting as per the instructions below:

    Details of Scrutinizer: Mr. D P Agarwal, Chartered Accountants, has been appointed as the Scrutinizer to scrutinize e-voting in a fair and transparent manner.

    The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and make out a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

15. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form at AGM. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dwarikesh.com and on the website of CDSL www.evotingindia.com within two days of the passing of the Resolutions at the 23rd AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

16. The Notice is being sent to all the Members, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on June 23, 2017.

    The instructions for members voting electronically are as under:

    i) The voting period begins on August 16, 2017 at 9.00 a.m. and ends on August 18, 2017 at 5.00 p.m. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 12, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    ii) The members should log on to the e-voting website www.evotingindia.com.

    iii) Click on Shareholders/members.

    iv) Now Enter your User ID

        a. For CDSL: 16 digits beneficiary ID,

        b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

        c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

    v) Next enter the Image Verification as displayed and Click on Login.

    vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat members as well as physical members) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix) Note for Non – Individual Members and Custodians

- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No 5

Shri G. R. Morarka was appointed for the period of 5 years in the EGM dated March 22, 2013 with remuneration fixed for the period as approved by Central Government. His appointment is valid upto March 31, 2018. It is now decided to re-appoint and fix his remuneration for the period of 3 years for which the appointment is valid viz. from April 1, 2018 to March 31, 2021 on the following terms:

SECTION 1

Remuneration payable when the Company has Profits:

Remuneration by way of salary, perquisites, commission, allowances and other benefits subject to the condition that the total remuneration payable to the Managing Director shall not exceed 5% of the Net Profits of the Company for the financial year and 10% of the Net Profits of the Company payable to all the whole time Directors taken together. Net Profits is required to be computed u/s 198 of the Companies Act, 2013.

SECTION 2

Remuneration payable when the Company has no profits or inadequate profits:

Minimum Remuneration

Category A

I) Remuneration:

a) **Salary:** ₹20,00,000/- per month

b) **Perquisites and allowances:**

i) **Other Allowances:** Allowances for conveyance, Children Education allowance and such other allowances as per rules of the Company.

ii) **Other Perquisites:** Subject to overall ceiling on remuneration mentioned here in below, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may decide from time to time.

iII) **Explanation:** Perquisites shall be evaluated as per Income-tax Rules, 1962 wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

Category B

c) Others:

i) **Contribution to Provident Fund:** Company's contribution to Provident Fund to the extent the same is not taxable under the Income-tax Act, 1961.

ii) **Gratuity:** Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.

iii) **Leave:** Encashment of leave at the end of the tenure as per the Rules of the Company.

iv) **Conveyance:** The Company shall provide him with car, expenses relating to fuel, maintenance and Provision of Driver or remuneration of driver will be reimbursed on actuals.

v) **Communication:** Further the Company shall also provide telephones, telefax, mobile and other communication facilities for official purposes.

Explanations:

I. Provision of Chauffer driven car or reimbursement of Driver's remuneration on Company's business and Telephone, telefax, mobile and other communication facilities at residence for official purposes will not be considered as perquisites. Personal Long distance calls and use of car for private purpose shall be billed by the Company to the Managing Director.

Perquisites or amenities specified in Category B are not to be included in the computation of ceiling on minimum remuneration specified herein above.

II. Overall remuneration:

The aggregate of salary, perquisites, benefits and other allowances or remuneration in any other form in any Financial Year shall not exceed the limits prescribed from time to time under Sections 196, 197 and other applicable provisions of the Companies Act, 2013 as may for the time being, be in force.

III. Minimum remuneration:

In the event of loss or inadequacy of profits, in any financial year, the payment of salary, perquisites and other allowances shall be governed by the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force such as not to exceed two times the limits provided in Table A of section II of Schedule V of Companies Act, 2013.

IV. Other Terms and Conditions:

Other terms and conditions of re-appointment of Shri G R Morarka, Managing Director are as under:

a. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

b. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.

None of the Directors, Key Managerial Personnel and relatives of directors and Key Managerial Personnel except Mr. G R Morarka and his relatives may be deemed to be interested in the proposed resolution as stated above.

The Board recommends the resolution set forth in item no. 5 for the approval of the members.

Item no. 6

Shri B J Maheshwari has been appointed for the period of 3 years in the AGM dated September 19, 2015 with remuneration fixed for the period as approved by shareholders. It is now decided to appoint and fix their remuneration for the period of 3 years for which the appointment is valid viz. from May 1, 2018 to April 30, 2021 on the following terms:

SECTION 1

Remuneration payable when the Company has Profits:

Remuneration by way of salary, perquisites, commission, allowances and other benefits shall be payable to Shri B J Maheshwari subject to the condition that the total remuneration payable to all the whole time Directors taken together shall not exceed 10% of the Net Profits of the Company computed u/s 198 of the Companies Act, 2013.

SECTION 2

Minimum Remuneration

Category A

1. Remuneration:
   a) **Salary (Basic):** ₹2,17,800/- per month in the scale of ₹2,00,000/- p.m. to ₹5,00,000/- p.m as per rules of the Company.
   b) Perquisites and allowances:
      i) **Personal Pay:** Personal pay of ₹4,29,598/- p.m. in the scale of ₹4,00,000/- p.m. to ₹10,00,000/- p.m. as per the rules of the Company.
      ii) **Other Allowances:** Allowances for Vehicle ₹30,000/, Children Education allowance and such other allowances as per rules of the Company or ex-gratia or bonus or in any other form.
      iii) **Other Perquisites:** Subject to overall ceiling on remuneration mentioned herein below, the Whole-time Director may be given other allowances in, benefits and perquisites as the Board of Directors or committee may decide from time to time.

Explanation: Perquisites shall be evaluated as per Income-tax Rules, 1962 wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

Category B

c) Others:
   i) **Contribution to Provident Fund:** Company's contribution to Provident Fund to the extent the same is not taxable under the Income-tax Act, 1961.
   ii) **Gratuity:** Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.
   iii) **Leave:** Encashment of leave at the end of the tenure as per the Rules of the Company.
   iv) **Conveyance:** The Company shall provide him with car, expenses relating to fuel, maintenance and Provision of Driver or remuneration of driver will be reimbursed on actuals.
   v) **Communication:** Further the Company shall also provide telephones, telefax, mobile and other communication facilities for official purposes.

Explanations:

I. Provision of Chauffer driven car in case of Company owned car or provision of Driver's remuneration and fuel expenses for running in case of self-owned car for Company's business purposes and Telephone, telefax, mobile and other communication facilities at residence for official purposes will not be considered as perquisites. Personal Long distance calls and use of car for private purpose shall be billed by the Company to the Whole Time Director.

   Perquisites or amenities specified in Category B are not to be included in the computation of ceiling on minimum remuneration specified herein above.

II. Overall remuneration:

   The aggregate of salary, perquisites, benefits and other allowances or remuneration in any other form in any Financial Year shall not exceed the limits prescribed from time to time under Sections 196,197and other applicable provisions of the Companies Act, 2013 as may for the time being, be in force.

III. Minimum remuneration:

   In the event of loss or in adequacy of profits, in any financial year, the payment of salary, perquisites and other allowances shall be governed by the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force such as not to exceed two times the limits provided in Table A of section II of Schedule V of Companies Act, 2013.

IV. Other Terms and Conditions:

Other terms and conditions of re-appointment of Shri B J Maheshwari, the Whole-timeDirector & CS cum CCO are as under:

a. The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

b. The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.

c. If at any time Shri B J Maheshwari ceases to be the Whole-time Director of the Company for any cause whatsoever, he shall cease to be the Director of the Company.

None of the Directors, Key Managerial Personnel and relatives of directors and Key Managerial Personnel except Shri B J Maheshwari and his relatives may be deemed to be interested in the proposed resolution except as stated above.

The Board recommends the resolution set forth in item no. 6 for the approval of the members.

Item no.7

Shri V S Banka has been appointed for the period of 3 years in the AGM dated September 19, 2015 with remuneration fixed for the period as approved by shareholders. It is now decided to appoint and fix their remuneration for the period of 3 years for which the appointment is valid viz. from May 1, 2018 to April 30, 2021 on the following terms:

SECTION 1

Remuneration payable when the Company has Profits:

Remuneration by way of salary, perquisites, commission, allowances and other benefits shall be payable to Shri V S Banka subject to the condition that the total remuneration payable to all the whole time Directors taken together shall not exceed 10% of the Net Profits of the Company computed u/s 198 of the Companies Act, 2013.

SECTION 2

Minimum Remuneration

Category A

I. Remuneration

a) **Salary (Basic):** ₹2,17,800/- per month in the scale of ₹2,00,000/- p.m. to ₹5,00,000/- p.m. as per rules of the Company.

b) **Perquisites and allowances:**

a. **Personal Pay:** Personal pay of ₹4,06.041/- p.m. in the scale of ₹4,00,000/- p.m. to ₹10,00,000/- p.m. as per the rules of the Company.

b. **Other Allowances:** Allowances for Vehicle ₹50,000/-, Children Education allowance and such other allowances as per rules of the Company or ex-gratia or bonus or in any other form.

c. **Other Perquisites:** Subject to overall ceiling on remuneration mentioned herein below, the Whole-time Director may be given other allowances, benefits and perquisites as the Board of Directors or committee may decide from time to time.

Explanation: Perquisites shall be evaluated as per Income-tax Rules, 1962 wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

Category B

c) Others:

i) **Contribution to Provident Fund:** Company's contribution to Provident Fund to the extent the same is not taxable under the Income-tax Act, 1961.

ii) **Gratuity:** Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.

iii) **Leave:** Encashment of leave at the end of the tenure as per the Rules of the Company.

iv) **Conveyance:** The Company shall provide him with car & meet all running & maintenance or provide reimbursement of all running & maintenance expenses if car is owned by the Director and Provision of Driver or remuneration of driver will be reimbursed on actuals for official use.

v) **Communication:** Further the Company shall also provide telephones, telefax, mobile and other communication facilities for official purposes.

Explanations:

I. Provision of Chauffer driven car in case of Company owned car or provision of Driver's remuneration and fuel expenses for running in case of self-owned car for Company's business purposes and Telephone, telefax, mobile and other communication facilities at residence for official purposes will not be considered as perquisites. Personal Long distance calls and use of car for private purpose shall be billed by the Company to the Whole Time Director.

Perquisites or amenities specified in Category B are not to be included in the computation of ceiling on minimum remuneration specified herein above.

II. Overall remuneration:

The aggregate of salary perquisites, benefits and other allowances or remuneration in any other form in any Financial

Year shall not exceed the limits prescribed from time to time under Sections 196, 197and other applicable provisions of the Companies Act, 2013 as may for the time being, be in force.

III. Minimum remuneration:

In the event of loss or inadequacy of profits, in any financial year, the payment of salary, perquisites and other allowances shall be governed by the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force such as not to exceed two times the limits provided in Table A of section II of Schedule V of Companies Act, 2013.

IV. Other Terms and Conditions:

Other Terms and Conditions of re-appointment of Shri V S Banka, the Whole-time Director & CFO are as under:

a. The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

b. The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.

c. If at any time Shri Vijay S Banka ceases to be the Whole-time Director of the Company for any cause whatsoever, he shall cease to be the Director of the Company.

None of the Directors, Key Managerial Personnel and relatives of directors and Key Managerial Personnel except Shri V S Banka and his relatives may be deemed to be interested in the proposed resolution except as stated above.

The Board recommends the resolution set forth in item no. 7 for the approval of the members.

Item No. 8

Ms. Nina Chatrath (DIN 07700943) was appointed as a Director in casual vacancy, in place of Ms. Malathi Mohan, by the Board of Directors of the Company with effect from February 4, 2017. As per Section 161(4) of the Companies Act, 2013 a person who has been appointed as Director in casual vacancy holds office up to the date upto which the director in whose place he is appointed would have held office if it had not been vacated. Consequently, Ms. Nina Chatrath holds office upto the date of this Annual General Meeting, the date till which the original Director Ms. Malathi Mohan, would have held the office.

Ms. Nina Chatrath was appointed as additional Director in the Board meeting held on February 4, 2017 & her appointment needs to be regularized by members in the ensuing Annual General Meeting.

The Company has received a Notice from a Member in writing along with requisite deposit under Section 160 of the Act, proposing candidature of Ms. Nina Chatrath for the office of Director.

Ms. Nina Chatrath is a founder of Enhance Consulting, a boutique leadership consulting firm based in New Delhi. She holds bachelor of commerce degree from Delhi University, with business management and hotel management qualifications. She has over two decades of business and consulting experience. She focuses on impact of leadership on business performance, organization building and the management talent. She started leadership consulting in global search firms, and worked as senior partner in Heidrick & Struggles, and earlier with Korn/ Ferry International.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 8 of the Notice for the appointment of Ms. Chatrath as a Director, not liable to retire by rotation.

A statement containing her profile is given hereunder in the disclosure Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Ms. Nina Chatrath, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8.

Item No. 9

The Board, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s. Ramanath Iyer & Co., Cost Accountants (Firm Regn. No.000019) as the Cost Auditors to conduct the audit of the cost records of the Company relating to Sugar (including Industrial Alcohol) and Electricity for the financial year ending 31st March, 2018 at a remuneration of ₹1,38,000/- p.a. exclusive of travelling, boarding, lodging and out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the members of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 9 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors, Key Managerial Personnel of the Company and their relatives, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the ordinary resolution for approval by the shareholders.

Details of Directors seeking appointment / re-appointment in Annual General Meeting

[Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Shri B. J. Maheshwari	Ms. Nina Chatrath
Date of Birth	May 2, 1960	October 10, 1962
Nationality	Indian	Indian
Date of Appointment	May 1, 2009	February 4, 2017
Qualifications	Chartered Accountant & Company Secretary	B.Com
Experience & Expertise	He has, being CA and CS, enriched himself with expertise in the arenas of taxation – both direct and indirect, corporate law, Listing regulations, SEBI Guidelines, secretarial practice and compliance of law.	She has nearly two decades of rich experience in Handling business management and leadership consultancy
	Expertise: Legal, Taxation, Secretarial And Administrative matters since 1994	**Expertise:** business management and leadership consultancy
Shareholding of Directors in company	Nil	Nil
Directorship held in other public companies excluding foreign and private companies	Dwarikesh Agriculture Research Institute Morarka Finance Limited Dwarikesh Informatics Limited Faridpur Sugars Limited	
Chairmanship / Memberships of committees*	Chairmanship: (1) Membership: (2)	Chairmanship: (0) Membership: (1)
Relationship between Directors inter-se	Nil	Nil

Name of the Director	Shri G R Morarka	Mr. Vijay S Banka
Date of Birth	January 1, 1962	October 28, 1958
Nationality	Indian	Indian
Date of Appointment	November 1, 1993	May 1, 2009
Qualifications	B.com; ICWA Inter	Chartered Accountant
Experience & Expertise	A dynamic entrepreneur with more than two decades of experience, he started his career by overseeing the family-run Pampasar Distillery Limited (PDL), which he subsequently divested in favour of Shaw Wallace. He launched his own business by setting up a sugar plant at Dwarikesh Nagar, Uttar Pradesh in a record period of 14 months.	He has nearly two decades of rich experience in handling Finance and Strategy.
	Expertise: Finance And Strategy	**Expertise: Finance & Strategy**
Shareholding of Directors in company	2826659	Nil
Directorship held in other public companies excluding foreign and private companies	Dwarikesh Agriculture Research Institute Morarka Finance Limited Dwarikesh Informatics Limited Faridpur Sugars Limited	Morarka Finance Ltd. Faridpur Sugars Ltd.
Chairmanship / Memberships of committees*	Chairmanship: (0) Membership: (2)	Chairmanship: (0) Membership: (4)
Relationship between Directors inter-se	Nil	Nil

** Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether listed or not)*

By The Order of the Board,
For **Dwarikesh Sugar Industries Limited**

B. J. Maheshwari
Whole Time Director & CS cum CCO
(DIN - 00002075)

Place: Mumbai
Date: May 18, 2017

Registered Office:
Dwarikesh Nagar – 246762, Dist: Bijnor, Uttar Pradesh.

Directors' Report

The Members of the Company,

Your Directors take pleasure in presenting their twenty third Annual Report together with the audited accounts for the year ended 31st March, 2017.

1. Financial Results

₹ in Lakhs

	Year Ended 31.3.17	Year Ended 31.3.16
Gross profit before depreciation, interest & tax	28,079.88	11,683.04
Less: Depreciation	2,994.18	3,076.46
Finance Costs	4,193.75	5,159.02
Profit / (Loss) before tax and exceptional items	20,891.95	3,447.56
Add : Exceptional income (Net of taxes)	322.71	491.83
Profit / (Loss) before tax	21,214.66	3,939.39
Less: Provision for taxes (Net of MAT credit entitlement)	144.14	9.55
Deferred tax liability / (asset)	5,224.02	33.21
Profit /(Loss) after tax	15,846.50	3,896.63

2. Dividend

Your directors have recommended equity dividend of ₹10/- per share (100%) for the year 2016-17 aggregating to ₹2,266.35 Lakhs (including dividend distribution tax)

The dividend on Cumulative Redeemable Preference Shares (Series I, II, III & IV) is accumulated and is recommended to be paid with arrears thereon in this year aggregating to ₹1,828.23 Lakhs (including dividend distribution tax), since the company has earned adequate profits in the year 2016-17.

3. Year in Retrospect

Operations:

Distinguishing features of the crushing operations in your company are given below:

- Metrics of sugarcane crushed, sugar produced and recovery achieved during the year is given hereunder:

FY 2016-17 (From 1.4.2016 to 31.3.2017), includes a small part of season 2015-16 and a major part of season 2016-17

Particulars	2016-17	2015-16	% Change
Crushing (Lakhs/Quintals) – total at all three units	260.74	224.65	16.07
Recovery % (Combined)	11.71	11.67	0.34
Production (Lakhs/Quintals) – total at all three units	30.34	26.28	15.44

Crushing season 2016-17 is now consummated. Comparison of full season 2016-17 & full season 2015-16 is as below:

Season 2016-17 (completed season)

Particular	2016-17	2015-16	% Change
Crushing (Lakhs/Quintals) – total at all three units	283.40	210.49	34.64
Recovery % (Combined)	11.78	11.67	0.94
Production (Lakhs/Quintals) – total at all three units*	33.38	24.71	35.10

**Including small quantity of non-marketable (Brown) sugar.*

Highlights-Season 2016-17

- Sugarcane crushing up by 34.64%.
- Small increase in recovery by 0.42%
- Sugar production up by an impressive 35.10%
- Higher crushing during 2016-17 a Pan-Uttar Pradesh phenomenon.
- Higher yield across Uttar Pradesh resulted in higher sugarcane availability. Demonetization also resulted in lesser diversion of sugarcane to alternative sweeteners.
- Impressive recoveries on account of superior varietal mix, with increasing thrust on early maturing varieties such as Co 0238. Impressive recovery in spite of early start of the crushing season
- Highest ever group recovery of 11.78% with recovery at DN plant at 12.34% and DP plant at 12.11%, accomplishing the coveted number 1 and 2 position in North India. Recovery clocked at DN and DP among the highest in India.

Performance of cogeneration division: Metrics of power sold:

Unit	Year 2016-17 (01.04.2016 to 31.03.2017)		Period 2015-16 (01.04.2015 to 31.03.2016)	
	Power sold in lakhs units	Amount in ₹ Lakhs	Power sold in lakhs units	Amount in ₹ lakhs
DN	278.66	1,273	249	1,092
DP	561.30	2,868	567	2,830
DD	745.84	3,811	561	2,797
Total	***1585.80**	***7,952**	**1,377**	**6,719**

**Includes sale of 6.33 lakh units (₹29.67 lakhs) from unutilized power banked in season 2015-16*

During the completed season 2016-17, value of power evacuated to the power grid is approximately ₹90.45 crores

Performance of Distillery:

During the year 7,964,691.2 Litres of rectified Spirit (previous period 5,701,769 Litres) was produced. The rectified spirit was further reprocessed and 6,354,581.6 Litres Ethanol (previous period 5,168,428) was produced at Dwarikesh Nagar Unit of the Company.

4. Sugar industry – year at a glance.

- The performance of India's sugar industry was marked by a paradox in FY 2016-17. Conventionally, when the domestic sugar industry performed well, it did so uniformly across the country; this was not the case in FY2016-17 when the industry performed well in certain states and under-performed in others.
- The Indian sugar industry is characterized by cyclicality wherein bountiful years are followed by weak years. In this agriculture sector, lower cane output usually translates into a lower sugar production which in turn corrects the country's sugar supply vis a vis demand, strengthening sugar realizations. When mills begin to report higher surpluses, cane arrears to farmers are cleared and there is a larger inducement to grow more sugarcane. In the next cyclical leg, this inducement to plant more cane inevitably enhances cane planting leading to a higher sugar production a couple of seasons later. When higher output moderates sugar realizations, mills relatively under-perform which could enhance cane arrears, culminating in farmers being discouraged to grow low sugarcane quantities.

  During the last few years, there was no reduction in sugarcane planting area in Uttar Pradesh as the annual increase in sugarcane remuneration paid to farmers enhanced farmer viability and cane planting even as the sector was marked by high accumulated arrears.

  During FY 2016-17, the country's sugar production was impacted by drought in Maharashtra. While Maharashtra and Karnataka sugar manufacturers were affected by sub-optimal rainfall on the one hand, Uttar Pradesh sugar manufacturers reported superior production.
- The Central Government and ISMA were compelled to revise their production estimates on a number of occasions in the course of a single season as drought in Southern India during FY 2015-16 blurred production outlook. The result was that Maharashtra and Karnataka sugar production estimates continued to shrink even as Uttar Pradesh estimates continued to improve. It is now estimated

that sugar season FY 2016-17 will report production of around 20 million tons compared with 25.1 million tons produced in FY 2015-16, a substantial decline. The reality is that Maharashtra's sugar production nearly halved when compared with the previous year, while Uttar Pradesh's output increased over 28%.

The result was that the Indian sugar industry reported a mixed year, marked by an encouraging performance in Uttar Pradesh but weak output in Maharashtra, Karnataka and Tamil Nadu.

- The Uttar Pradesh government strengthened the sugar industry's viability with the announcement of a reasonable increase of ₹25 per quintal in the state advised price (SAP) for season 2016-17. However, the State Government withdrew benefits to the sugar industry like waiver of purchase tax, entry tax and society commission. Besides, the two-tier payment mechanisms that had been provided earlier were also done away with.

  The responsible handholding by the Central and State Governments played a crucial role in the sugar industry's revival in Uttar Pradesh. The government focused on the timely clearance of cane price paid to farmers and improved sugarcane yields.

- The year under review was marked by a domestic production deficit as well as a projected global deficit of nearly 5 million tons. While international prices peaked in September, 2016, domestic prices staged an extended recovery. NY Raw, which had declined to a low of 10.5 cents per pound, traded at nearly 23 cents in September 2016. Domestic prices ranged broadly between ₹3,500 to ₹3,600 per quintal marked by occasional spikes and declines. The Uttar Pradesh sugar sector reported higher volumes coupled with improved realizations; the industry in Southern and Western India suffered lower volumes and sub-optimal capacity utilization. However it would be relevant to indicate that despite a recovery in Uttar Pradesh, a number of sugar companies in that state were not able to translate the sectoral rebound into improved Balance Sheet hygiene.

- Uttar Pradesh sugar companies reported attractive improvements in operating recoveries. The average State recovery was 10.50% or higher compared to 9.25% and 9.50% recovery recorded in the earlier years. Sugar mills in Uttar Pradesh engaged in a number of cane development initiatives comprising propagation of the early maturing variety, trench farming, autumn planting etc.

  These initiatives helped improve recovery and yields, which in turn, increased farmer incomes. The industry is increasingly convinced that the Government's vision to double farmer incomes by 2022 can be achieved by optimizing the varietal mix, maximizing planting of the proven Co 0238 variety.

- Timely Central Government interventions and policies endeavored to ensure that sugar prices were largely stable and affordable. Concerned with the depleting national sugar inventory, the Central Government announced a duty-free import of 500,000 metric tons. However, the allotment of the imported quantity was focused largely on sugar-deficit regions, facilitating equitable distribution. The consignments of imported sugar and correction in the international sugar prices kept domestic prices range-bound in FY 2017-18.

- The Central government's 10% ethanol blending program was taken up in earnest; being a plan with long-term implications, this decision could take time to yield results. During 2017, Central Government reduced the ethanol procurement price and transactional bottlenecks were addressed. For the program to be successful in the long term, the Government plans to link ethanol procurement prices with international oil prices.

- The year FY 2016-17 was marked by two historic national moments, both relevant to the Uttar Pradesh sugar industry. The first defining moment was the currency demonetization announced on 8 November, 2016, intended to enhance financial transparency. The immediate fall out of this measure was a lower diversion of sugarcane to alternative sweeteners, which increased the availability of sugarcane to sugar mills. Temporarily, demonetization resulted in sluggish demand and declining sugar realizations, but the sector regained its momentum in a matter of months. The second important development was the election of the BJP Government in Uttar Pradesh. With the Central and State governments now of the same political affiliation, there is an expectation that policies will be cohesive and growth-oriented for the sugar industry in Uttar Pradesh, catalyzing the rural economy. The state's sugar industry believes that the next positive reform initiative could comprise a linking of the cane cost to the sugar price, ensuring a linkage of sectoral fortunes to raw material costs and evolving vendors into partners.

- The FY 2016-17 was a buoyant one for the sugar industry in Uttar Pradesh. After an extensive trough, the sugar industry encountered fresh hope, marked by improved financials, plans of business development and business consolidation. One of the positives to emerge from the extended slowdown was the progressive de-risking and risk-averse industry planning. The industry is increasingly focused on efficiency enhancement, value-addition and fiscal consolidation leading to business sustainability.

Dwarikesh - Financial Scorecard:

Particular	2016-17		2015-16	
	Lakhs	%	Lakhs	%
Gross revenue	125,610		83,151	
less: Excise duty	6,570		3,717	
Net revenue (from operations)	119,040	100.00%	79,434	100.00%
EBIDTA	28,403	23.86%	12,175	15.33%
EBDTA	24,209	20.34%	7,016	8.83%
EBT	21,215	17.82%	3,939	4.96%
EAT	15,847	13.31%	3,897	4.91%

**Exceptional income of ₹323 lakhs (Previous year ₹492 Lakhs) is added to EBIDTA and EBDTA*

The numbers for the year under review make impressive comparison with the numbers of the previous period.

- EBDITA, both in absolute numbers and in % terms is significantly better than in the previous period. Margin of EBIDTA is 23.86% vis-à-vis margin of 15.33% in the previous year. In absolute numbers the EBIDTA amount at ₹28,403 lakhs is 133% more than the EBIDTA amount of ₹12,175 lakhs in the previous FY.
- During the year under review your company earned EBDTA of ₹24,209 lakhs as compared to ₹7,016 lakhs earned in the previous FY, an increase of over 245%.
- Earning before tax when viewed in juxtaposition with that of the previous FY is also impressive.
- Earnings after tax is ₹15,847 lakhs. In % the same is 13.31% of the net revenue. This may be seen in conjunction with EAT of ₹3,897 lakhs earned in the previous FY.

Standout reasons for the better performance are:

- Liquidation of low cost stock carried forward from the previous FY. Sugar price continued to be buoyant. Sugar season 2016-17 was a deficit year both internationally and domestically.
- With the restoration of sugar balance, the sugar sales was brisk and healthy. Your company sold in excess of 29.69 lakh quintals of sugar as compared to 25.86 lakh quintals sold in the previous FY. Average price at which sugar was sold was better than that in previous FY
- The company started its crushing operations early and hence crushed larger quantity of sugarcane and commensurately produced more sugar. This resulted in reaping the benefits of economics of scale. Not only was the Company able to produce more sugar, it generated and sold more power to the State Grid.
- Your company continued to record impressive recoveries during the year, thus keeping the raw material & other costs pegged at lower levels
- Your company is relentlessly making efforts to recalibrate its debt profile and reduce its long-term debt burden with a view to keep the interest cost under control. Not only has the company been able to reduce its long term debt with some aggressive and accelerated debt repayment program, the company has had the benefit of lower rate of interest on account its improved credit rating. The long term loans of the company are rated 'A' (-) with stable outlook by ICRA. The company has thus been able to place a lid on its interest costs.
- During the year the company successfully concluded a QIP program in which many a marquee investors participated. The company raised ₹59.4 crores, which amount was used for accelerated repayment of long term debt. The QIP was in the overall interest of the Company and will have spiraling effect in pruning the debt profile of the company.

5. A - CANE & SUGAR POLICY

The main policies of the government in relation to the sugar industry during the year were:

a) Hitherto applicable levy and free sale sugar ratio of 10:90 for the period up to 31st March, 2013 has since been abolished pursuant to adoption of recommendations contained in the report of Dr. Rangarajan. The sugar mills are now eligible to sell their entire production as free sale sugar

b) The Fair & Remunerative Price (FRP) for the crushing season 2015-16 was ₹230 per quintal and the same has been retained at ₹230 per quintal for 2016-17, both are linked to recovery @ 9.50%.

c) Chronology of SMP /FRP announced by the Central Government

on the basis of recovery is given herein under:

Season	SMP/F&RP ₹ / Quintal
2000-01(SMP)	59.50*
2001-02	62.05*
2002-03	64.50*
2002-03 (Revised)	69.50*
2003-04	73.00*
2004-05	74.50*
2005-06	79.50[&]
2006-07	80.25[&]
2007-08	81.18[&]
2008-09	81.18[&]
2009-10 (SMP since replaced by F&RP)	129.84[@]
2010-11	139.12[@]
2011-12	145.00[@]
2012-13	170.00[@]
2013-14	210.00[@]
2014-15	220.00[@]
2015-16	230.00[@]
2016-17	230.00[@]

** Linked to recovery of 8.50%*

[&] Linked to recovery of 9%

[@] Linked to recovery of 9.50%

d) The Company is required to pay State Administered Price (SAP). For the crushing season 2016-17, the State Government of Uttar Pradesh announced SAP of ₹305 per quintal for general variety of Sugarcane, ₹10 per quintal is extra payable for early variety & ₹5 per quintal is less payable for rejected variety.

B. Change in Nature of Business

There is no change in nature of business of the company.

C. Material Changes and Commitments, if any, Affecting the Financial Position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No Material changes have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

D. Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting The Going Concern Status and Company's Operations in Future

No significant & Material orders have been passed impacting the Going concern Status & Company's operations in future.

E. Details in respect of adequacy of internal financial controls with reference to the financial statements.

The Company has adequate internal financial control in place. The Company has got robust systems in place to ensure prepayment audits of transactions, concurrent internal audit of all transactions of various segments of activities of the company.

F. Share Capital

The company issued 25,15,471 equity shares @ ₹236.11 per shares by way of Qualified Institutional Placement to Qualified Institutional Buyers during the year.

G. Extract of the Annual Return

The extract of the annual return in Form No. MGT – 9 is annexed herewith as Annexure III, forming part of the Board's report

H. Corporate Social Responsibility

The company made profits in last financial year 2015-16 but incurred losses in earlier 2 years & thus average profits of past 3 years is negative and hence a requirement of incurring CSR expenditure is not applicable to the Company for the Current financial year under Section 135 of the Companies Act, 2013 read with the relevant rules. However as per the requirement of the Act, the Company has already constituted CSR Committee. Although as aforesaid the requirement of spending on CSR is not applicable, however, the Company has been carrying out CSR in various fields including education, health, medical facilities etc. for the common benefits of employees, farmers, villagers from time to time.

I. Number of Meetings of The Board of Directors

Details of Composition of Board, Audit Committee & details of their meetings are given in Corporate Governance Report.

J. Vigil Mechanism

The Company has adopted policy on Vigil Mechanism in the Board meeting held on May 9, 2014. No complaints were received under this policy during the year.

K. Nomination & Remuneration Committee

Details of Composition of the Committee & details of their meetings are given in Corporate Governance report.

L. Particulars of Loans, Guarantees or Investments Under Section 186

No Loans, Guarantees or investments are made during the year.

M. Particulars of Contracts or Arrangements with Related Parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section(1) of section 188 of the Companies Act, 2013 are approved by the Board & if required approval is sought from shareholders in General meeting.

N. Managerial Remunartion

a) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

Name of director	Category	Ratio to median employees remuneration
Shri G R Morarka	Managing Director	316.83:1
Shri Vijay S Banka	Whole Time Director & CFO	23.29:1
Shri B J Maheshwari	Whole Time Director & CS cum CCO	23.50:1
Shri B K Agarwal	Independent Director	0.49:1
Shri K N Prithviraj	Independent Director	0.43:1
Ms. Malathi Mohan[@] (upto 26th October, 2016)	Independent Director	0.08:1
Ms. Nina Chatrath[$] (from 4th February, 2017)	Independent Director	0.12:1

[@] *Ceased to be Director on account of demise*

[$] *Appointed as Director to fill in vacancy caused on account of death of Ms. Malathi Mohan*

b) Median Remuneration

There is increase of 23.81% in median remuneration of employee during the current accounting year of 12 months over the previous accounting period consisting of 12 months.

c) Permanent employees

As at 31st March, 2017, the Company has on its payroll 638 permanent employees excluding seasonal employees.

d) Affirmation that the remuneration is as per the remuneration policy of the company.

Remuneration paid to Managing Director & Whole Time Director is as per approved policy of the Company.

e) A statement showing the name of every employee of the company, who-

f) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One crore & twenty lakh rupees; **1 (Shri G R Morarka, Managing Director).**

g) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh fifty thousand rupees per month: **NIL.**

B Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report: NOT APPLICABLE.

C Details of remuneration with break-up of components paid to Managing Director, Whole Time Director, terms of appointment are stated in Corporate Governance Report.

O. Secretarial Audit Report

A Secretarial Audit Report given by M/s. VKM & Associates, a company secretary in practice is submitted and annexed herewith as Annexure IV. There are no qualifications, reservation or adverse remarks or disclaimer in the Secretarial Audit Report.

P. Risk Management Policy

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

Q. Policy on Anti Sexual Harassment

The Company has put in place a policy on Anti Sexual harassment, No complaints have been received under this policy during the year.

R. Related Party Transactions

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed herewith and marked as Annexure II. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the rules thereunder and the Listing Regulations.

6. Directors

A) Changes in Directors and Key Managerial Personnel

Pursuant to the requirements of the Companies Act, 2013, Managing Director & Independent directors are not liable to retire by rotation and hence all the Whole Time Directors are liable to retire by rotation. Accordingly Shri B J Maheshwari and Shri Vijay S Banka retire by rotation and has offered themselves for re appointment. Ms. Malathi Mohan has passed away during the year and the casual vacancy taken place due to her death has been filled up by appointment of Ms. Nina Chatrath.

B) Declaration by an Independent Director(s) and re-appointment

Pursuant to the requirements of section 149(7) of the Companies Act, 2013, the company has received the declarations from all the independent directors confirming the fact that they all are meeting the eligibility criteria as stated in section 149(6) of the Companies act, 2013.

All the three independent directors are appointed/re appointed in the meeting of Board of Directors held on August 13, 2014 for a period of 5 years as per the requirements of section 149 of the Companies act, 2013.

C) Formal Annual Evaluation

Pursuant to the requirements of section 134(3)(p) of the Companies Act, 2013 read with Regulation 17 of the listing regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

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 and governance.

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, 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 who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

D) Policy on Directors' Appointment and Remuneration Including Criteria for Determining qualifications, Positive Attributes, Independence of a Director, Key Managerial Personnel and Other employees

The Board shall have minimum 3 and maximum 15 directors, unless otherwise approved. No person of age less than 21 years shall be appointed as a director on the Board. The company shall have such person on the Board who complies with the requirements of the Companies Act, 2013, Provisions of the Listing Regulations, Memorandum of Association and Articles of Association of the company and all other statutory provisions and guidelines as may be applicable from time to time. Composition of the Board shall be in compliance with the requirements of Listing Regulations of the Stock Exchanges. Majority of the Directors shall have specialised knowledge/ experience in the areas like Sugar sector, Strategic management, Legal, Risk Management, Accountancy, Finance, etc. Except for whole time directors, no other directors are paid remuneration, but are paid only sitting fees. The MD is paid remuneration as approved by other applicable authorities, but are not paid sitting fees. MD, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the company. All persons who are Directors / KMPs, members of Senior Management and all other employees shall abide by the Code of Conduct.

Directors/KMPs shall not acquire any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields.

Policy on Directors nomination and remuneration is available on company's website at www.dwarikesh.com

7. Statement of Director's Responsibilities

As required under the provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are

reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that year;

(c) the directors had 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 had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively,

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Management's Discussion and Analysis Report

Pursuant to Regulations 34 of the Listing Regulations of the Stock Exchanges, Management's Discussion and Analysis Report for the year under review is presented in a separate segment which is forming part of the Annual Report.

9. Corporate Governance

As per Regulations 34 of the Listing Regulations with the Stock Exchanges, a report on Corporate Governance together with the Auditors Certificate regarding compliance of the conditions of corporate governance, Management Discussion and Analysis statement forms part of the Annual report.

10. Disclosure: CSR Committee

The CSR Committee comprises Shri B. K. Agarwal as Chairman, Shri G. R. Morarka and Shri B. J. Maheshwari as other members.

Audit Committee

The Audit Committee comprises of Independent Directors namely Shri B. K. Agarwal as Chairman, Shri K. N. Prithviraj, Ms. Nina Chatrath and Shri V. S. Banka as other members.

All the recommendations made by the Audit Committee were accepted by the Board.

11. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Pursuant to section 134 (3)(m) of the Companies Act, 2013, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings & outgo are furnished in Annexure –I and form a part of this report.

12. Subsidiary Company's Report:

The Company does not have any subsidiary in terms of provisions of Companies Act, 2013.

13. Auditors & Auditor's Report:

There are no qualifications in the Auditors report.

Pursuant to the provisions of section 139(2) of the Companies Act, 2013, the existing Auditors, M/s. S S Kothari Mehta & Co., Chartered Accountants have completed their tenure and as proposed, identified and recommended by audit committee and board. You are requested to appoint M/s. NSBP & Co., Chartered Accountants, New Delhi as statutory the Auditors for the period of 5 years holding their office upto the conclusion of 28th Annual General Meeting of the company.

All remarks of the auditors having reference to the accounting policies or notes to the account are self-explanatory and do not require any further explanation. There are no qualifications in the Auditors report.

14. Cost Auditors:

As per the directions issued by the Central Government pursuant to the provisions of section 148 of the Companies Act, 2013 M/s. Ramanath Iyer & Co, Cost Accountants were appointed to conduct cost audits relating to sugar, electricity and industrial alcohol for the year ended March 31, 2017.

15. Public Deposits

The Company does not have any fixed deposits at the beginning of the year in terms of Section 74 of the Companies Act, 2013. The Company did not accept any deposits during the year.

16. Acknowledgement

Your directors wish to place on record their sincere gratitude and appreciation to its members, sugar cane growers, employees, bankers, financial institutions, Central & State Government Agencies for their valuable contribution in the growth of the organisation.

By Order of the Board
For DWARIKESH SUGAR INDUSTRIES LIMITED

G. R. Morarka
Managing Director
(DIN - 00002078)

Vijay S Banka
Whole Time Director & CFO
(DIN - 00963355)

B J Maheshwari
Whole Time Director & CS cum CCO
(DIN - 00002075)

Place : Mumbai
Dated : May 18, 2017

ANNEXURE - I

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014]

1. Conservation of Energy

Energy conservation is an on-going activity in the Company and the efforts to conserve energy through improved operational methods and other means are continuing. Details of total energy consumption and energy consumption per unit of production are furnished in the prescribed Form 'A' below.

FORM 'A'

Form for Disclosure of Particulars with Respect to Conservation of Energy

A. POWER AND FUEL CONSUMPTION

	Current Year 2016-17	Previous Year 2015-16
1. Electricity		
a) Purchased		
Unit – KWH	7,66,359	7,11,865
Total amount (₹)	98,02,557	86,57,876
Rate / Unit (₹)	12.79	12.16
b) Own Generation		
i) Through Diesel Generator		
Unit –KWH	1,92,053	1,48,971
Unit Per Ltr of Diesel	3.38	3.32
Oil cost/Unit(₹)	16.38	16.17
ii) Through Steam Turbine/Generator		
Unit –KWH	24,96,51,694	22,05,20,752
Unit per Ltr of fuel		
Oil/Gas		
Cost/Unit (₹)		
2. Coal (Specify quantity and where used		
Quantity (Tons)	NIL	NIL
Total Cost	N.A.	N.A.
Average Rate	N.A.	N.A.
3. Furnace Oil		
Quantity (Kilo Ltrs.)	NIL	NIL
Total amount	N.A.	N.A.
Average Rate	N.A.	N.A.
4. Other / internal Generation		

	Bagasse (Qtls.)		Firewood (Qtls.)		Diesel (Ltrs.)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Quantity	75,46,599.8	69,05,743.5	–	–	56,781	44,821
Total Cost (₹)		Own generation	–	–	31,45,741	24,08,689
Rate/Unit (₹)			–	–	55.40	53.74

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCT – SUGAR (Unit Qtls.)

Total Sugar Produced = 30,33,822 Qtl

	Standards (if any)	Current Year 2016-17	Previous Year 2015-16
Electricity (KWH)	N.A.	–	–
Furnace Oil	N.A.	–	–
Coal (Specify Qua)	N.A.	–	–
Others (Specify)	N.A.	–	–
Firewood (MT)	N.A.	–	–
G.N. Husk (MT)	N.A.	–	–
Bagasse (MT)		0.25 MT/Qtl of Sugar	0.26 MT/Qtl of Sugar

TECHNOLOGY ABSORPTION

FORM 'B'

Form for Disclosure of Particulars in Respect of Technology Absorption

I Research and Development:

A. FOCUS AREA

To increase the production and productivity of cane, interaction with the cane growers of our reserved area, sugar cane scientists / research stations and Cane Development Council / Cane Co-operative Societies of the reserved zone to educate the cane cultivators and field staff members to disseminate the new and improved cane cultivation technology, innovation in sugarcane research and modern farming package of practices. Educating farmers for adoption of crop rotation, ratoon management technology, intercropping, establishment of cane seed nurseries for multiplication of seed as well as for commercial cultivation, use of Bio-agents, adoption of cultural practices and plant protection measures from insect, pest and diseases. Time to time we also disseminate the new technology and different information on website of the company as well as through SIS, SMS and mobile app on mobiles of the cane suppliers.

1. SOIL HEALTH:-

To know about the soil health we collected 5 to 10 soil samples from each & every villages (to represent the whole village) from farmers fields, got analysed the samples of almost all villages of our reserved zone; soil map was prepared with the technical guidance of nearest research station for finding the NPK availability as well as pH and organic matter in the soil and requirement for cane cultivation along with data of pH, organic carbon etc. Growers are advised to use inputs as per requirements of soil, so that optimum fertilizer dose can be given to increase the quality & yield of cane crop and other major crops. As per reports of soil analysis of different villages and centres, recommendation is given to the cane growers, so that concept and use of balance fertilizer could be maintained, availability of organic manures in the soil is scarce, to fullfil the requirement of organic matter in the soil, we are providing bio-fertilizer/ bio-compost to the farmers free of cost for sugar cane cultivation and encouraging the farmers to keep the ratoon through trash mulching. Approx. 97% ratoon is being kept through trash mulching resulting increase in organic matter in the soil.

2. PLANT PROTECTION:-

Under plant protection measures, timely arrangement of quality agrochemicals for soil treatment, seed treatment and control of other pests affecting the sugarcane crop in our area. Agrochemicals and fertilizers are provided on subsidised rates. In spring planted cane mild incidence of Top Borer appeared in general in all cane varieties and we have got controlled through application of Coragen, which has successfully controlled the incidence of Top borer. Technical guidance in respect of identification of insect, pest and diseases & its control measures is being provided to the farmers through our trained agricultural officers free of cost. The quality pesticides are provided to the farmers on subsidised rates.

3. VARIETAL IMPROVEMENT:-

Distribution of nuclear/ certified cane seeds of different improved sugarcane varieties like Cos-08272, Co-98014, Colk-94184, UP-5125, Cose- 03234, COJ 88, Co 0238, 0118, CoJ- 85, Co 5011 & CoH-160 etc. for raising the foundation seed nurseries and subsequent multiplication in primary and secondary nurseries. Allotted nuclear cane seed of different cane varieties obtained from research stations / centres distributed among the farmers on subsidised rates. All these varieties have been found suitable and are under further multiplication in the command area.

4. TECHNICAL GUIDANCE:-

Proper supervision of cane seed nurseries/commercial cane crop is provided by our technically trained staff. As and when required, Sugarcane Scientists are invited to provide technical guidance to the farmers for propagation and multiplication of better quality cane seed. Time to time identification of insect, pest & diseases in the field and its control measures through application of agro chemicals is provided by our trained staff.

5. MANAGEMENT OF DISEASES:-

Management of common diseases is continue through cane seed treatment of improved varieties with M.H.A.T. units to control seed born diseases like Grassy shoot disease, Ratoon stunting disease, Red leaf strip and leaf stripe diseases etc. In new cane varieties like- Co-0238, 0239, 0118 and in some other broad leaved varieties the incidence of Pokka boeng, Top-rot have also observed during past 3-4 years in the rainy season, farmers had advised to rough out the affected clumps, however, its impact has been non significant on the crop. Fungo super was provided on subsidized rates for control of Pokka Boeng disease. For future as pre cautionery measures, we have planned timely spray of fungicide, to stop the occurance of Pokka boeing and Top rot disease. For management of GSD farmers are being advised for roughing and destroy of the affected clumps followed by spray of Sugron-H.

6. STAFF / FARMER'S TRAINING & VISITS:-

To educate the farmers regarding intercultural practices in sugar cane crop to achieve higher profitability with proper yield and good quality of cane. We conducted farmer's seminars/Goshti and arranged farmer's trainings & tours at Sugarcane Research stations and at other progressive farmers' fields, also arranged staff trainings through in house refresher training programme. Small growers have taken interest for intercropping of pulses crops with sugarcane. Concept of mixed cropping is being propagated in entire command area. Farmers are being encouraged through Kisan Goshthi for planting of cane in the month of Sept. to get maximum yield of sugar cane and intercrops.

7. INFRA-STRUCTURE DEVELOPMENT:-

To facilitate the farmers for smooth transportation of cane and other agriculture produce, we take up construction, repairing and maintenance of link roads in our reserved zone to facilitate easy transportation of sugarcane from the respective fields/ villages of farmers to centres and from centres to Mills, we facilitate the same with the help of Cane Development Councils' and contribution of 25% share. Construction / major repairing of link road are undertaken on priority basis and Govt. authorities are being followed up for the same on regular basis.

8. DEMONSTRATION & TRIALS:-

Conduct demonstrations / trials of different cane varieties like Co 0238, 0118 and CoJ 85, Cose-03234, Co-5011, Co-98014, Cos-08272, and Colk-94184 effectiveness of fertilizers/ manures and effect of different agrochemicals in different soil conditions, topography and means of irrigation to determine the best means for its general adoption. We are providing agriculture implements to the cane growers to popularise deep ploughing of soil for better tillage operations through M.B. Plough, Disc plough and for proper depth and width of sugar cane planting Paired row Trench planter and spaced row trench planters are being provided free of cost to the cane growers in our command area for spaced row / deep cane planting. Farmers are being encouraged for laser levelling of the land before planting / sowing of any crops, so that proper use of fertilizers may be ensured. It also save the time and money about 35% incurred for irrigation.

9. DEVELOPMENT OF IRRIGATION FACILITIES:-

To develop the new cane area in rain fed zone a large number of Deep tube well boring is being undertaken. We are providing financial help to the growers by providing bore-well charges, all material cost is borne by the growers themselves. Since last 9 years this scheme is continuing in our dry belt / rain fed areas, which is about 25% of the total reserved area. All the deep bore wells are running well.

10. MECHENIZATION IN CANE LOADING:-

In order to reduce dependability on manual loading labourers and to reduce time between harvesting and cane crushing, we introduced mechanical cane loaders for loading of cane at

out cane purchasing centres. We have hired sufficient nos. of cane loader for smooth cane loading at centres. The working of cane loader found satisfactory.

B BENEFITS DERIVED

1 IMPROVEMENT IN VARIETAL BALANCE:-

Area under Early and improved varieties has increased. Under early cane varieties it has increased from 76% to 91%. New improved sugarcane varieties like- Co-0238, 0118, 5011, Co-98014, Coj-85 and Coj-88 multiplied fast, now which are on increasing trend, since it helps increase in cane yield as well as sugar recovery. Unsuitable and rejected cane varieties have been replaced with early and new improved cane varieties.

2 INCREASE IN CANE QUALITY & PRODUCTION:-

Distribution of cane seed of improved varieties, Bio-agents / Agrochemicals, bio fertilizers & other developmental activities have improved cane production, productivity and sugar recovery also. Now we are on top in sugar recovery not only in UP, but also in Northern India.

3 SAVING OF TIME & MONEY:-

Use of improved agricultural implements, use of sprayers in protection of cane crops from insect, pests & diseases and cane loading by mechanical cane loader at centres helped in mechanization of cane cultivation as well as cane marketing, which has helped in increasing of cane yield and made sugar cane cultivation easy and economical.

4 FARMERS AWARENESS:-

Exhibition/demonstration, farmers meeting, training and tour programmes have been very helpful in imparting improved technical know-how of sugar cane cultivation to cane growers as well as staff members. Awareness about improved technology of sugarcane cultivation, adoption of package and practices of sugarcane cultivation has helped increase in cane yield, quality of cane as well as sugar recovery.

5 INCREASE IN IRRIGATION FACILITY:-

Developed irrigation facility through deep tube well boring scheme supported by the factory in rain fed area. This has helped the growers to increase area under cane as well as improvement in cane production. We have established 135 borings at farmers' fields under this scheme and all are successful by which farmers are able to grow cane even in rain fed area.

6 SUGAR CANE INFORMATION SYSTEM:-

Cane commissioner UP, Lucknow has introduced SIS (sugar cane information system) which helped in providing different type of information like – cane area, varieties, Basic quota, no. of supply tickets, cane supply position, cane price payment and all other information related to cane supply / cane area of the farmers. Apart from this, it helps in providing cane development activities information like- improved cane varieties, cane planting methods, incidence of insect/ pest and diseases, information related to agrochemicals for control of pest and diseases etc through SMS, on website the information are updated on daily basis. This has facilitated the cane growers/ suppliers. Cane area survey conducted with GPS Machine & its display on website and availability of all information related with cane on website or through SMS, IVRS & Quarry SMS also create awareness among the cane growers. We have launched our company mobile app by which farmers may have the inquiries related with their satta I.e. Culturable land, cane area, varieties, basic quota and cane price payment etc.

C ACTION PLAN:

1. For proper varietal balance, replacement of old & unsuitable cane varieties with new & improved cane varieties to be continued.
2. To maintain new improved cane seed nurseries like –Co-0238, Cos-08272, Colk-94184, Co-0118, Co-5011, CoJ-85, 88 etc under supervision of our trained cane staff so as to achieve the results of low fibre, high sugar, high juice and high yield from these cane varieties. New cane variety Co-0238 is multiplying at fast speed and the present area under this variety is about 88% in early group of cane varieties.
3. Conduct more and more Farmers meeting & Seminars with a view to educate the farmers on new Technology, and advance packages and practices in sugarcane cultivation, ratoon management etc, which have proven to be very useful through creating positive impact on the cane growers to maintain better relation, and to get higher cane yield and sugar recovery.
4. Focus on construction of link roads for easy and smooth transportation of sugar cane at mills gate as well as at out centres, to facilitate sugarcane suppliers as well as cane transporters with a view to reduce cane transportation cost.
5. Support for deep bore well facility in rain fed area to be continued.
6. Mechanization in sugar cane cultivation & cane loading at out centres.

II Technology Absorption, Adoption and Innovation

EFFORTS MADE:

1. Raising seed nurseries of new and promising cane varieties, seed multiplication programme, establishment of demonstration plots and distribution of quality agrochemicals has helped in improvement in proper varietal combination, significant improvement in cane yield as well as sugar cane recovery.
2. In view of labour scarcity in future, the company is making efforts to introduce more mechanization in cane cultivation i.e. automatic cane planter, small tractors for inter cultural operations, new trench planters etc.
3. Computerization of out cane purchasing centres through HHC, installation of electronic W/Bs and online transfer of cane purchase data to the factory.
4. In order to improve monitoring of cane yard, CC TV camera has been installed at gate W/Bs and GPS system has been installed at company vehicle used for field activities.
5. We are conducting demonstration and trials of different fertilizer and agro chemicals at our campus so that we may know best product which may be recommended for sugarcane cultivation to the farmers.
6. In order to disseminate information, sugar cane information system (Cane Website, IVRS, SMS, QSMS, mobile app) is being updated regularly.
7. New and improved agricultural implements like- Trench ridger, M.B. plough, Disk plough, Sugarcane cultivator, Sugarcane planter etc. have come in the market. These are cost effective and given better performance. Such implements have been purchased and their services are being provided to the cane planters free of charge.
8. The Company has carried out the survey of the cane area through satellite mapping. This will facilitate the better estimation of cane area, cane production and condition of the cane crop which may further help in arriving at the tentative estimation of sugar production in the ensuing season.

III Foreign Exchange Earnings & Outgo

Sr No.	Particulars	Amount (₹)
a)	CIF VALUE OF IMPORTS	Nil
b)	EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)	26,73,330
	Foreign Travelling Expenses	(Nil)
	Interest on Foreign Currency Term Loans	Nil
		(4,60,50,549)

IV Expenditure Incurred on R&D

Sr No.	Particulars	Amount (₹/Lakhs)
a)	Capital	Nil
b)	Recurring	236.05
c)	Total	236.05
d)	Total R&D expenditure as percentage of total turnover	0.20%

ANNEXURE - II

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis – NOT APPLICABLE

(a)	Name(s) of the related party and nature of relationship	
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Morarka Finance Limited
(b)	Nature of contracts/arrangements/transactions	Lease of office premises
(c)	Duration of the contracts arrangements/transactions	Five years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	for company's Mumbai based corporate office, the premises of related party – Morarka Finance is taken on Leave & Licence for five years, rent of ₹17,80,984 paid for the year ended March 31, 2017 with clause of increasing the same at an interval of 1 year.
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	Nil
(a)	Name(s) of the related party and nature of relationship	Morarka Finance Limited
(b)	Nature of contracts/arrangements/transactions	Management consultancy services
(c)	Duration of the contracts arrangements/transactions	–
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	To assist the company in corporate advisory services, arrangement of finance from other banks, NBFCs, financial institutes, NBFIs etc at the fees of ₹13,79,000 paid for the year ended March 31, 2017
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	Nil

(a)	Name(s) of the related party and nature of relationship	Dwarikesh Trading Company Limited
(b)	Nature of contracts/arrangements/transactions	Lease of premises
(c)	Duration of the contracts arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	For company's Mumbai based operations, the premises of related party – Dwarikesh Trading Co Ltd is taken on Leave & Licence for years, rent of ₹21,73,500 paid for the year ended March 31, 2017 with clause of increasing the same at an interval of 1 year..
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	Nil
(a)	Name(s) of the related party and nature of relationship	Dwarikesh Trading Company Limited
(b)	Nature of contracts/arrangements/transactions	Lease of premises
(c)	Duration of the contracts arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Lease of Company's premises at Jorbagh, New Delhi to Dwarikesh Trading Company Ltd given on 99 years lease from June 1, 2011 @ rent of ₹2,40,000/- p.a. received during the year ended March 31, 2017.
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	Nil
(a)	Name(s) of the related party and nature of relationship	Dwarikesh Informatics Limited
(b)	Nature of contracts/arrangements/transactions	Website updates and maintenance
(c)	Duration of the contracts arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Company's website www.dwarikesh.com being maintained and updated with regular updates pertaining to company's operations and other shareholders information and regulatory updates at ₹32,20,000 for the year ended March 31, 2017.
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	Nil
(a)	Name(s) of the related party and nature of relationship	Priyanka G Morarka
(b)	Nature of contracts/arrangements/transactions	Appointment and remuneration as Vice President Corporate Affairs
(c)	Duration of the contracts arrangements/transactions	–
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	She has been appointed as Vice President Corporate Affairs at the remuneration of ₹16,58,050/- paid for the year ended March 31,2017
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	Nil

ANNEXURE - III

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. Registration & Other Details:

1.	CIN	L15421UP1993PLC018642
2.	Registration Date	November 1, 1993
3.	Name of the Company	Dwarikesh Sugar Ind. Ltd
4.	Category/Sub-category of the Company	Company having share capital
5.	Address of the Registered office & contact details	Dwarikesh Nagar – 246762, Dist. Bijnor, Uttar Pradesh
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Universal Capital Securities Pvt. Ltd.** 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel: 28207201 / 7203 / 7204 / 7205 Fax: 28369704 / 28207207 E-mail: info@unisec.in

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar (cane sugar)	170111.09	90.51

III. Particulars of Holding, Subsidiary and Associate Companies: NIL

VI. Share Holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31- March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	3099344	0	3099344	19.00	3099344	0	3099344	16.46	-2.54
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	4784007	0	4784007	29.32	4784007	0	4784007	25.41	-3.91

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31- March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	**7883351**	**0**	**7883351**	**48.32**	**7883351**	**0**	**7883351**	**41.87**	**-6.45**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	248000	0	248000	1.52	1093760	0	1093760	5.81	4.29
b) Banks / FI					43159	0	43159	0.23	0.23
c) Central Govt	25000	0	25000	0.15	25000	0	25000	0.13	-0.02
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	199232	0	199232	1.22	40000	0	40000	0.21	-1.01
g) FIIs					410648	0	410648	2.18	2.18
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	**472232**	**0**	**472232**	**2.88**	**1612567**	**0**	**1612567**	**8.56**	**5.68**
2. Non-Institutions									
a) Bodies Corp.	1860715	0	1860715	11.40	382500	0	382500	2.03	-9.37
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	2493793	31737	2493793	15.28	3315875	0	3315875	17.61	2.33
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3243797	0	3247397	19.88	2785513	0	2785513	14.79	-5.09
c) Others (specify)					247840	0	247840	1.32	1.32
Non Resident Indians	151341	25516	151341	1.19	202805	0	202805	1.08	-0.11
Overseas Corporate Bodies					2540905	0	2540905	13.49	13.49
Foreign Nationals									
Clearing Members	192436	0	192436	1.18	231959	0	231959	1.23	0.05
Trusts / LLPs	6795	0	6795	0.04	9332	0	9332	0.05	0.01
Foreign Bodies - D R									
Sub-total (B)(2):-	**8147128**	**59965**	**8207093**	**50.30**	**3232841**	**0**	**3232841**	**17.17**	**-33.13**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8371360	59965	8431325	51.68	10946796	0	10946796	58.13	6.45
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**16254711**	**59965**	**16314676**	**100**	**18830147**	**0**	**18830147**	**100**	**0**

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Gautam R Morarka	2826659	17.33	0	2826659	15.01	0	0
2	Pranay Gautam Morarka	124971	0.77	0	124971	0.66	0	0
3	Priyanka G Morarka	51236	0.31	0	51236	0.27	0	0
4	S G Morarka	90178	0.55	0	90178	0.48	0	0
5	Dwarikesh Trading Co. Ltd	2624889	16.09	0	2624889	13.94	0	0
6	Morarka Finance Limited	2159118	13.23	0	2159118	11.47	0	0
7	Gautam Morarka- Karta – C/o Gautam R Morarka HUF	6300	0.04	0	6300	0.03	0	0

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

SN	Particulars	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
	At the beginning of the year				
	Add purchase	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
	Less sale				
	At the end of the year				

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mukul Mahavirprasad Agrawal	900000	5.52	5,00,000	2.66
	Premier Credit Capital Ltd	353278	2.17	1,75,389	0.93
	L & T Mutual Fund Trustee Ltd	248000	1.52	9,29,600	4.94
	Krishna Kumar Kumbhat	609635	3.73	3,15,031	1.67
	Ritu Sonthalia	126706	0.77	1,36,706	0.73
	Indianivesh Capitals Limited	–	–	3,82,500	2.03
	Anil Kumar Goel	–	–	3,66,000	1.94
	Dolly Khanna	–	–	2,74,371	1.46
	Principal Trustee Co. Pvt. Ltd. – Principal Mutual Fund - Principal Emerging Bluechip Fund	–	–	1,64,160	0.87
	Sanjay Datta	–	–	1,30,000	0.69

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01/04/2016)		Shareholding at the end of the year (31/03/2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Gautam R Morarka	28,26,659	17.33	28,26,659	15.01
	B J Maheshwari	0	0	0	0
	Vijay S Banka	0	0	0	0

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

Amount in ₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on April 1, 2016				
i) Principal Amount	6,55,53,15,871	85,0,268	–	6,55,61,66,139
ii) Interest due but not paid				–
iii) Interest accrued but not due	1,64,92,691		–	1,64,92,691
Total (i+ii+iii)	**6,57,18,08,562**	**8,50,268**	**–**	**6,57,26,58,830**
Change in Indebtedness during the financial year				
* Addition	61,81,81,154	–	–	61,81,81,154
* Reduction	2,14,85,45,173	5,92,782	–	2,14,91,37,955
Net Change	(1,53,03,64,019)	(5,92,782)	–	(1,53,09,56,801)
Indebtedness at the end of the financial year as on 31st March,2017				
i) Principal Amount	5,03,20,94,980	2,57,486	–	5,03,23,52,466
ii) Interest due but not paid				–
iii) Interest accrued but not due	93,49,563		–	93,49,563
Total (i+ii+iii)	**5,04,14,44,543**	**2,57,486**	**–**	**5,04,17,02,029**

VI. Remuneration of Directors and Key Managerial Personnel

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

Amount in ₹

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri G R Morarka	Shri V S Banka	Shri B J Maheshwari	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,31,52,000	80,93,844	81,32,208	2,93,78,052
	(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-5%	9,65,04,398			9,65,04,398
5	Others, please specify				
	Total (A)	**10,96,56,398**	**80,93,844**	**81,32,208**	**12,58,82,450**
	Ceiling as per the Act				21,70,08,797

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		₹				₹
1	Independent Directors	Ms. Malathi Mohan[@]	Shri B K Agarwal	Shri K N Prithviraj	Ms. Nina Chatrath[#]	
	Fee for attending board committee meetings	27,500	1,70,000	1,47,500	40,000	3,85,000
	Commission	0	0	0	0	
	Others, please specify	0	0	0	0	
	Total (1)	27,500	170000	1,47,500	40,000	3,85,000
2	Other Non-Executive Directors	Not Applicable				
	Fee for attending board committee meetings					
	Commission					
	Others, (Salaries, allowances, Bonus, Leave encashment, Co's contribution to EPF)					
	Total (2)					
	Total =(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

** Overall ceiling is within the ceiling of remuneration as defined u/s 198 of the Companies Act, 2013*

Please note

(@) ceased from Board of Director of the Company in 2016.

(#) inducted into Board of Director of the Company in 2017.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

We have Whole Time Directors acting as CS & CFO and Managing Director acting as CEO, hence - **NOT APPLICABLE**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(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				
	Total				

VII. Penalties / Punishment/ Compounding of Offences:

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:			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NIL		
Penalty					
Punishment					
Compounding					

ANNEXURE - IV

FORM MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Member,
DWARIKESH SUGAR INDUSTRIES LIMITED
Dwarikesh Nagar, Bijnore,
Uttar Pradesh

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "DWARIKESH SUGAR INDUSTRIES LIMITED" (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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 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 financial year ended on 31st March, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 (SEBI Act);
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (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 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
   (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review;
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review;

6. Other Laws applicable to the Company;
   i. The Employee Provident Fund and Miscellaneous Provisions Act, 1952.
   ii. The Public Liability Insurance Act, 1991.
   iii. The Contract Labour (Regulation and Abolition) Act, 1970.
   iv. The Sugar cess Act 1982.
   v. Uttar Pradesh Sugarcane (Regulation of supply and Purchase) Act 1953
   vi. The Environment (Protection) Act, 1986.
   vii. Uttar Pradesh State Pollution Control Board Circulars and Notifications.

We have also examined compliance with the applicable clause of the following;

I. The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, 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 period 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings and Committee Meetings were taken unanimously and are captured and recorded as part of the minutes of the meetings.

We further report that 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.

For VKM & Associates
Practicing Company Secretary

(Vijay Kumar Mishra)
Partner
FCS No. 5023
C P No.: 4279

Place: Mumbai
Date: 08/05/2017

"ANNEXURE A"

To,
The Member,
DWARIKESH SUGAR INDUSTRIES LIMITED
Dwarikesh Nagar, Bijnore,
Uttar Pradesh

Our report of even date is to be read along with this letter.

Management's Responsibility

1. It is the Responsibility of Management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VKM & Associates
Practicing Company Secretary

(Vijay Kumar Mishra)
Partner
FCS No. 5023
C P No.: 4279

Place: Mumbai
Date: 08/05/2017

Corporate Governance Report

INTRODUCTION: CORPORATE GOVERNANCE IS THE MECHANISM BY WHICH THE VALUES, PRINCIPLES, MANAGEMENT POLICIES AND PROCEDURES OF A CORPORATION ARE MADE MANIFEST IN THE REAL WORLD. CORPORATE GOVERNANCE CONTEMPLATES FAIRNESS, TRANSPARENCY, ACCOUNTABILITY AND RESPONSIBILITY IN THE FUNCTIONING OF THE MANAGEMENT AND THE BOARD OF COMPANIES. CORPORATE GOVERNANCE REPRESENTS MORAL FRAMEWORK, THE ETHICAL FRAMEWORK AND THE VALUE FRAMEWORK UNDER WHICH AN ENTERPRISE TAKES DECISIONS.

1. Company's Philosophy on Corporate Governance

Your company has implemented and continuously tries to improve the Corporate Governance Practices which attempt to meet stakeholders' expectations' and company's societal commitments through high standards of ethics, sound business decisions, prudent financial management practices, professionalism in decision making and conducting the business and finally with strict compliance with regulatory guidelines on corporate governance.

"Transparency, honesty, efficiency, complete and timely disclosure and sustained enhancement of shareholders value, justice to vendors, employees and the society at large are the cardinal principles of Corporate Governance for your Company"

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

2. Borad of Directors

Composition of Board of Directors and Category

The Current policy is to have an appropriate mix of executives and independent directors to maintain the independence of the Board. As on 31st March, 2017 the constitution of the Board was:

There are 6 Directors in the Company as on 31st March, 2017.

Name of the Director	Category	No. of other Directorship[@]	No of membership of other Board committee[@]	No of Board Committee for which Chairman[@]	No. of Equity shares held
Mr. G. R. Morarka	Managing Director	4	2	–	2,826,659
Ms. Malathi Mohan*	Independent Non-Executive Director	–	–	–	–
Mr. B. K. Agarwal	Independent Non-Executive Director	–	–	–	–
Mr. K. N. Prithviraj	Independent Non-Executive Director	4	1	–	–
Ms. Nina Chatrath[#]	Independent Non-Executive Director	–	–	–	–
Mr. B. J. Maheshwari	Whole Time Director	3	2	1	–
Mr. Vijay S Banka	Whole Time Director	2	2	–	–

(*) Ceased from Board of Director of the Company on 26/10/2016.

([#]) Inducted on Board of Director of the Company on 04/02/2017.

[@] In accordance with SEBI (LODR) Regulations, 2015, directorships of only public limited companies have been considered. The directorships in section 8 companies and private companies have been excluded. Further, memberships & chairmanships of only Audit committee and Stakeholders Relationship Committee of all Public Limited Companies (excluding Dwarikesh Sugar Industries Limited) have been considered.

As mandated by Regulation 26 of LODR Regulations, none of the directors are members of more than 10 Board level Committees nor are they chairman of more than five committees in which they are members

Attendance of each Director at the Board Meetings and the Last Annual General Meeting:

During the period ended 31st March, 2017, 4 Board Meetings were held: on; May 24, 2016; August 03, 2016; October 22, 2016 & February 04, 2017. The attendance of each director at these Board meetings and the last Annual General Meeting (AGM) was as follows:

Name of the Directors	No. of Board meeting attended	Attendance at Last AGM held on August 5, 2016
Mr. G.R. Morarka	4	Yes
Ms. Malathi Mohan*	1	No
Mr. B. K. Agarwal	4	Yes
Mr. B. J. Maheshwari	4	Yes
Mr. Vijay S. Banka	4	Yes
Mr. K. N. Prithviraj	4	No
Ms. Nina Chatrath#	1	N.A.

(*) Ceased from Board of Director of the Company on 26/10/2016.

(#) Inducted on Board of Director of the Company on 04/02/2017.

Directors retiring by rotation & seeking appointment / re appointment.

Shri G R Morarka, Shri B. J. Maheshwari and Shri V. S. Banka, executive directors are re appointed for the period of 3 years in the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Ms. Nina Chatrath, Independent woman director who is appointed to fill up the casual vacancy arose on account of death of Ms. Malathi Mohan, being regularized in the ensuing AGM. Pursuant to section 149 (13) of the Companies Act, 2013, all the independent directors namely Shri B. K. Agarwal, Shri K. N. Prithviraj are appointed for the period of 5 years and are not required to be retire by rotation. The remuneration of Shri G. R. Morarka, Shri B J Maheshwari and Shri V S Banka is proposed for the period of 3 years as his current tenure is over by April 30, 2018 and March 31, 2018.

Details of the directors seeking appointment/ re-appointment are provided in the Notice of the Annual General Meeting, which is forming part of this Annual report.

Remuneration to Directors:

Effective October 24, 2016 and as amended w.e.f. October 22, 2016 each director (except Managing Director, Whole Time Directors) is paid a sitting fees @ ₹40,000 (hitherto ₹20,000 till October 21, 2016) per meeting of Board of Directors of the Company for attending the meeting.

Shri G. R. Morarka, Shri B. J. Maheshwari and Shri Vijay S Banka are the Whole Time Directors in the Company.

Shri G. R. Morarka is entitled to remuneration up to 5% of net profits of the Company (computed as per section 197 of the Companies Act, 2013), by way of salaries, perquisites, Ex-gratia, medical reimbursement, allowances and commission. The details of remuneration paid/ payable to Shri Morarka is provided in Note no. 21 of Note 28B of the Notes on accounts.

Shri B. J. Maheshwari and Shri Vijay S. Banka are paid minimum remuneration as per Schedule V of the Companies Act, 2013 subject to overall ceiling of remuneration of 10% of the net profits payable to Managing Directors and Whole Time Directors. The details of remuneration paid/payable to Shri B. J. Maheshwari & Shri V. S. Banka are provided in Note no. 21 of Note 28B of the Notes to Accounts.

Details of the Directors' remuneration:

The details of the remuneration paid or provided to the directors of the company for the period ended 31st March, 2017 are provided below:

A. EXECUTIVE DIRECTORS:

1. Remuneration to Managing Director

Particulars	Amount (₹)
Salary	1,20,00,000
Ex Gratia & Interim Bonus	9,65,04,398
Leave Encashment	Nil
Total	**10,85,04,398**
Company's Contribution to P.F. (exempted allowance)	11,52,000

2. Remuneration to other Whole time directors

Particulars	Amount (₹)
Salary	1,40,06,106
Other Allowances	1,08,000
Leave Salary	NIL
Interim Bonus	15,00,000
Total	**1,56,14,106**
Company's Contribution to P.F. (exempted allowance)	6,11,946

1. The terms of office of executive directors are for 3 years from the date of their respective appointment/reappointment.
2. Notice period is NIL in case of Shri G. R. Morarka and 24 months each in cases of Shri B. J. Maheshwari and Shri V. S. Banka. No stock options have been granted to any directors nor pension is payable to them.
3. Severance fees is nil.

B. NON-EXECUTIVE DIRECTORS: (Amount in ₹)

Name of the Director	Sitting fees	Commission Payable	Total Payments paid / Payable in 2016-17
Ms. Malathi Mohan	27,500	–	27,500
Shri B. K. Agarwal	1,70,000	–	1,70,000
Shri K. N. Prithviraj	1,47,500	–	1,47,500
Ms. Nina Chatrath	40,000	–	40,000

CEO/CFO certificate is attached along with the report.

3. Committees of Board

A. AUDIT COMMITTEE

Pursuant to Regulations 18 of SEBI (LODR) Regulations, 2015 and also pursuant to the provisions of Section 177 of the Companies Act, 2013, the Committee was constituted, initially to comprising of four directors; all of them are independent, non-executive and later expanded by addition of two Whole Time Directors. Out of these two Whole Time Directors, Shri B. J. Maheshwari has ceased to be a member of the Audit Committee w.e.f. August 12, 2011 and an Independent Director Shri B. K. Agarwal is inducted in the same meeting. Members of Audit Committee are eminent persons in their field. Shri K. N. Prithviraj acts as Chairman of the Audit Committee. Shri B. J. Maheshwari being a Company Secretary of the company acts as the secretary to the Committee.

Terms of Reference:

The terms of reference of the Audit Committee includes matters which are set out in Regulation 18 read with Part C of Schedule II of the Listing Regulations read with Section 177 of the Companies Act, 2013 which inter alia consist of the following:

a) oversight the company's financial reporting procedure and the disclosure of its financial information
b) to examine the financial statement and the auditor's report on it.
c) recommendation for appointment, remuneration and terms of appointment of auditors of the company
d) to review and monitor the auditor's independence and performance, effectiveness of the audit process
e) approval or any subsequent modification of the transactions of the company with related parties
f) to scrutinize inter corporate loans and investments
g) valuation of undertakings or assets of the company, wherever it is necessary
h) to evaluate the internal financial controls and risk management system
i) to monitor the end use of funds raised through public offers and related matters.

The Committee also reviews the observations of the Internal and Statutory Auditors, along with the comments and action taken thereon by the Management and invites senior executives to its Meetings as necessary.

The constitution of the Audit Committee as on 31st March, 2017 is as follows

1.	Shri V S Banka	(Member)	Whole Time Director and CFO
2.	Shri K N Prithviraj	(Member)	Independent Director
3.	Shri B K Agarwal	(Chairperson)	Independent Director
4.	Ms. Nina Chatrath#	(Member)	Independent Director
5.	Ms. Malathi Mohan*	(Member)	Independent Director

(*) ceased from Board of Director of the Company on 26/10/2016.

(#) inducted on Board of Director of the Company on 04/02/2017.

Meeting and Attendance

During the period ended March 31, 2017, 4 Audit Committee Meetings were held May 24, 2016; August 03, 2016; October 22, 2016 & February 04, 2017

Name of the Directors	No of meeting attended
Mr. Vijay S. Banka	4
Mr. K. N. Prithviraj	4
Mr. B. K. Agarwal	4
Ms. Malathi Mohan*	1
Ms. Nina Chatrath#	0

(*) ceased from Board of Director of the Company on 26/10/2016.

(#) inducted on Board of Director of the Company on 04/02/2017.

B. NOMINATION AND REMUNERATION COMMITTEE

Besides Audit Committee, in terms of the Section 177 of the Companies Act, 2013, the Nomination & Remuneration Committee was formed on 22nd October, 2001 now comprising of three independent non-executive directors as members. Shri B. J. Maheshwari, the Company Secretary acts as the secretary to the Committee.

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee include:

- to formulate criteria for determining qualifications, positive attributes and independence of a director
- to recommend the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees;
- to formulate the criteria for evaluation of Independent Directors and the Board;
- to devise a policy on Board diversity;
- to identify 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.

The non-executive directors do not draw any remuneration from the company except payment by way of sitting fees for attending the board / committee meetings.

The composition and names of members of the Nomination & Remuneration Committee as on 31st March, 2017 are as under.

1.	Mr. B. K. Agarwal	(Chairperson)	Non-executive Independent Director
2.	Ms. Malathi Mohan*	(Member)	Non-executive Independent Director
3	Mr. K. N. Prithviraj	(Member)	Non-executive Independent Director
4	Ms. Nina Chathrath#	(Member)	Non-executive Independent Director

The Chairman of the Nomination and Remuneration Committee is elected by its members from amongst themselves.

During the period ended 31st March, 2017, 1 Nomination and Remuneration committee meeting was held on May 24, 2016 & February 04, 2017.

Name of the Directors	No of meeting attended
Mr. B. K. Agarwal	2
Ms. Malathi Mohan*	1
Mr. K. N. Prithviraj	2
Ms. Nina Chathrath#	0

(*) ceased from Board of Director of the Company on 26/10/2016.

(#) inducted on Board of Director of the Company on 04/02/2017.

Sitting fees @ ₹5,000 is paid to a member for attending meeting of Audit Committee.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The committee was constituted on 17th March, 2001 to look into the matters relating to redressal of Shareholders and Investors complaints such as transfer of shares, non-receipt of balance Sheet, non-receipt of declared dividends etc. Shri B. K. Agarwal is Chairman of the committee & Shri B. J. Maheshwari – Company Secretary is designated as a Compliance officer. The Stakeholder's Relationship Committee comprise of following directors as on 31st March, 2017.

1.	Mr. Vijay S. Banka	(Member)	Whole Time Director
2.	Mr. B. J. Maheshwari	(Member)	Whole Time Director
3.	Mr. B. K. Agarwal	(Chairperson)	Non-executive Independent Director
4.	Ms. Malathi Mohan*	(Member)	Non-executive Independent Director
5.	Ms. Nina Chatrath#	(Member)	Non-executive Independent Director

(*) ceased from Board of Director of the Company on 26/10/2016.
(#) inducted on Board of Director of the Company on 04/02/2017.

The role of the Stakeholders Relationship Committee shall, inter-alia, include the following:

1. To consider and resolve investors grievances or shareholders grievances.
2. To appoint Registrars and Share Transfer Agent.
3. To transfer, transmit, consolidate, issue duplicate share certificates, split share certificates, etc.
4. To consider and resolve complaints of Shareholders regarding non-receipt of Annual Report and non-receipt of Declared dividend etc.
5. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the rules made thereunder, Listing

Agreements and the guidelines issued by SEBI or any other regulatory authority. Approval of the share transfers and /or delegation thereof.

The Stakeholders Relationship Committee are also required to submit their reports / suggestions to the Board of Directors of the Company from time to time.

During the period ended 31st March, 2017, there were no investor's complaints at the beginning of the period, no complaints received during the period & no complaints are pending at the end of the period.

Vigil Mechanism

The company has established a whistle blower mechanism to provide an avenue to raise concerns about unethical behavior, actual or Suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of directors / employees / customers who avail of the mechanism. The Company has adopted policy on Vigil Mechanism in the Board meeting held on May 9, 2014. No complaints were received under this policy during the year. The policy is available on the Company's website at www.dwarikesh.com

Investor Services

The Company has appointed M/s. Universal Capital Securities Pvt. Ltd. as Registrar and Share Transfer Agent, who have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster service to the investors.

Meeting of Independent Directors:

A Meeting of Independent Directors was held during the year on February 4, 2017 to review the performance of Non-Independent Directors and the Board as whole, and the Managing Director of the Company taking into account the views of Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees that is necessary for the board of directors to effectively and reasonably perform their duties.

Compliance Officer

The Board has designated Shri B. J. Maheshwari, Whole-Time Director and CS cum CCO as the compliance officer.

Other Disclosures:

A. TRANSACTIONS DURING THE PERIOD:

- No penalty or strictures have been imposed on the Company by Stock Exchanges, SEBI or any Statutory Authority on any matter during last 3 years.
- The Compliance Reports of all laws applicable to the Company are periodically reviewed by the Board.

All related party transactions have been entered into in the Ordinary course of business and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others are on an arm's length basis.

B. DISCLOSURE OF ACCOUNTING TREATMENT:

All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

C. RISK MANAGEMENT:

The Company has in place mechanism to inform the Board Members about the Risk Assessment and Minimisation procedures and periodical reviews, to ensure that risk is controlled by the Executive Management through the means of a properly defined policy.

i) Raw material risk:

Higher cane prices on account of lower rainfall would increase the input cost and may also impact the availability of sugarcane.

Risk mitigations:

- Educating the farmers on advantages of growing sugar cane.
- Provision of high yielding seeds, cane disease management, timely payment of cane price, etc.
- Encouraging the farmers to grow more sugar cane and making cane cultivation attractive.
- Providing subsidies to plant better variety of Sugar cane.

ii) Sugar Price Risk:

There is volatility in the Sugar Price on account of oscillating sugar production.

Risk mitigation:

The Company has diversified its product mix by foraying into non-sugar business like Industrial Alcohol, Ethanol, Power generation to derisk the volatility in sugar prices being a commodity cyclical. This product mix has done well when the sugar prices are not lucrative and optimized the benefits by the diversified product portfolio.

iii) Political and regulatory risks:

Sugar is one of the industries still to be liberalised. The government still stipulates the minimum cane price that sugar companies

should pay to the farmers, for the cane. Even the release of sugar for domestic sale is also controlled by the Government.

Risk mitigation:

This is a systemic risk which cannot be alleviated unless the industry is completely decontrolled.

D. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES, ETC.

The company issued 25,15,471 equity shares @ ₹236.11 per shares by way of Qualified Institutional Placement to Qualified Institutional Buyers during the year.

E. SUBSIDIARY COMPANIES:

The Company presently do not have any subsidiary.

F. CODES' AND POLICIES' WEBLINK:

Details of various policies and codes required to be framed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are given on the website of the company on weblink: http://www.dwarikesh.com/news/policies-codes/70.html.

GENERAL BODY MEETINGS

Location and time, where last Annual / Extra Ordinary General Meetings were held during last 3 years is given below:

Financial Year	Date	Location of the Meeting	Time	AGM/ EGM
2012-13	21st March, 2014	Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh	10.00 a.m.	AGM
2013-15	19th September, 2015	Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh	10.00 a.m.	AGM
2015-16	5th August, 2016	Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh	10.00 a.m.	AGM

Special resolutions passed in General Meetings during last 3 years:

Date	Particulars
21st March, 2014	a. Power to the board for borrowings upto ₹1000 crores u/s 180(1)
	b. Power to the board to contribute for charitable purposes
19th September, 2015	a. Approval of related party transaction with related party – M/s. Morarka Finance Limited for taking on rent the office premises
	b. Re-appointment of Mr. B J Maheshwari as a Whole Time Director & CS cum CCO
	c. Re-appointment of Mr. Vijay S Banka as a Whole Time Director & CFO
	d. Approval for alteration of the capital clause of Memorandum of Association
	e. Approval for alteration of the capital clause of Articles of Association
	f. Approval for issue of cumulative redeemable preference shares
5th August, 2016	a. Adoption of new Articles of Association
	b. Approval for remuneration of Shri G R Morarka for two years.
	c. Approval for amendment of capital clause.
	d. Approval for preferential allotment of securities.

CODE OF BUSINESS CONDUCT AND ETHICS

The Board at its meeting held on 24th January, 2005 adopted the Code of Business Conduct and Ethics for Directors and Senior Management ('the Code'). This code is a comprehensive code applicable to all Directors, Executive & Non-Executive and members of senior management. However, in the light of changing scenario of corporate functioning, the same has been modified & adopted by the Board at its meeting held on May 14, 2013.

A copy of the Code has been put on the Company's website: www.dwarikesh.com.

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by Shri B.J. Maheshwari, Whole Time Director & CS cum CCO is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the Accounting period 2016-17.

B. J. Maheshwari
Whole Time Director & CS cum CCO
(DIN - 00002075)

INSIDER TRADING

The Company has adopted Code of Internal Procedures and conduct' framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, inter alia, to prevent insider trading in the shares of the Company. The Company Secretary is responsible for the implementation of the code. All Board of Directors, designated employees and connected persons have affirmed compliance with the code.

DISCLOSURES

The Company does not have any related party transactions except the ones disclosed in Note no 21 of note 28B in Notes to Accounts, which may have potential conflict with the interest of the Company at large.

MEANS OF COMMUNICATION

Quarterly Results: The Company's quarterly results in the proforma prescribed by the Stock Exchanges pursuant to Regulation 33, 47 of the Listing Regulations are approved and taken on record by the Board within the prescribed time frame, and sent forthwith to all Stock Exchanges on which the Company's shares are listed. These results are being published in leading newspapers.

Website: As per the requirements of Regulation 47 of the Listing Regulations, all the data related to quarterly financial results, shareholding pattern etc. is filed with stock exchanges and also on the Company's website: **(www.dwarikesh.com)** within the time prescribed in this regard. The Company's website also displays the official news releases.

Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD & A) Report forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	23rd Annual General Meeting
Date, Time and Venue	Saturday, August 19, 2017 at 10 a.m. at Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh
Financial Calendar Particulars (April - March) (tentative and subject to change)	Date of Approval/publication
First Quarter Results	On or before 14th August, 2017
Second Quarter Results	On or before 14th November, 2017
Third Quarter Results	On or before 14th February, 2018
Last Quarter Results	On or before 30th May, 2018
Dates of Book Closure	Saturday, August 12, 2017 to Saturday, August 19, 2017 (both days inclusive).
Dividend Payment Date	Will be paid within 5 days of AGM. On or before August 23, 2017.
Listing Details	BSE & NSE

The details of the Stock Exchanges on which the Company's shares are listed are as under:

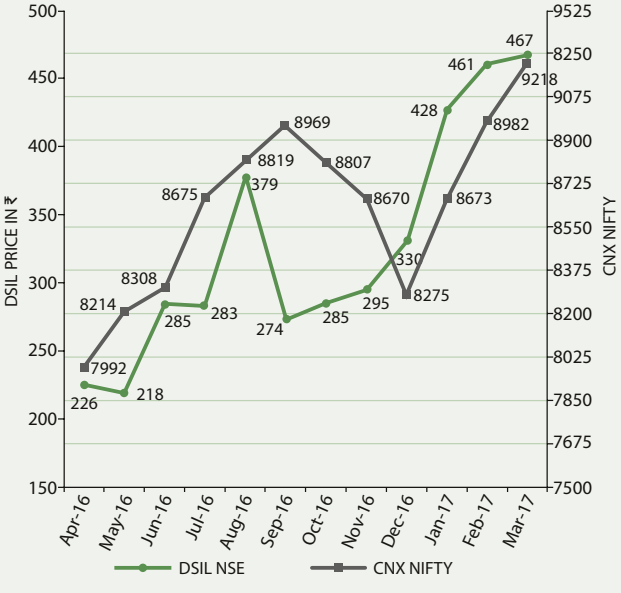
Name	Address	Stock Code
BSE Limited (BSE)	PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532610
The National Stock Exchange of India Ltd. (NSE)	"EXCHANGE PLAZA", Bandra-Kurla Complex Bandra (E), Mumbai – 400 051	"DWARKESH"
International Securities Identification Number (ISIN)		INE 366A 01033

Payment of Listing Fees: Annual listing fee for the year 2017-18 (as applicable) has been paid by the Company to BSE & NSE.

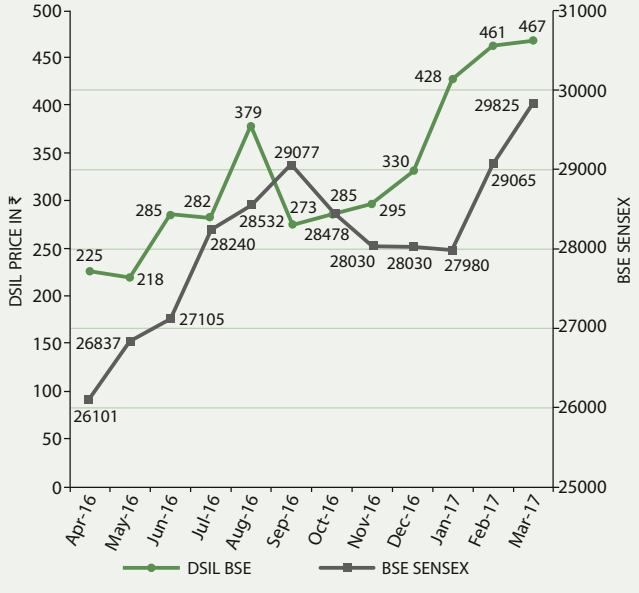
MARKET PRICE DATA: Monthly high/low of market price of the Company's equity shares traded on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the last financial year was as under:

Month	NSE			BSE		
	High ₹	Low ₹	Total Volume Quantity No.	High ₹	Low ₹	Total Volume Quantity No.
Apr-16	225.8	178.6	3291435	224.7	179	751863
May-16	218.45	177	4543579	218.3	178	1214616
Jun-16	284.7	177.55	14436352	284.95	191.6	4073896
Jul-16	282.7	231.5	9839826	282.45	232	2890156
Aug-16	379.4	228	22495591	379.2	228.5	6494266
Sep-16	273.75	228.85	5899897	273.3	229	1972543
Oct-16	285	242.15	6696340	285	242.2	1891052
Nov-16	295	206.5	7771169	295	207	1624058
Dec-16	329.9	260	10798836	330	254.95	2413548
Jan-17	427.55	318.2	17991225	427.7	318	4201063
Feb-17	461	389	8397881	461	389	1816731
Mar-17	466.9	392.55	8269906	467	393	1699398

DSIL SHARE PRICES IN NSE & CNX NIFTY

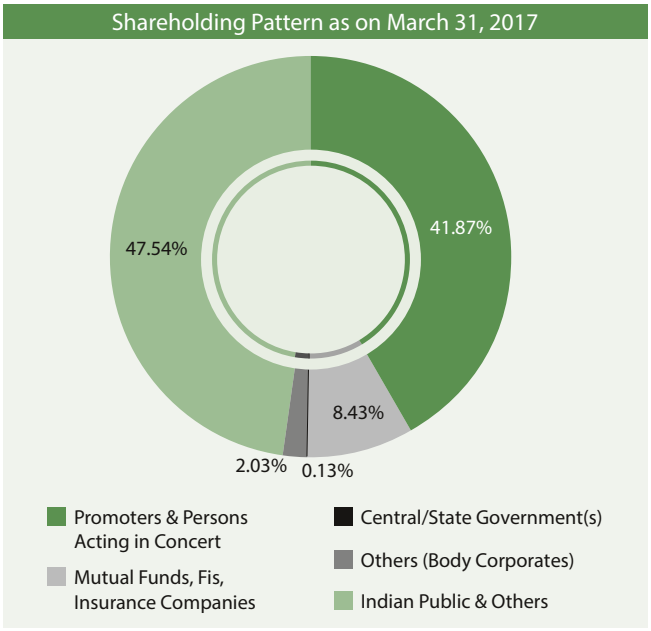


DSIL SHARE PRICES IN BSE & BSE SENSEX



Shareholding pattern of the Company as on 31st March, 2017.

Sr. No.	Particulars	Percentage
1	Promoters & Persons Acting in concert	41.87
2	Mutual Funds, Fis, Insurance Companies	8.43
3	Central/State Government(s)	0.13
4	Others (Body Corporates) -	2.03
5	Indian Public & Others	47.54
	Total	**100**



Distribution of Shareholding as on 31st March, 2017:

Sr. No.	No. of Equity Shares Held in the range of	No. of Shareholders	Percentage	No. of Shares	Total Percentage
1	1 – 500	9496	85.534	1048068	5.566
2	501 – 1000	628	5.657	487039	2.586
3	1001 – 2000	447	4.026	661376	3.512
4	2001 – 3000	161	1.450	410537	2.180
5	3001 - 4000	65	0.585	230571	1.224
6	4001 – 5000	62	0.558	291247	1.547
7	5001-10000	117	1.054	870054	4.621
8	10,001 & above	126	1.135	14831255	78.763
	Total	**11102**	**100**	**18830147**	**100.00**

Registrar and Transfer Agents:

Universal Capital Securities Pvt. Ltd.

21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093.
Tel: 28207201 / 7203 / 7204 / 7205, Fax: 28369704 / 28207207
E-mail: info@unisec.in

GDR status:

As on 31st March, 2017 there are no GDR's outstanding.

Dematerialisation of Shares

The company has signed an agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As intimated by SEBI, trading in the shares of the company is compulsorily to be in the dematerialised form for all the investors. As on 31st March, 2017, 99.72% of the total shares of the Company have been dematerialised.

Address for Correspondence

Corporate Secretarial Department

The Corporate Secretarial Department is located at the Company's Corporate Office situated at 511, Maker Chambers - V, 221, Nariman Point, Mumbai - 400 021. Tel: 022 22832468; Fax: 022 22047288; email: investors@dwarikesh.com

The shareholders may address their communications/grievances/ queries to Shri B. J. Maheshwari, Whole Time Director and CS cum CCO at the above mentioned address.

Change of Address

The shareholders holding shares in Physical form should contact the share transfer agent of the company for change of address. The shareholders holding shares in Dematerialised form should contact their depository participants for change of address.

Human Resource Development / Industrial Relations:

Continuous learning is the cornerstone of the Company's human resource policy. The Company's human resource policy is structured to meet the aspirations of the employees as well as of the organisation. The Company has adopted a progressive policy of continuous development of its human resources by training and motivating its employees to attain greater efficiency and competency.

Industrial relations in all the units were cordial throughout the year under review.

Information regarding details of Directors

Information relating to Directors appointments, experience, their expertise, details of their directorships & committees in which they are members or acting as Chairman etc are available in the Notice section & may be referred & considered to be integral part of this report.

Corporate Benefits:

Financial Year	Equity Dividend Rate	Dividend Declaration Date
1997-1998	15%	30/03/1999
1998-1999	15%	28/03/2000
1999-2000	15%	19/06/2001
2000-2001	15%	27/03/2002
2001-2002	5%	31/05/2003
2002-2003	5%	29/03/2004
2003-2004	20%	01/11/2004
2004-2005	60%	16/01/2006
2005-2006	60%	23/03/2007
2006-2007	NIL	–
2007-2008	NIL	–
2008-2009	15%	16/03/2010
2009-2010	NIL	–
2010-2011	NIL	–
2011-2012	NIL	–
2012-2013	NIL	–
2013-2015	NIL	–
2015-2016	NIL	–

Bonus Issues of fully Paid-up Equity Shares

Financial Year	Ratio
2000-2001 (09/04/2001)	13:100

Non-Mandatory Requirements:

Discretionary Requirements under Regulation 27 of the SEBI (Listing Obligation & Disclosure Requirements (LODR) Regulations, 2015:

The status of compliance with discretionary recommendations of the Regulation 27 of the SEBI (LODR), Regulations is provided below:

Chairman's Office: The designation of Shri G R Morarka which was earlier Chairman and Managing Director is now changed to Managing Director.

Separate posts of Chairman and CEO: Shri G R Morarka is holding the position Managing Director & CEO. The Company does not have any permanent Chairman.

Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

Modified Opinion in Auditors Report: The Company's financial statement for the year ended March 31, 2017 are unqualified.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

Location of Plants:

Sugar Mills:

(1) Dwarikesh Nagar – 246 762, Village: Bundki&Rajupura, Dist: Bijnor, Uttar Pradesh.

(2) Dwarikesh Puram – 246 722, Village: Bahadarpur, Dist: Bijnor, Uttar Pradesh.

(3) Dwarikesh Dham – 243 503, Village: Bhagwanpur Fulwa, Bakarganj, Dist: Bareilly, Uttar Pradesh.

Distillery:

(1) Dwarikesh Nagar – 246 762, Village: Bundki & Rajupura, Dist: Bijnor, Uttar Pradesh.

Co generation:

(1) Dwarikesh Nagar – 246 762, Village: Bundki & Rajupura, Dist: Bijnor, Uttar Pradesh.

(2) Dwarikesh Puram – 246 722, Village: Bahadarpur, Dist: Bijnor, Uttar Pradesh.

(3) Dwarikesh Dham – 243 503, Village: BhagwanpurFulwa, Bakarganj, Dist: Bareilly, Uttar Pradesh.

Subsidiary:

The Company presently do not have any subsidiary in terms of provisions of Companies Act, 2013

On behalf of the Board of Directors

Place: Mumbai.
Dated: May 18, 2017.

B. J. Maheshwari
Whole Time Director & CS Cum CCO
(DIN - 00002075)

CEO AND CFO CERTIFICATION

To.
The Board of Directors,
Dwarikesh Sugar Industries Limited.

We hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

  (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal and violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit committee

  (i) Significant changes in internal control over financial reporting during the year.

  (ii) Significant changes in accounting policies, if any during the year and that the same have been disclosed in the notes to the financial statements, and

  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

	Vijay S. Banka	**G. R. Morarka**
Place : Mumbai	*Chief Financial Officer*	*Managing Director*
Date : May 18, 2017	DIN No. 00963355	DIN No. 00002078

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
Dwarikesh Sugar Industries Limited.

We have examined the compliance of conditions of Corporate Governance by **Dwarikesh Sugar Industries Limited ("the Company")** for the year ended 31st March, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 with the documents and records maintained by the Company and the report on corporate governance as adopted by the Board of Directors.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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 S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No.000756N

KAMAL KISHORE
Partner
Membership No. 078017

Place: New Delhi.
Dated: May 18, 2017

Independent Auditors' Report

To The Members of
Dwarikesh Sugar Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Dwarikesh Sugar Industries Limited ("the Company"), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 thereunder.

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 the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 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 purpose of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended;

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

   g) 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 – Refer Note 28 B to the financial statements;

      ii. Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. The Company has provided requisite disclosures in Note no. 12 of 28 B to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

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

Kamal Kishore
Partner
Membership No: 078017

Place: New Delhi
Date: May 18, 2017

Annexure A to the Independent Auditor's Report to the members of Dwarikesh Sugar Industries Limited dated May 18, 2017.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section

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

(b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification, discrepancies has duly been adjusted in the financials.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties are held in the name of the company.

(ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the registered maintained under section 189 of the Act. Accordingly, clauses 3 (iii) (a) to (c) of the Order are not applicable.

(iv) As per the information and explanation given to us and on the basis of our examination of the records, the company has complied with provision of section 185 and 186 of the Act , with respect to the loans and investment made .

(v) In our opinion and according to explanation given to us, As the company has not accepted deposits as per directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other provisions of the companies Act and rules framed there under.

(vi) We have broadly reviewed the books of account relating to materials, labor and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident 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. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Custom Duty and Cess which have not been deposited on account of any dispute, except the following in respect of disputed Income Tax, Excise Duty, Service Tax and Sales Tax along with the forum where dispute is pending:

Name of the statue	Nature of dues	Amount (in ₹)	Period to which the amount pertains	Forum where dispute is pending
Central Excise Act, 1944	Excise duty and penalty	1,88,31,735	Jan-05 to Dec-05, Apr-06 to Dec-06, Apr-06 to Dec-07, Jan-07 to Feb-07, Mar-07, Jun-07 to Nov-07, Jun-07 to Aug-08, Nov-07 to Aug-08, Jan-08 to Dec-08, Jan-07 to Oct-07, Oct-10 to Mar-11, Apr-10 to Sep-10, June-07 to Nov -07	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty	1,21,211	Jun-05 to Mar-06	CESTAT, Delhi
Central Excise Act, 1944	Excise duty	2,23,982	Apr-14 to Mar-15	Commissioner (Appeals), Meerut
Finance Act, 1994	Service Tax duty and penalty	1,61,49,123	Jun-07 to Jan-09	CESTAT, Delhi
Finance Act, 1994	Service tax	28,66,157	Jan-14 to Aug-14, Apr-09 to Dec-13	CESTAT, Allahabad
Finance Act, 1994	Service Tax	8,21,071	Sep-12 to Dec-13, Sep-14 to Jun-15	Commissioner (Appeals), Meerut
Uttar Pradesh Tax On Entry of Goods into Local Areas Act, 2007	Entry tax on Iron Steel Purchases	85,000	2013-14	Additional Commissioner (Appeal), Bijnor (U.P)

(viii) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayments of its dues to Governments, banks and financial institution. The Company does not have any debenture.

(ix) According to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer or further public offer during the financial year, and the terms loans raised by the Company have been applied for the purpose for which they are were obtained. Where such end use has been stipulated by the lender(s).

(x) In our opinion and on the basis of information and explanations given to us, no cases of fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) As the Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act, as applicable and the details have been disclosed in these financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and as per our verification of records of the company, the company has issued the shares to qualified institutional buyers on private placement basis on September 28, 2016 and the requirement of section 42 of the Act have been complied with. The company has raised the funds for the purpose of repayment/ prepayment in full/ part of existing loans and for general corporate purpose and utilize for the same.

(xv) In our opinion and on the basis of information and explanations given to us, the Company has not entered into non-cash transactions with directors and persons connected with him. Hence, the provisions of section 192 of Act are not applicable.

(xvi) In our opinion and on the basis of information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Kamal Kishore
Partner
Membership No: 078017

Place: New Delhi
Date: May 18, 2017

Annexure B to the Independent Auditor's Report to the members of Dwarikesh Sugar Industries Limited dated May 18, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of Dwarikesh Sugar Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified 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 Institute of Chartered Accountants of India. 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.

An 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 controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) 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 statements.

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 control 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Kamal Kishore
Partner
Membership No: 078017

Place: New Delhi
Date: May 18, 2017

Balance Sheet as at 31st March, 2017

(Amount in ₹)

	Note No.	As at 31/03/17		As at 31/03/16	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share capital	1	49,93,01,470		47,41,46,760	
(b) Reserves and surplus	2	2,66,65,98,081		69,59,98,122	
			3,16,58,99,551		**1,17,01,44,882**
(2) Non-Current Liabilities					
(a) Long-term borrowings	3	1,03,19,66,657		2,37,06,10,327	
(b) Deferred tax liabilities (net)	11	36,87,65,762		-	
(c) Long term provisions	4	14,88,97,698		12,31,93,118	
			1,54,96,30,117		**2,49,38,03,445**
(3) Current Liabilities					
(a) Short-term borrowings	5	3,57,79,19,138		3,54,20,40,912	
(b) Trade payables	6				
Total outstanding dues of the Micro, Small and Medium Enterprises (MSMEs)		40,48,315		25,49,533	
Total outstanding dues other than MSMEs		76,59,61,528		1,42,98,56,742	
(c) Other current liabilities	7				
Current maturities of long term debts		42,24,66,671		64,35,14,900	
Others		79,09,86,911		69,59,65,313	
(d) Short-term provisions	8	27,98,35,607		3,44,55,857	
			5,84,12,18,170		**6,34,83,83,257**
TOTAL			**10,55,67,47,838**		**10,01,23,31,584**
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets	9				
(i) Tangible assets		3,30,59,98,744		3,56,37,59,860	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		1,15,55,397		23,90,178	
(iv) Intangible assets under development		9,55,000		4,50,000	
		3,31,85,09,141		3,56,66,00,038	
(b) Non-current investments	10	21,81,000		21,81,000	
(c) Deferred Tax assets (net)	11	-		17,07,15,769	
(d) Long term loans and advances	12	53,41,03,891		9,42,75,201	
(e) Other non-current assets	13	35,29,446		1,09,40,784	
			3,85,83,23,477		**3,84,47,12,792**
(2) Current assets					
(a) Current investments	14	-		2,19,000	
(b) Inventories	15	6,09,94,19,567		5,36,56,16,175	
(c) Trade receivables	16	54,68,61,426		64,25,56,272	
(d) Cash and bank balances	17	96,47,627		4,82,24,577	
(e) Short-term loans and advances	18	4,24,10,871		5,07,87,346	
(f) Other current assets	19	84,870		6,02,15,422	
			6,69,84,24,361		**6,16,76,18,792**
TOTAL			**10,55,67,47,838**		**10,01,23,31,584**

See accompanying notes to the financial statements

As per our report of even date

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

Kamal Kishore
Partner
Membership No. 078017

Place: New Delhi
Date: May 18, 2017

For and on behalf of Dwarikesh Sugar Industries Limited

G. R. Morarka
Managing Director
DIN: 00002078

B. J. Maheshwari
Whole Time Director & Company Secretary
cum Chief Compliance Officer
DIN: 00002075

Vijay S. Banka
Whole Time Director & Chief Financial Officer
DIN: 00963355

Place: Mumbai
Date: May 18, 2017

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹)

		Note No.	Year ended 31/03/17		Year ended 31/03/16	
	REVENUE:					
I.	Revenue from operations (Gross)	20		12,56,10,27,082		8,31,51,04,580
	Less: Excise duty			65,69,95,272		37,16,91,706
	Revenue from operations (Net)			11,90,40,31,810		7,94,34,12,874
II.	Other income	21		9,44,16,203		8,62,12,642
III.	**Total Revenue (I +II)**			**11,99,84,48,013**		**8,02,96,25,516**
IV.	**EXPENSES:**					
	Cost of materials consumed	22		8,59,23,04,811		6,17,17,18,550
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	23		(70,14,13,642)		(28,56,32,818)
	Employee benefit expenses	24		73,65,87,425		49,67,67,519
	Finance cost	25		41,93,74,630		51,59,02,314
	Depreciation and amortization expenses	26	29,94,18,262		56,57,42,983	
	Less: Appropriation from General Reserve		-	29,94,18,262	25,80,96,981	30,76,46,002
	Other expenses	27		56,29,81,349		47,84,68,209
V.	**Total Expenses**			**9,90,92,52,835**		**7,68,48,69,776**
VI.	**Profit/(Loss) before exceptional item and tax (III - V)**			**2,08,91,95,178**		**34,47,55,740**
VII.	**Exceptional Item**					
	Exceptional income/ expense relating to earlier years (net of Tax) (Refer note 6 of note no. 28 B)			3,22,71,176		4,91,83,132
VIII.	**Profit/(Loss) before tax (VI+VII)**			**2,12,14,66,354**		**39,39,38,872**
IX.	**Tax expense:**					
	(1) Current tax					
	Current period			45,18,96,030		1,44,99,843
	Less: MAT credit entitlement			(43,74,82,118)		(1,35,44,925)
	(2) Deferred tax			52,24,02,365		33,21,111
X.	**Net Profit/(Loss) for the period after tax (VIII - IX)**			**1,58,46,50,077**		**38,96,62,843**
XI.	Earning per equity share (Nominal value ₹10 per share)					
	(1) Basic			88.36		22.02
	(2) Diluted			88.36		22.02

See accompanying notes to the financial statements

As per our report of even date

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

Kamal Kishore
Partner
Membership No. 078017

Place: New Delhi
Date: May 18, 2017

For and on behalf of Dwarikesh Sugar Industries Limited

G. R. Morarka
Managing Director
DIN: 00002078

B. J. Maheshwari
Whole Time Director & Company Secretary
cum Chief Compliance Officer
DIN: 00002075

Vijay S. Banka
Whole Time Director & Chief Financial Officer
DIN: 00963355

Place: Mumbai
Date: May 18, 2017

Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

		Year ended 31/03/17		Year ended 31/03/16	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		**2,12,14,66,354**		**39,39,38,872**
	Adjustments for :				
	Depreciation/Obsolescence	29,94,18,262		30,76,46,002	
	Loss on sale of fixed assets	(6,34,331)		8,18,113	
	Finance cost	41,93,74,630		51,59,02,314	
	Interest income	(2,31,935)		(2,09,757)	
	Dividend income	-		(2,00,000)	
	Tax impact on remission of cane commission liability	1,70,79,166	**73,50,05,792**	2,60,29,634	**84,99,86,306**
	Operating profit before working capital changes		**2,85,64,72,146**		**1,24,39,25,178**
	Adjustments for changes in Working Capital :				
	(Increase)/Decrease in Inventories	(73,38,03,392)		(45,48,93,729)	
	(Increase)/Decrease in Trade Receivables	9,90,73,455		(21,45,80,748)	
	(Increase)/Decrease in Other Receivables	(36,76,37,933)		21,93,85,870	
	Increase/(Decrease) in Trade Payables	(66,23,96,432)		(58,40,93,606)	
	Increase/(Decrease) in Other Payables	37,33,29,049	**(1,29,14,35,254)**	15,78,33,300	**(87,63,48,913)**
	Cash generated from operations		1,56,50,36,892		36,75,76,265
	Direct taxes paid		(1,44,93,905)		(1,96,145)
	Net cash from operating activities		**1,55,05,42,987**		**36,73,80,120**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets (including capital advances)	(5,48,02,504)		(13,23,58,096)	
	Investment in shares of subsidiary company	2,19,000		-	
	Interest received	2,31,935		2,09,757	
	Dividend income	-		2,00,000	
	Sale of fixed assets	44,58,471		17,00,044	
	Net cash from investing activities		**(4,98,93,098)**		**(13,02,48,295)**
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Increase in share capital	2,51,54,710		-	
	Increase in share premium	56,87,73,148		-	
	Proceeds from long term borrowings	-		1,12,71,00,000	
	Repayment of long term borrowings	(1,55,96,91,899)		(82,83,57,344)	
	Increase/(Decrease) in short term borrowings including cash credit	3,58,78,226		1,38,66,710	
	Finance cost paid	(42,65,17,758)		(50,97,24,280)	
	Preference dividend (including dividend distribution tax)	(18,28,23,266)		-	
	Net cash from financing activities		**(1,53,92,26,839)**		**(19,71,14,914)**
	Net increase in cash and bank balances (A+B+C)		**(3,85,76,950)**		**4,00,16,911**
	Opening balance of cash and bank balances		4,82,24,577		82,07,666
	Closing balance of cash and bank balances		96,47,627		4,82,24,577

Cash Flow Statement for the year ended 31st March, 2017

(Amount in ₹)

	Year ended 31/03/17	Year ended 31/03/16
Notes:		
1. Closing Cash and bank balances Comprise :		
a. Cash & Cash Equivalents		
i) Current accounts	51,44,231	4,04,26,541
ii) Cash on hand	22,39,732	44,34,477
b. Other bank balances		
i) Earmarked balance for unpaid dividend	3,96,348	4,57,661
ii) Earmarked balance in current account (as per Uttar Pradesh State Molasses Control Rules, 1974)	18,67,316	29,05,898
Total	**96,47,627**	**4,82,24,577**

2. Figures in bracket indicate cash outflow.

3. The above cash flow statement has been prepared under the indirect method set out in AS-3.

4. Previous period figures have been regrouped and recasted wherever necessary to conform to the current year's classification.

As per our report of even date

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

Kamal Kishore
Partner
Membership No. 078017

Place: New Delhi
Date: May 18, 2017

For and on behalf of Dwarikesh Sugar Industries Limited

G. R. Morarka
Managing Director
DIN: 00002078

B. J. Maheshwari
Whole Time Director & Company Secretary
cum Chief Compliance Officer
DIN: 00002075

Vijay S. Banka
Whole Time Director & Chief Financial Officer
DIN: 00963355

Place: Mumbai
Date: May 18, 2017

Notes to Financial Statements as at 31st March, 2017

(Amount in ₹)

Note No.		As at 31/03/2017	As at 31/03/2016
1	**SHARE CAPITAL**		
	AUTHORISED:		
	2,25,00,000 (previous year 1,75,00,000) equity shares of ₹10 each	22,50,00,000	17,50,00,000
	12% 1,50,000 (previous year 1,50,000) cumulative redeemable preference shares of ₹100 each (Series I)	1,50,00,000	1,50,00,000
	8% 15,00,000 (previous year 15,00,000) cumulative redeemable preference shares of ₹100 each (Series II)	15,00,00,000	15,00,00,000
	8% 10,00,000 (previous year 10,00,000) cumulative redeemable preference shares of ₹100 each (Series III)	10,00,00,000	10,00,00,000
	8% 5,00,000 (previous year 10,00,000) cumulative redeemable preference shares of ₹100 each (Series IV)	5,00,00,000	10,00,00,000
		54,00,00,000	**54,00,00,000**
	ISSUED, SUBSCRIBED AND FULLY PAID UP:		
	1,88,30,147 (previous year 1,63,14,676) equity shares of ₹10 each paid up	18,83,01,470	16,31,46,760
	12% 1,10,000 (previous year 1,10,000) cumulative redeemable preference shares of ₹100 each paid up (Series I)	1,10,00,000	1,10,00,000
	8% 15,00,000 (previous year 15,00,000) cumulative redeemable preference shares of ₹100 each paid up (Series II)	15,00,00,000	15,00,00,000
	8% 10,00,000 (previous year 10,00,000) cumulative redeemable preference shares of ₹100 each (Series III)	10,00,00,000	10,00,00,000
	8% 5,00,000 (previous year 5,00,000) cumulative redeemable preference shares of ₹100 each (Series IV)	5,00,00,000	5,00,00,000
		49,93,01,470	**47,41,46,760**

A Reconciliation of shares outstanding at the beginning and at the end of the reporting year is set out below:

	As at 31/03/2017		As at 31/03/2016	
	No of shares	Amount in ₹	No of shares	Amount in ₹
AUTHORISED:				
a) Equity Shares:-				
At the beginning of the year	1,75,00,000	17,50,00,000	1,75,00,000	17,50,00,000
Reclassified from 8% cumulative redeemable preference shares (Series IV)	50,00,000	5,00,00,000	-	-
Outstanding at the end of the year	2,25,00,000	22,50,00,000	1,75,00,000	17,50,00,000
b) Preference Shares:-				
12% cumulative redeemable preference shares of ₹100 each (Series I)				
At the beginning of the year	1,50,000	1,50,00,000	1,50,000	1,50,00,000
Change during the year	-	-	-	-
Outstanding at the end of the year	1,50,000	1,50,00,000	1,50,000	1,50,00,000

Notes to Financial Statements as at 31st March, 2017

A Reconciliation of shares outstanding at the beginning and at the end of the reporting year is set out below:

	As at 31/03/2017		As at 31/03/2016	
	No of shares	Amount in ₹	No of shares	Amount in ₹
8% cumulative redeemable preference shares of ₹100 each (Series II)				
At the beginning of the year	15,00,000	15,00,00,000	15,00,000	15,00,00,000
Change during the year	-	-	-	-
Outstanding at the end of the year	15,00,000	15,00,00,000	15,00,000	15,00,00,000
8% cumulative redeemable preference shares of ₹100 each (Series III)				
At the beginning of the year	10,00,000	10,00,00,000	10,00,000	10,00,00,000
Change during the year	-	-	-	-
Outstanding at the end of the year	10,00,000	10,00,00,000	10,00,000	10,00,00,000
8% cumulative redeemable preference shares of ₹100 each (Series IV)				
At the beginning of the year	10,00,000	10,00,00,000	10,00,000	10,00,00,000
Reclassified to Equity Share	(5,00,000)	(5,00,00,000)	-	-
Outstanding at the end of the year	5,00,000	5,00,00,000	10,00,000	10,00,00,000
ISSUED, SUBSCRIBED AND FULLY PAID UP:				
a) Equity Shares:-				
At the beginning of the year	1,63,14,676	16,31,46,760	1,63,14,676	16,31,46,760
Change during the year	25,15,471	2,51,54,710	-	-
Outstanding at the end of the year	1,88,30,147	18,83,01,470	1,63,14,676	16,31,46,760
b) Preference Shares:-				
12% cumulative redeemable preference shares of ₹100 each (Series I)				
At the beginning of the year	1,10,000	1,10,00,000	1,10,000	1,10,00,000
Change during the year	-	-	-	-
Outstanding at the end of the year	1,10,000	1,10,00,000	1,10,000	1,10,00,000
8% cumulative redeemable preference shares of ₹100 each (Series II)				
At the beginning of the year	15,00,000	15,00,00,000	15,00,000	15,00,00,000
Change during the year	-	-	-	-
Outstanding at the end of the year	15,00,000	15,00,00,000	15,00,000	15,00,00,000
8% cumulative redeemable preference shares of ₹100 each (Series III)				
At the beginning of the year	10,00,000	10,00,00,000	10,00,000	10,00,00,000
Change during the year	-	-	-	-
Outstanding at the end of the year	10,00,000	10,00,00,000	10,00,000	10,00,00,000
8% cumulative redeemable preference shares of ₹100 each (Series IV)				
At the beginning of the year	5,00,000	5,00,00,000	5,00,000	5,00,00,000
Change during the year	-	-	-	-
Outstanding at the end of the year	5,00,000	5,00,00,000	5,00,000	5,00,00,000

Notes to Financial Statements as at 31st March, 2017

B Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

	As at 31/03/2017		As at 31/03/2016	
	No of shares	% holding	No of shares	% holding
a) Equity Shares:-				
Dwarikesh Trading Company Limited	26,24,889	13.94%	26,24,889	16.09%
Morarka Finance Limited	21,59,118	11.47%	21,59,118	13.23%
Mukul Mahavirprasad Agrawal	-	-	9,00,000	5.52%
Gautam R Morarka	28,26,659	15.01%	28,26,659	17.33%
As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.				
b) Preference Shares:-				
12% Cumulative Redeemable Preference Shares (Series I)				
Dwarikesh Trading Company Limited	1,05,500	95.91%	1,05,500	95.91%
8% Cumulative Redeemable Preference Shares (Series II)				
Bimla Devi Poddar	6,00,000	40.00%	6,00,000	40.00%
Krishna Neotia	2,00,000	13.33%	2,00,000	13.33%
Harshvardhan Neotia, Karta of Suresh Kumar Vinod Kumar (HUF)	1,00,000	6.67%	1,00,000	6.67%
Harshvardhan Neotia, Karta of Vinod Kumar Harshvardhan (HUF)	4,00,000	26.67%	4,00,000	26.67%
Likhami Commercial Company Limited	2,00,000	13.33%	2,00,000	13.33%
8% Cumulative Redeemable Preference Shares (Series III)				
Bimla Devi Poddar	7,50,000	75.00%	7,50,000	75.00%
Harshvardhan Neotia, Karta of Vinod Kumar Harshvardhan (HUF)	2,50,000	25.00%	2,50,000	25.00%
8% Cumulative Redeemable Preference Shares (Series IV)				
Harshvardhan Neotia, Karta of Suresh Kumar Vinod Kumar (HUF)	5,00,000	100.00%	5,00,000	100.00%

C Rights & restrictions attached to various classes of shares are as under:

a) Equity Shares:-

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, If any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

b) Preference Shares:-

1**2% cumulative redeemable preference shares (Series I):**

1,10,000, 12% cumulative redeemable preference shares of ₹100 each were issued in September 1998. These preference shares were to be redeemed at par in September,2011 which has been originally extended to September,2014 is now further extended to August, 2018 by virtue of the resolution passed in preference shareholders meeting held on August, 2014 wherein the consent is obtained from the concerned shareholders.

8% cumulative redeemable preference shares (Series II):

15,00,000, 8% cumulative redeemable preference shares of ₹100 each were issued in August,2007. These preference shares were to be redeemed at par in August 2015 which has now been extended to August, 2020 by virtue of consent obtained from the concerned shareholders.

8% cumulative redeemable preference shares (Series III):

10,00,000, 8% cumulative redeemable preference shares of ₹100 each were issued in October 2012. These preference shares shall be redeemed at par in September, 2017.

8% cumulative redeemable preference shares (Series IV):

5,00,000, 8% cumulative redeemable preference shares of ₹100 each were allotted in April 2013. These preference shares shall be redeemed at par in March,2018.

D Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date. - Nil

E During the year, the Company has issued and allotted 25,15,471 equity shares of ₹10 each @ premium of ₹226.11 per equity share by way of Qualified Institutional Placement. The amount so raised has been fully utilized for the purposes stated in the placement document.

(Amount in ₹)

Note No.		As at 31/03/2017	As at 31/03/2016
2	**RESERVES AND SURPLUS**		
a)	**Capital reserve**		
	Opening balance	59,86,500	59,86,500
	Changes during the year	-	-
	Closing balance	59,86,500	59,86,500
b)	**Capital redemption reserve**		
	Opening balance	7,52,00,000	7,52,00,000
	Changes during the year	-	-
	Closing balance	7,52,00,000	7,52,00,000
c)	**Securities premium reserve**		
	Opening balance	90,00,38,192	90,00,38,192
	Changes during the year	56,87,73,148	-
	Closing balance	1,46,88,11,340	90,00,38,192
d)	**Other reserves**		
	General reserve		
	Opening balance	1,27,57,173	27,08,54,154
	Appropriation relating to fixed assets *	-	(25,80,96,981)
	Closing balance	1,27,57,173	1,27,57,173

Notes to Financial Statements as at 31st March, 2017

(Amount in ₹)

Note No.		As at 31/03/2017	As at 31/03/2016
	e) Surplus / (Deficit) in Statement of Profit and Loss		
	Opening balance	(29,79,83,743)	(68,76,46,586)
	Add: profit during the year	1,58,46,50,077	38,96,62,843
	Less: appropriations		
	Proposed dividend on preference shares (Refer note 17 (i) of note no 28 B)	15,19,00,000	-
	Tax on proposed preference shares dividend	3,09,23,266	
	Closing balance of Surplus/(Deficit) in Statement of Profit and Loss	1,10,38,43,068	(29,79,83,743)
	Total Reserves & Surplus	**2,66,65,98,081**	**69,59,98,122**

* Appropriation due to the transitional adjustments to carrying value of tangible assets whose revised useful life expired during the previous year.

3 LONG-TERM BORROWINGS

(Refer note.1 of note no.28 B)		
SECURED		
Term loans		
From banks	1,03,19,66,657	2,04,49,57,127
From others	-	2,56,53,200
From companies	-	30,00,00,000
Total Secured Long term borrowings	**1,03,19,66,657**	**2,37,06,10,327**

4 LONG-TERM PROVISIONS

Provision for employee benefits		
Gratuity	11,60,53,241	9,38,13,177
Leave encashment	3,28,44,457	2,93,79,941
Total Long Term Provisions	**14,88,97,698**	**12,31,93,118**

5 SHORT-TERM BORROWINGS

(Refer note.1 of note no.28 B)		
a) Secured		
Cash credit from banks	3,57,76,61,652	3,54,11,90,644
	3,57,76,61,652	**3,54,11,90,644**
b) Unsecured		
Loan & advances from related parties (Refer note.21 of note no.28 B)		
due to director	61,594	6,53,794
inter corporate deposits	1,95,892	1,96,474
	2,57,486	**8,50,268**
Total Short Term Borrowings	**3,57,79,19,138**	**3,54,20,40,912**

Notes to Financial Statements as at 31st March, 2017

(Amount in ₹)

Note No.		As at 31/03/2017	As at 31/03/2016
6	**TRADE PAYABLES**		
a)	Micro, small and medium enterprises*	40,48,315	25,49,533
b)	Others	76,59,61,528	1,42,98,56,742
	Total Trade Payables	**77,00,09,843**	**1,43,24,06,275**

* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the Balance Sheet date to the extent such enterprises have been identified based on information available with the company . In view of this there is no overdue interest payable.

7	**OTHER CURRENT LIABILITIES**		
a)	Current maturities of long term debts		
	(Refer note.1 of note no.28 B)		
	Term loans		
	From banks	42,24,66,671	54,30,37,700
	From others	-	10,04,77,200
	Total Current maturities of long term debts	**42,24,66,671**	**64,35,14,900**
b)	Interest accrued but not due on borrowings	93,49,563	1,64,92,691
c)	Advance from customer and others	9,15,68,820	10,82,77,472
d)	Unpaid dividend*	3,96,348	4,57,661
e)	Other payables		
	Statutory dues payable	4,32,19,608	2,49,76,782
	(Including TDS, Purchase tax,PF and Excise duty)		
	Salary & wages payable	10,10,60,790	4,98,70,425
	Remuneration-due to directors	9,79,82,482	1,04,46,826
	Excise duty payable on stock	37,76,06,828	36,53,91,131
	Security/Retention money payable	3,05,75,266	2,46,73,025
	Others	3,92,27,206	9,53,79,300
	{Including amount payable to related parties of ₹9,44,828 (previous year ₹11,97,528)}		
	Total Others	**79,09,86,911**	**69,59,65,313**
	Total Other Current Liabilities	**1,21,34,53,582**	**1,33,94,80,213**

* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

8	**SHORT TERM PROVISIONS**		
a)	Provision for employee benefits		
	Gratuity	1,32,50,108	99,01,100
	Leave encashment	1,55,40,052	1,00,98,301
b)	Other provisions		
	Provision for taxes {net of prepaid tax of ₹38,36,73,850 (previous year ₹43,387)}	6,82,22,181	1,44,56,456
	Proposed preference dividend (Refer note 17 (i) of note no 28 B)	15,19,00,000	-
	Tax on proposed preference dividend	3,09,23,266	-
	Total Short Term Provisions	**27,98,35,607**	**3,44,55,857**

Notes to Financial Statements as at 31st March, 2017

(Amount in ₹)

Note No.		GROSS CARRYING VALUE				DEPRECIATION/AMORTISATION				NET CARRYING VALUE	
		As at 01/04/2016	Added during the year	Disposals	As at 31/03/17	Up to 01/04/2016	For the year	Disposals	Up to 31/03/17	As at 31/03/2016	As at 31/03/17
9	**FIXED ASSETS**										
i)	**Tangible Assets**										
	Freehold land	7,72,24,710	-	-	7,72,24,710	-	-	-	-	7,72,24,710	7,72,24,710
		(7,72,24,710)	-	-	(7,72,24,710)	-	-	-	-	(7,72,24,710)	(7,72,24,710)
	Buildings	1,12,03,20,425	29,78,659	21,79,859	1,12,11,19,225	43,79,85,073	2,30,13,425	76,983	46,09,21,515	68,23,35,352	66,01,97,710
		(1,10,18,64,254)	(2,15,04,750)	(30,48,579)	(1,12,03,20,425)	(28,34,76,667)	(15,56,85,785)	(11,77,379)	(43,79,85,073)	(81,83,87,587)	(68,23,35,352)
	Plant and Equipment	5,73,92,41,615	2,87,03,900	1,21,992	5,76,78,23,523	2,97,79,04,716	26,61,28,068	77,201	3,24,39,55,583	2,76,13,36,899	2,52,38,67,940
		(5,64,79,55,844)	(10,89,03,133)	(1,76,17,362)	(5,73,92,41,615)	(2,59,61,93,982)	(39,05,17,156)	(88,06,422)	(2,97,79,04,716)	(3,05,17,61,862)	(2,76,13,36,899)
	Furniture and Fixtures	3,95,38,420	13,69,916	12,96,548	3,96,11,788	2,71,92,986	21,24,485	10,24,828	2,82,92,643	1,23,45,434	1,13,19,145
		(3,84,40,418)	(13,79,030)	(2,81,028)	(3,95,38,420)	(2,55,54,723)	(18,86,918)	(2,48,655)	(2,71,92,986)	(1,28,85,695)	(1,23,45,434)
	Vehicles	4,51,21,550	76,27,015	54,87,044	4,72,61,521	2,04,87,783	39,94,266	40,70,796	2,04,11,253	2,46,33,767	2,68,50,268
		(3,90,91,332)	(1,13,26,510)	(52,96,292)	(4,51,21,550)	(2,01,92,060)	(36,18,834)	(33,23,111)	(2,04,87,783)	(1,88,99,272)	(2,46,33,767)
	Office equipment	1,45,35,716	18,19,792	12,96,511	1,50,58,997	86,52,018	8,68,868	10,00,859	85,20,027	58,83,698	65,38,971
		(1,43,78,407)	(2,51,811)	(94,502)	(1,45,35,716)	(78,19,495)	(8,57,199)	(24,676)	(86,52,018)	(65,58,912)	(58,83,698)
	Others (Computers)	3,74,76,714	29,65,990	24,19,766	3,80,22,938	3,74,76,714	29,65,990	24,19,766	3,80,22,938	-	-
		(3,50,74,497)	(24,10,217)	(8,000)	(3,74,76,714)	(3,50,74,497)	(24,10,217)	(8,000)	(3,74,76,714)	-	-
	Total (i)	**7,07,34,59,150**	**4,54,65,272**	**1,28,01,720**	**7,10,61,22,702**	**3,50,96,99,290**	**29,90,95,102**	**86,70,433**	**3,80,01,23,959**	**3,56,37,59,860**	**3,30,59,98,744**
ii)	**Intangible Assets**										
	Computer Softwares (Bought out)	1,04,00,370	16,013	9,28,863	94,87,520	1,04,00,370	16,013	9,28,863	94,87,520	-	-
		(98,72,859)	(5,27,511)	-	(1,04,00,370)	(98,72,859)	(5,27,511)	-	(1,04,00,370)	-	-
	Total (ii)	**1,04,00,370**	**16,013**	**9,28,863**	**94,87,520**	**1,04,00,370**	**16,013**	**9,28,863**	**94,87,520**	**-**	**-**
	Grand Total (i + ii)	**7,08,38,59,520**	**4,54,81,285**	**1,37,30,583**	**7,11,56,10,222**	**3,52,00,99,660**	**29,91,11,115**	**95,99,296**	**3,80,96,11,479**	**3,56,37,59,860**	**3,30,59,98,744**
	Previous Year	(6,96,39,02,321)	(14,63,02,962)	(2,63,45,763)	(7,08,38,59,520)	(2,97,81,84,283)	(55,55,03,620)	(1,35,88,243)	(3,52,00,99,660)	(3,98,57,18,038)	(3,56,37,59,860)

1. Acquisition through business combination, other adjustments and impairment/revaluation are not applicable as no such transactions occurred during the year and in the corresponding previous year.

2. In the previous year, due to the enactment of the Companies Act, 2013 (the Act) and its applicability to the Company for accounting period commencing on 1 April 2015, the Company re-worked depreciation with reference to the estimated economic lives of fixed assets in the manner prescribed by Schedule II to the Act . In case of assets whose useful life was completed at the beginning of the previous year, the carrying value, net of residual value, as at 1 April 2015 amounting to ₹25,80,96,981 had been appropriated from the General Reserve.

Note:-Figures in the brackets are for the previous year.

Notes to Financial Statements as at 31st March, 2017

(Amount in ₹)

Note No.		As at 31/03/2017	As at 31/03/2016
10	**NON-CURRENT INVESTMENTS**		
	Other investments		
	Unquoted investments (valued at cost except for permanent diminution in value)		
	a) Investment in equity shares (Unquoted)		
	8,500 (previous year 8,500) equity shares of ₹10 each fully paid up in 'Dwarikesh Informatics Limited'	85,000	85,000
	9,600 (previous year 9,600) equity shares of ₹10 each fully paid up in 'Faridpur Sugars Limited'	96,000	96,000
	b) Investments in preference shares (Unquoted)		
	20,000 (previous year 20,000) 10% preference shares of ₹100 each fully paid up in 'Dwarikesh Informatics Limited'	20,00,000	20,00,000
	Total Non-Current Investments	**21,81,000**	**21,81,000**
	Aggregate amount of unquoted investments	21,81,000	21,81,000
	Aggregate provision for diminution in the value of investments	-	-

		As at 31/03/2017		As at 31/03/2016	
		Deferred Tax Asset	Deferred Tax Liabilities	Deferred Tax Asset	Deferred Tax Liabilities
11	**DEFERRED TAX ASSET/(LIABILITIES) (NET):**				
a)	Difference between book depreciation and tax depreciation		59,81,12,163		82,65,29,235
b)	Disallowances under section 43B of the Income Tax Act, 1961	20,55,72,439		18,22,62,424	
c)	Provision for doubtful receivables	19,93,019		-	
d)	Unabsorbed depreciation and business loss	2,17,80,943		81,49,82,580	
	Total	**22,93,46,401**	**59,81,12,163**	**99,72,45,004**	**82,65,29,235**
	Net Deferred Tax Asset /(Liability)*		**(36,87,65,762)**		**17,07,15,769**

Deferred tax assets in respect of brought forward losses and depreciation have been recognized owing to reasonable certainty of availability of future taxable income to realize such assets.

* Difference in deferred tax liability at the end of both the periods includes ₹1,70,79,166 (Previous year ₹2,60,29,634) being deferred tax liability netted off against exceptional item.

Notes to Financial Statements as at 31st March, 2017

(Amount in ₹)

Note No.		As at 31/03/2017	As at 31/03/2016
12	**LONG TERM LOANS & ADVANCES**		
	unsecured, considered good		
a)	Capital advances	37,82,052	41,31,052
b)	Security deposits	47,97,800	20,78,575
c)	Others		
	MAT credit entitlement	51,07,65,720	7,32,83,602
	Advance taxes and Tax deducted at source including Wealth tax {net of provisions of ₹1,50,05,451 (previous year ₹15,03,801)}	2,51,455	2,52,451
	Advances recoverable in cash or in kind or for value to be received		
	Considered good	1,45,06,864	1,45,29,521
	Considered doubtful	-	-
	Less: provision for bad and doubtful advances	-	-
	Total Long Term Loans & Advances	**53,41,03,891**	**9,42,75,201**
13	**OTHER NON-CURRENT ASSETS**		
	Unsecured, considered good		
(a)	Trade receivables		
	Considered good	-	33,78,609
	Considered doubtful	-	-
	Less: provision for bad and doubtful debts	-	-
		-	**33,78,609**
(b)	Other receivables		
i)	Fixed deposit account (having maturity of more than 12 months)	24,53,575	22,64,528
	{as margin money for bank guarantees / pledged with government departments, including net interest accrued thereon ₹9,53,575 (previous year ₹7,64,528)}		
ii)	Others		
	Considered good	10,75,871	52,97,647
	Considered doubtful	57,58,838	-
	provision for bad and doubtful advances	(57,58,838)	-
	Total Non-Current Assets	**35,29,446**	**1,09,40,784**
14	**CURRENT INVESTMENTS**		
	Other investments		
	Unquoted investments (valued at lower of cost and fair value)		
	Investment in equity shares (Unquoted)		
	Nil (previous year 11,500) equity shares of ₹10 each fully paid up in 'Dwarikesh Informatics Limited'	-	1,15,000
	Nil (previous year 10,400) equity shares of ₹10 each fully paid up in 'Faridpur Sugars Limited'	-	1,04,000
	Total Current Investments	**-**	**2,19,000**
	Aggregate amount of unquoted investments	-	2,19,000
	Aggregate provision for diminution in the value of investments	-	-

Notes to Financial Statements as at 31st March, 2017

(Amount in ₹)

Note No.		As at 31/03/2017	As at 31/03/2016
15	**INVENTORIES**		
	(As taken, valued and certified by the Management)		
	Valued at or below cost: (Refer note.6 of note no.28 A)		
	a) Raw materials	3,04,662	38,24,642
	b) Work-in-progress (Refer note.4 A (b) (ii) of note no.28 B)	7,88,37,299	2,96,90,177
	c) Finished goods (Refer note.4 A (b) (i) of note no.28 B)	5,84,37,72,564	5,17,92,90,347
	d) Stores and spares	16,26,05,825	14,61,25,405
	e) Chemicals	39,74,315	26,11,205
	f) Packing material	99,24,902	40,74,399
	Total Inventories	**6,09,94,19,567**	**5,36,56,16,175**
16	**TRADE RECEIVABLES**		
	Unsecured, considered good		
	a) Outstanding for more than six months from the due date	-	-
	b) Others		
	Considered good	54,68,61,426	64,25,56,272
	{Includes unbilled revenue of ₹16,05,79,668 (previous year ₹9,36,11,324)}		
	Total Trade Receivable	**54,68,61,426**	**64,25,56,272**
17	**CASH & BANK BALANCES**		
	a) Cash & Cash Equivalents		
	Balance with scheduled banks		
	Current accounts	51,44,231	4,04,26,541
	Cash on hand	22,39,732	44,34,477
		73,83,963	**4,48,61,018**
	b) Other bank balances		
	i) Earmarked balance for unpaid dividend	3,96,348	4,57,661
	ii) Earmarked balance in current account	18,67,316	29,05,898
	(as per Uttar Pradesh State Molasses Control Rules, 1974)		
	Total Cash & Bank Balances	**96,47,627**	**4,82,24,577**
18	**SHORT TERM LOANS & ADVANCES**		
	unsecured, considered good		
	Others		
	Balances with government authorities	2,33,48,009	3,47,05,906
	Advances recoverable in cash or in kind or for value to be received	1,90,62,862	1,60,81,440
	Total Short Term Loans & Advances	**4,24,10,871**	**5,07,87,346**
19	**OTHER CURRENT ASSETS**		
	a) Income receivable and others	84,870	78,325
	b) Claim for reimbursement of cane commission	-	6,01,37,097
	Total Other Current Assets	**84,870**	**6,02,15,422**

Notes to Financial Statements for the year ended 31st March, 2017

(Amount in ₹)

Note No.		Year ended 31/03/2017	Year ended 31/03/2016
20	**REVENUE FROM OPERATIONS**		
	(Refer note.4 A (a) of note no.28 B)		
a)	Sale of products*	12,55,03,89,163	8,31,02,04,441
b)	Other operating revenues	1,06,37,919	49,00,139
	Gross Revenue From Operations	**12,56,10,27,082**	**8,31,51,04,580**
c)	Less: excise duty on sale of products	65,69,95,272	37,16,91,706
	Total Net Revenue From Operations	**11,90,40,31,810**	**7,94,34,12,874**

* Includes unbilled revenue of ₹16,05,79,668 (previous year ₹9,36,11,324) against sale of power.

21	**OTHER INCOME**		
a)	Interest income		
	on current deposits	21,882	15,896
	on non current deposits with banks	2,10,053	1,93,861
b)	Dividend income from non current investment	-	2,00,000
c)	Other non operating income*	9,41,84,268	8,58,02,885
	Total Other Income	**9,44,16,203**	**8,62,12,642**

* Includes ₹8,90,53,500 (previous year ₹7,94,73,000) being the amount received towards sale of REC.

22	**COST OF MATERIALS CONSUMED**		
a)	Raw material consumed		
	Sugar cane		
	Opening stock	38,24,642	64,75,931
	Add: purchases	8,41,84,33,940	6,02,51,54,731
	Less: closing stock	3,04,662	38,24,642
		8,42,19,53,920	6,02,78,06,020
b)	Other materials consumed		
	i)Chemicals		
	Opening stock	26,11,205	35,52,539
	Add: purchases	6,24,36,020	4,90,51,406
	Less: closing stock	39,74,315	26,11,205
		6,10,72,910	4,99,92,740
	ii) Packing Material consumed		
	Opening stock	40,74,399	37,71,219
	Add: purchases	11,51,28,484	9,42,22,970
	Less: closing stock	99,24,902	40,74,399
		10,92,77,981	9,39,19,790
	Total Cost Of Materials Consumed	**8,59,23,04,811**	**6,17,17,18,550**

During the previous year , the cost of material consumed is net off financial assistance given by the Government of Uttar Pradesh pertaining to sugar season 2014-15 @ ₹20.00 per quintal including Rs 4185.25 lacs (@ ₹20.00 per quintal of cane purchased up to 31st March,2015).

Notes to Financial Statements for the year ended 31st March, 2017

(Amount in ₹)

Note No.		Year ended 31/03/2017	Year ended 31/03/2016
23	**(INCREASE)/DECREASE IN STOCKS**		
	(Refer note.4.A (b) of note no.28 B)		
	Closing stock		
	Finished goods	5,84,37,72,564	5,17,92,90,347
	Work in progress	7,88,37,299	2,96,90,177
		5,92,26,09,863	5,20,89,80,524
	Opening stock		
	Finished goods	5,17,92,90,347	4,72,65,45,151
	Work in progress	2,96,90,177	3,58,98,928
		5,20,89,80,524	4,76,24,44,079
	NET (INCREASE)/DECREASE IN STOCK	(71,36,29,339)	(44,65,36,445)
	Excise duty on account of increase/(decrease) on stock of finished goods	1,22,15,697	16,09,03,627
	Total (Increase)/Decrease In Stocks	**(70,14,13,642)**	**(28,56,32,818)**

24	**EMPLOYEE BENEFIT EXPENSES**		
a)	Salary and wages		
	Salary and wages	62,64,84,536	40,69,47,334
	Bonus	64,45,053	1,80,72,248
	Leave encashment	1,77,45,195	98,84,588
	Gratuity (Refer note.5 b (ii) of note no.28 B)	3,00,93,706	1,81,86,160
		68,07,68,490	45,30,90,330
b)	Contribution to provident and other funds		
	Provident fund	4,50,90,791	3,53,83,025
c)	Staff welfare expenses	1,07,28,144	82,94,164
	Total Employee Benefit Expenses	**73,65,87,425**	**49,67,67,519**

25	**FINANCE COST**		
a)	Interest expense		
	i) Interest on fixed loans :		
	Term loans	15,96,59,543	15,01,02,938
	Others (including paid to directors ₹1,90,375 previous year ₹65,558)	4,61,51,874	4,63,08,873
		20,58,11,417	19,64,11,811
	ii) Interest on cash credit	20,29,42,452	25,47,93,771
b)	Other borrowing costs	1,06,20,761	1,22,82,578
c)	(Gain) / loss on foreign exchange transactions	-	5,24,14,154
	Total Finance Cost	**41,93,74,630**	**51,59,02,314**

Notes to Financial Statements for the year ended 31st March, 2017

(Amount in ₹)

Note No.		Year ended 31/03/2017	Year ended 31/03/2016
26	**DEPRECIATION AND AMORTIZATION EXPENSES**		
a)	Depreciation		
	Depreciation of tangible assets	29,90,95,102	55,49,76,109
	Obsolescence	3,07,147	1,02,39,363
		29,94,02,249	56,52,15,472
b)	Amortization of intangible assets	16,013	5,27,511
	Total Depreciation and Amortization Expenses	**29,94,18,262**	**56,57,42,983**

27	**OTHER EXPENSES**		
	Power and fuel		
	Power (Net of ₹26,35,501 power banked with UPPCL previous year ₹54,00,063)	1,43,46,760	1,00,35,568
	Fuel	55,26,771	28,72,431
	Other manufacturing expenses	7,87,11,196	6,71,82,859
	Repairs to buildings	2,25,66,771	1,04,57,481
	Repairs to machinery		
	Consumption of stores & spare parts	15,21,58,709	9,40,71,652
	Plant & machinery	5,11,50,635	2,87,74,776
	Rent	1,14,37,375	64,75,698
	Insurance	63,65,147	63,71,692
	Rates and taxes	46,65,980	62,86,743
	Travelling & conveyance	1,81,88,572	1,22,74,078
	Postage, telephone & telex	24,09,170	22,97,177
	Printing & stationery	32,36,296	30,63,194
	Sugar sales promotion expenses	3,24,54,945	2,82,20,180
	Freight and forwarding (net of recovery from customers)	3,38,21,820	2,81,07,803
	Donations & charity	1,00,68,500	8,08,260
	Repairs & maintenance - others	71,89,795	61,40,273
	Loss on sale of fixed assets	(6,34,331)	8,18,113
	Payment to the auditors		
	Audit fees	16,62,750	16,51,500
	Taxation matters	2,02,000	2,00,000
	Other Matters	-	35,125
	Reimbursement of expenses	1,27,163	1,57,256
	Export Facilitation Charges	-	8,07,76,875
	CSR expenses	26,18,993	-
	Doubtful Advance	57,58,838	-
	Miscellaneous expenses	9,89,47,494	8,13,89,475
	Total Other Expenses	**56,29,81,349**	**47,84,68,209**

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

NOTE "28 A"

GENERAL INFORMATION

Dwarikesh Sugar Industries Limited (DSIL) is a public limited company domiciled in India and was incorporated in the year 1993 under the provisions of the Companies Act, 1956 superseded by the Companies Act, 2013.

Currently equity shares of the company are listed at BSE and NSE.

DSIL is integrated conglomerate, primarily engaged in manufacture of sugar and allied products. From a humble beginning in 1993, DSIL today is a multi-faceted, fast growing industrial group with the strong presence in diversified fields such as sugar manufacturing, power and Ethanol/Industrial Alcohol production.

The Company has three sugar manufacturing units, out of which 2 units namely Dwarikesh Nagar and Dwarikesh Puram are located in Bijnor District of Uttar Pradesh (U.P.) and one unit namely Dwarikesh Dham in Bareilly District (U.P.).

Registration details

Registration No. CIN No. L15421 UP1993 PLC 018642
State code 20

Generic name of principal product of the Company

Item code No. (ITC Code) 170111.09
Product Description Cane Sugar

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The Financial statements of the Company are prepared under the historical cost convention using accrual method of accounting and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Company (Accounts) Rules, 2014 & the Companies (Accounting Standards) Amendment Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013 unless stated otherwise hereinafter. Accounting Policies not specifically referred to, are consistent with Generally Accepted Accounting Principles in India.

2. USE OF ESTIMATES

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

3. FIXED ASSETS

Fixed assets are capitalised at cost of acquisition including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to their working condition for intended use.
Emergency machinery spares of irregular use and critical insurance machinery spares are capitalised as part of relevant plant & machinery.
Pre-operative expenditure incurred up to the date of commencement of commercial production is capitalized as part of fixed assets.

4. INVESTMENTS

Current investments are stated at lower of cost and fair value. Long-term investments are stated at cost after providing for diminution in value where in the opinion of the management such diminution is not temporary in nature.

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

5. DEPRECIATION/AMORTISATION

A. Depreciation on Tangible Assets

Depreciation on tangible assets is provided on straight line method over the useful life of assets estimated by the Management. Depreciation for assets purchased/ sold during the period is charged proportionately. The management estimates the useful life for fixed assets as follows:

Factory Buildings (1)	28.50 years
Non Factory Building (1)	58.25 years
Plant and Machinery other than Sugar Rollers(1)	18 to 20 years
Plant and Machinery – Rollers (1)	1 year
Office equipment (1)	13.50 years
Furniture and Fixture (1)	15 years
Vehicles (1)	10 years

(1) Based on technical evaluation, the management believes that useful life as given above represents the period over which management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

Computers (including accessories and peripherals) and Temporary Structures are depreciated fully in the year of addition. All assets costing ₹5,000 or below are depreciated in one-year period.

Depreciation and amortization methods, useful life and residual values are reviewed periodically, including at the end of each financial year.

B. Amortisation of Intangible Assets:

Intangible assets are amortized over their estimated useful life on straight line basis, commencing from the date, the asset is available to the Company for its use. Computers software are depreciated fully in the year of addition.

6. INVENTORY VALUATION

Inventories are valued at lower of cost or net realisable value except in case of scrap which is taken at net realizable value. Cost for various items of inventory is determined as under:

a.	Raw materials (including those in transit)	:	Purchase cost including incidental expenses on FIFO basis.
b.	Chemicals, Packing material, other Stores and spares (including those in transit)	:	Purchase cost including incidental expenses on weighted average basis.
c.	Work-in-process	:	At raw material cost including proportionate production overheads.
d.	Finished goods	:	
	i) Sugar	:	At raw material cost including proportionate production overheads.
	ii) Molasses	:	At average net realisable price.
	iii) ndustrial Alcohol	:	At value of molasses as determined above plus proportionate production overheads in distillery.
	iv) Traded goods	:	Purchase cost including incidental expenses on FIFO basis.

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

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

7. REVENUE RECOGNITION

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

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

Sale of goods

Sales includes excise duty and is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer. Gross sales and net sales are disclosed separately in Statement of Profit & Loss.

Power generated at co-gen plants is primarily consumed by the manufacturing units and excess power is sold to State Electricity Board (SEB) at rate stipulated by SEB's.

Renewable Energy Certificates (REC's)

Entitlement to Renewable Energy Certificates (REC) owing to generation of power are recognised to the extent sold and treated as capital receipt.

Interest

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue in respect of dividends is recognised when the Shareholders rights to receive payment is established by the balance sheet date.

8. CONTINGENCIES AND EVENTS OCCURING AFTER THE BALANCE SHEET DATE

Events occurring after the date of the Balance sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

9. GOVERNMENT GRANTS

Grants relating to specific fixed assets are deducted from the original cost of specified assets.

10. EMPLOYEES BENEFITS

a) Provident Fund

Company's contribution to provident fund, being in the nature of defined contribution plan, are being charged to Statement of Profit & Loss in the period during which services are rendered by employees.

b) Gratuity & Leave Encashment

Provision for gratuity and leave encashment in the nature of defined benefit obligation is considered on the basis of Accounting Standard AS-15 on actuarial valuation using projected unit credit method. The discount rate and other financial assumptions are based on the parameters defined in the accounting standard.

c) Other Short term benefits

Expenses in respect of other short term benefits are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

11. EXCISE DUTY

Excise duty in respect of finished goods (including molasses) is accounted for at the end of period and is included in the value of closing stock as per 'Guidance Note on Accounting Treatment of Excise Duty' issued by the Institute of Chartered Accountants of India.

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

12. INTANGIBLE ASSETS

Items of expenditure that meet the recognition criteria as mentioned in Accounting Standard are classified as intangible assets and are amortized over the period of economic benefits not exceeding ten years.

13. BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

14. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are accounted for at the exchange rate prevailing on the date of transaction. Exchange differences arising on account of forward contracts are dealt with in the Statement of Profit & Loss over the period of the contracts. Monetary assets and liabilities relating to foreign currency transactions are converted at the year-end rate or at forward contract rate, as applicable. Gains or losses arising on cross currency forex swap transactions are accounted for over the period of contract.

15. TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income & tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on expected outcome of assessments/ appeals.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year and reversal/ adjustment of earlier year deferred tax assets / liabilities which are quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period to the extent of the company's gross total income. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed at each Balance Sheet date.

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

16. IMPAIRMENT OF ASSETS

Where the recoverable amount of the fixed asset is lower than its carrying amount, a provision is made for the impairment loss. Post impairment, depreciation is provided for on the revised carrying value of the asset over its remaining useful life. The impairment loss recognized in prior accounting period is reversed if there is a favorable change in the estimate of recoverable amount.

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

17. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements. A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

18. EARNING PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

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

19. LEASES

Where the Company is the lessee

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

Where the Company is the lessor

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

20. SEGMENT ACCOUNTING & REPORTING

Identification of segments

The company's operating business are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products.

Allocation of common costs

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

Unallocated Items

Unallocable assets & liabilities represent the assets & liabilities not allocable to any segment as identified as per the Accounting Standard.

Segment Policies

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

21. CASH & CASH EQUIVALENTS

Cash & Cash Equivalents includes cash in hand, demand deposit with banks, other short-term highly liquid investment with original maturities of three months or less.

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

NOTE "28 B" – OTHER NOTES

1. SECURITIES FOR BORROWINGS:

Value in ₹

Abbreviations:

DN - Dwarikesh Nagar Unit
DP- Dwarikesh Puram Unit
DD - Dwarikesh Dham Unit
ROI- Rate of interest
O/S- Amount outstanding
Qtly.- Quarterly
PNB- Punjab National Bank
SUPGB- Sarva U.P.Gramin Bank
DCB- District Co-Operative Bank (Zila Sahkari Bank)
SDF- Sugar Development Fund

Bank/FI, amount sanctioned and outstanding as on reporting Date	Current (₹)	Non-Current (₹)	Security	Repayment Schedule of amount outstanding and ROI on the reporting date
i) Long Term Borrowings				
PNB Sanctioned - 94,00,00,000 O/S - Nil (4,97,18,763)	--- (4,97,18,763)	--- (---)	Fully repaid	Fully repaid
PNB Sanctioned - 56,00,00,000 O/S - Nil (2,96,20,681)	--- (2,96,20,681)	--- (---)	Fully repaid	Fully repaid
PNB Sanctioned - 50,00,00,000 O/S - Nil (5,00,00,000)	--- (5,00,00,000)	--- (---)	Fully repaid	Fully repaid
PNB Sanctioned - 1,00,00,00,000 O/S - Nil (10,00,00,001)	--- (10,00,00,001)	--- (---)	Fully repaid	Fully repaid
PNB Sanctioned - 65,00,00,000 O/S - 37,91,66,666 (65,00,00,000)	5,41,66,667 (10,83,33,334)	32,49,99,999 (54,16,66,666)	Pari-passu Charge on fixed assets: -1st on DN, DP and DD	-ROI- 9.55% per annum - 7 qtly installments of ₹5,41,66,667 each payable in March, 2018 and onwards.
PNB [SEFASU 2014] Sanctioned – 61,08,00,000 O/S – 37,32,66,662 (57,68,66,666)	20,36,00,004 (20,36,00,004)	16,96,66,658 (37,32,66,662)	Pari-passu Charge on fixed assets: - 3rd on DN, DP and DD	-ROI-12.00% [total subvention from the Govt. of India] -22 monthly installments of ₹1, 69, 66,667 each payable in April ,2017 and onwards.
PNB Sanctioned – 7,20,00,000 O/S - 7,20,00,000 (7,20,00,000)	72,00,000 (---)	6,48,00,000 (7,20,00,000)	Pari-passu Charge on fixed assets: -1st on DN	ROI-9.55% per annum - 20 qtly installments of ₹36,00,000 each payable from December,2017 onwards.
PNB Sanctioned – 105,00,00,000 O/S - 63,00,00,000 (1,05,00,00,000)	15,75,00,000 (---)	47,25,00,000 (1,05,00,00,000)	Pari-passu Charge on fixed assets: -1st on DN, DP and DD	ROI-9.55% per annum - 12 qtly installments of ₹5,25,00,000 each payable from September,2017 onwards.

PNB [car loan] Sanctioned - 65,00,000 O/S - Nil (49,87,494)	--- (12,09,408)	--- (37,78,086)	Fully repaid	Fully repaid
PNB [car loan] Sanctioned - 51,00,000 O/S - Nil (48,01,222)	--- (5,55,509)	--- (42,45,713)	Fully repaid	Fully repaid
Total term loans from Banks **O/S - 1,45,44,33,328** (2,58,79,94,827)	**42,24,66,671** (54,30,37,700)	**1,03,19,66,657** (2,04,49,57,127)		
SDF Sanctioned - 27,50,00,000 O/S – Nil (7,69,59,600)	--- (5,13,06,400)	--- (2,56,53,200)	Fully repaid	Fully repaid
SDF Sanctioned - 26,50,00,000 O/S – Nil (4,91,70,800)	--- (4,91,70,800)	--- (---)	Fully repaid	Fully repaid
Total term Loans from others **O/S – Nil** (12,61,30,400)	**---** (10,04,77,200)	**---** (2,56,53,200)		
From Companies **O/S – Nil** (30,00,00,000)	**---** (---)	**---** (30,00,00,000)	Fully repaid	Fully repaid
Total long term borrowings **O/S - 1,45,44,33,328** (3,01,41,25,227)	**42,24,66,671** (64,35,14,900)		**1,03,19,66,657** (2,37,06,10,327)	

ii) Short Term Borrowings:				
a. Cash Credit				
PNB Sanctioned- 2,85,00,00,000	1,72,06,16,825 (2,29,20,14,042)	--- (---)	-1st Pari-passu charge by way of pledge of stock of sugar and by way of hypothecation of stock of molasses, industrial alcohol, chemicals, stores & spares. - 2nd Pari-passu charge on fixed assets of all three units of the company	-ROI- 9.35% per annum
PNB -WCDL Sanctioned- 1,26,00,00,000	58,01,54,962 (---)	--- (---)		-ROI- 9.75% per annum (For a period of 90 days)
SUPGB Sanctioned- 10,00,00,000	9,86,18,965 (9,95,82,331)	--- (---)		-ROI-9.35% per annum
DCB Sanctioned- 1,26,00,00,000	1,17,82,70,900 (1,14,95,94,271)	--- (---)		-ROI-10.05% per annum for DCB Bijnor & 9.35% per annum for DCB Rampur
Total cash credit	**3,57,76,61,652** (3,54,11,90,644)	**---** (---)		

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

b. Loans & advances from related parties	2,57,486 (8,50,268)	--- (---)	Unsecured	-ROI- 10% - Payable on demand
Total short term borrowings	3,57,79,19,138 (3,54,20,40,912)			
Term Loans from PNB , working capital demand loan from PNB and cash credit from all the banks aggregating to ₹5,03,20,94,980 (previous period ₹6,12,91,85,471) are personally guaranteed by the Managing Director of the company out of which the company has given Counter guarantees of ₹4,45,19,40,018 (previous period ₹5,00,23,84,249) to him to secure all these personal guarantees excluding PNB working capital demand loan outstanding of ₹58,01,54,962 (previous period PNB term loan outstanding of ₹1,12,68,01,222) .				

2. Contingent liabilities not provided for

Particulars	As at 31/03/2017 (₹)	As at 31/03/2016 (₹)
(a) Claims not acknowledged as debts by the company.	20,76,408	20,76,408
(b) In respect of show cause notices from Central Excise department in various cases against which the company has preferred appeals [net of amount reversed and payments of ₹2,39,78,537 (previous period ₹2,45,31,119)].	1,88,84,215	7,47,98,484
(c) In respect of Trade Tax and Entry Tax demand received from Uttar Pradesh Trade Tax authorities in various cases, in respect of which the company has preferred appeals [net of amount deposited under appeal of ₹8,32,736 (previous period ₹3,73,494)].	85,000	85,000
(d) Guarantees issued by the bankers on behalf of the Company.	1,39,59,200	1,45,03,925

3. Estimated amount of contracts remaining to be executed on capital account, net of advance of ₹37,82,052 (previous period ₹41,31,052) and not provided for is ₹73,39,937 (previous period ₹37,09,872). Other Commitments ₹Nil (previous period ₹Nil).

4. (A) Particulars of Revenue from operations & Inventory

a) Revenue from operations:

Class of Goods	Amount (₹)
i) Sugar	11,05,37,72,632 (7,02,10,73,359)
ii) Molasses	33,37,76,038 (34,93,85,495)
iii) Power	79,52,02,337 (67,18,79,647)
iv) Industrial Alcohol	
-Spirit	4,11,12,260 (3,10,00,500)
-Ethanol	31,51,44,341 (20,25,04,231)
v) Miscellaneous/Other Residual sale	1,13,81,555 (3,43,61,209)
vi) Other operating Revenue	1,06,37,919 (49,00,139)
Total Revenue from operations	12,56,10,27,082 (8,31,51,04,580)

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

b) Inventories

i) Finished Goods

Class of Goods	Opening Stock	Closing Stock
	Amount (₹)	
i) Sugar	4,98,92,34,405	5,69,52,67,337
	(4,47,67,39,615)	(4,98,92,34,405)
ii) Molasses	16,13,98,235	13,49,15,339
	(21,34,32,075)	(16,13,98,235)
iii) Industrial Alcohol		
- Spirit	33,57,785	18,72,821
	(2,80,36,098)	(33,57,785)
-Ethanol	2,52,99,922	1,17,17,067
	(83,37,363)	(2,52,99,922)

ii) Work-in-progress

Class of Goods	Opening Stock	Closing Stock
	Amount (₹)	
i) Sugar	2,49,98,675	7,13,96,837
	(3,21,72,240)	(2,49,98,675)
ii) Molasses	46,42,034	74,40,462
	(36,52,402)	(46,42,034)
iii) Industrial Alcohol	49,468	---
	(74,286)	(49,468)

(B) Raw Material & Chemicals Consumed

Particulars	%	Amount (₹)
a) Sugar Cane		8,42,19,53,920
		(6,02,78,06,020)
b) Chemicals		6,10,72,910
		(4,99,92,740)
Indigenous	100	8,48,30,26,830
	(100)	(6,07,77,98,760)
Imported	Nil	Nil
	(Nil)	(Nil)
Total	100	8,48,30,26,830
	(100)	(6,07,77,98,760)
c) C I F VALUE OF IMPORTS		Nil
		(Nil)
d) EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)		
Travelling Expenses		26,73,330
		(Nil)
Interest on Foreign Currency Term Loans		Nil
		(4,60,50,549)
e) EARNINGS IN FOREIGN CURRENCY		Nil
		(Nil)

Note: -Figures in the brackets are for the previous period.

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

5. a) The company has made provision for gratuity and leave encashment in the nature of defined benefit obligation on the basis of actuarial valuation as per Accounting Standard AS-15. Since the liability has not been funded through a Trust or Insurer, there are no plan assets.

b) i) Defined Contribution Plans:

Employer's Contribution to Provident Fund ₹4,50,90,791 (previous period ₹3,53,83,025).

ii) Defined Benefits Plans:

Liability for Gratuity is determined on actuarial basis using projected unit credit method. The details are as under:

	As at 31/03/2017 (₹)	As at 31/03/2016 (₹)
Change in defined benefit obligation:		
Opening defined benefit obligation	10,37,14,277	9,10,58,470
Current service cost	91,85,237	88,75,310
Interest cost	77,52,953	75,30,119
Actuarial loss/ (gain)	1,31,55,516	17,80,731
Past service cost	---	---
Benefit paid	(45,04,634)	(55,30,353)
Closing defined benefit obligation	12,93,03,349	10,37,14,277
Change in fair value of assets :		
Contribution by employer	45,04,634	55,30,353
Benefit paid	(45,04,634)	(55,30,353)
Change in fair value of plan assets	---	---
Expense recognized in Statement of Profit & Loss		
Current service cost	91,85,237	88,75,310
Interest cost	77,52,953	75,30,119
Net actuarial losses / (gain)	1,31,55,516	17,80,731
Past service cost	---	---
Expense recognized in Statement of Profit & Loss	3,00,93,706	1,81,86,160
Financial Assumptions at the valuation date		
Discount rate	7.00%	7.85%
Expected rate of return on assets (p.a.)	---	---
Salary escalation	6.00%	6.00%

Amount for the current and previous four periods in respect of gratuity are as follows: -

Particulars	Period Ended				
	31-March-17	31-March-16	31-March-15	30-Sep-13	30-Sep-12
	(Amount in ₹)				
Defined Benefit Obligation	12,93,03,349	10,37,14,277	9,10,58,470	6,50,60,864	5,86,08,985
Plan Assets	---	---	---	---	---
Surplus/(Deficit)	(12,93,03,349)	(10,37,14,277)	(9,10,58,470)	(6,50,60,864)	(5,86,08,985)
Exp. Adj. on Plan Liabilities	48,01,622	5,58,871	32,48,848	26,74,548	17,63,251
Exp. Adj. on Plan Assets	---	---	---	---	---

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

6. During the year, the Company, as per GOI notification no. 20(43)/2015-SP-I dated December 2nd, 2015 and September 12th, 2016, has accounted for Production subsidy @ ₹4.50 per quintal of sugar cane crushed during the sugar season 2015-16 amounting to ₹9,41,05,562, and is considered as exceptional income. The Company has also accounted ₹1,84,00,000 towards remission of the purchase tax pertaining to sugar season 2012-13 allowed by the State Government of Uttar Pradesh and considered as exceptional income.

During the year irrecoverable claim amounting to ₹6,31,55,220 are written off by the Company in pursuance of Uttar Pradesh Government order dated 28th December, 2016 which was recoverable from State Government of Uttar Pradesh towards society commission relating to sugar season 2015-16. The same is considered as exceptional expense.

During the previous year the State Government of Uttar Pradesh had granted part remission of the commission payable to Cane Societies on cane purchased during the crushing season 2012-13 amounting to ₹7,52,12,766 which was considered as exceptional income.

Net impact of the above transactions stated above amounting to ₹3,22,71,176 (previous year ₹4,91,83,132) , both net of taxes, are shown as an exceptional item in the Statement of Profit and Loss.

7. During the year, the Company has sold Renewal Energy Certificates (RECs) for a consideration of ₹8,90,53,500 (previous year ₹7,94,73,000) and incurred ₹1,17,31,398 (previous year ₹1,78,61,217 as expenditure on such sale. The Company has not incurred any cost to earn the RECs. These RECs have been generated due to environmental concerns and allotted to the company as per Regulation on Renewal Energy Certificate, notified by Central Electricity Regulatory Commission. Judgements of the various Hon'ble courts have held that such credits 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 as capital receipt and not an income forming part of the operations of the Company. The same is also supported by legal opinion obtained by the Company. Accordingly, net earnings on such sale amounting to ₹7,73,22,102 (previous year ₹6,16,11,783) is treated as capital receipt for computation of the income tax (including MAT computation) .

8. Trade Receivable/Payables and Loans and Advances balances are subject to confirmation and reconciliation.

9. As per the Accounting Standard AS-28 'Impairment of Assets', the company has tested impairment to identify the impairment loss, if any. Based on the assessment of the existing assets, the realizable amount for all the units is higher than the carrying values of such units. Accordingly, no impairment is required to be recognized during the current period.

10. Operating lease:

Obligation on long – term, non – cancellable operating leases:

The lease rentals charged during the period and the obligation on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

Particulars	As at 31/03/2017 (₹)	As at 31/03/2016 (₹)
Lease rentals recognized during the period	55,12,133	-
Lease obligation payable within one year of the Balance Sheet date	51,33,600	-
Due in a period between one year and five years	4,27,800	-

The operating lease arrangement are renewable on a periodic basis and for most of the leases extend up to a maximum of 6 years from their respective dates of inception and rented premises. These lease agreements have price escalation clause of 15%.

11. There are no present obligations requiring provision in accordance with the guiding principles as enunciated in Accounting Standard AS-29 as it is not probable that an outflow of resources embodying economic benefit will be required.

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

12. Disclosure on Specified Bank Notes (SBNs):

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R.308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016, the denomination wise SBN's and other notes as per the notification is given below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11. 2016	27,84,000	11,12,113	38,96,113
(+) Permitted receipts	-	59,06,889	59,06,889
(-) Permitted payments	-	54,50,671	54,50,671
(-) Amount deposited in Banks	27,84,000	-	27,84,000
Closing cash in hand as on 30.12. 2016	-	15,68,331	15,68,331

13. Derivative instruments and foreign currency exposures:

(a) During the year Rupee term loans of ₹nil (previous period ₹4,100 lacs) were converted into foreign currency loan of USD nil (previous period USD 64,85,289.46) out of which ₹nil (previous period ₹4,100 lacs equivalent to USD 64,85,289.46) was reinstated as Rupees term loan during previous year itself. The above loans were hedged by forward contracts and there is no foreign currency exposure outstanding as at the Balance Sheet date.

(b) Particulars of un-hedged foreign currency exposures as at the Balance Sheet date are ₹Nil (Previous period ₹Nil).

14. Provision for current income tax and deferred tax has been made considering various benefits and allowances available to the Company under the provisions of the Income Tax Act 1961

15. Allahabad High Court in the case of PIL Rashtriya Kisan Mazdoor Sangathan VS State of U.P.(no.67617 of 2014) passed a final order on 9th March, 2017 directing the Cane Commissioner to decide afresh the issue within 4 months as to whether the Sugar Mills are entitled for waiver of interest on the delayed payment of the price of sugarcane for the seasons 2012-13, 2013-14 and 2014-15 under the provisions of Section 17(3) of the U.P. Sugarcane (Regulations of Supply and Purchase) Act, 1953 (in short 'the Act'). No order has yet been passed by the Cane Commissioner. Based on the discussions with legal experts, Industry Association is of the opinion that the order is likely to be struck down if an appeal is preferred in Higher Court. Hence the Association is likely to file an SLP with the Supreme Court. Since the possibility of the liability crystallizing on this score is remote, no provision in respect of such improbable liability is made.

16. Pursuant to Section 135 of the Companies Act, 2013 the Company has incurred expenditure (paid) in respect of corporate social responsibility as follows:

(a) Gross amount required to be spent by the company during the year: NIL

(b) Amount Spent during the year on: ₹1,26,18,993

Particulars	Paid	Yet to be paid	Total
(i) Construction/acquisition of assets	15,30,472	-	15,30,472
(ii) On purpose other than (i) above	1,10,88,521	-	1,10,88,521

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

17. (i) Preference Share:

Being a committed obligation to pay dividend on cumulative redeemable preference shares, the Company has provided an amount of ₹15,19,00,000 and ₹3,09,23,266 towards dividend on preference shares and corporate dividend tax thereon respectively including arrears of ₹12,65,80,000 and corporate dividend tax ₹2,57,68,710 thereon respectively. Pursuant to sub section (2) of section 47 of the Companies Act, 2013, all series of preference shareholders are now vested with voting rights since dividend was in arrears for more than 2 years.

(ii) Equity Shares:

The Board of Directors has recommended a dividend of ₹10 Per equity share of ₹10/- each, aggregating to ₹2,266.35 lakhs (including dividend distribution tax).

The Central Government, in consultation with the National Advisory Committee on Accounting Standards, has amended the Companies (Accounting Standards) Rules, 2006 ('principal rules') through a notification issued by Ministry of Corporate Affairs dated March 30, 2016. Further clarification dated 27th April 2016 provides that The Companies (Accounting Standards) Rules, 2016 is effective for accounting periods commencing on or after the date of notification. According to the amended rules, the above mentioned proposed dividend will not be recognized as a liability as at 31st March 2017. Hence the proposed dividend has not been recognized as liability as on 31st March 2017.

18. Previous period figures have been regrouped and recasted wherever considered necessary.

19. Segment information for the year ended 31st March 2017

(i) Information about Primary Business segment

(Amount in ₹)

Particulars	Sugar	Co-Generation	Distillery	Adjustment	Total
Revenue					
External Revenue	11,40,94,39,984	79,52,02,337	35,63,84,761		12,56,10,27,082
	(7,40,96,22,327)	(67,18,79,647)	(23,36,02,606)		(8,31,51,04,580)
Internal Revenue	1,05,94,55,405	1,16,73,73,002	-	(2,22,68,28,407)	-
	(9,23,52,898)	(38,72,15,747)	-	(-47,95,68,645)	-
Total Revenue	12,46,88,95,389	1,96,25,75,339	35,63,84,761	(2,22,68,28,407)	12,56,10,27,082
	(7,50,19,75,225)	(1,05,90,95,394)	(23,36,02,606)	(-47,95,68,645)	(8,31,51,04,580)
Less: Excise Duty	63,56,07,838	-	2,13,87,434		65,69,95,272
	(35,39,29,028)	-	(1,77,62,678)		(37,16,91,706)
Total income from operations (net)	11,83,32,87,551	1,96,25,75,339	33,49,97,327	(2,22,68,28,407)	11,90,40,31,810
	(7,14,80,46,197)	(1,05,90,95,394)	(21,58,39,928)	(-47,95,68,645)	(7,94,34,12,874)
Results					
Segment Results	1,66,89,85,383	74,11,33,176	9,84,51,249		2,50,85,69,808
	(-3,29,08,737)	(81,86,11,356)	(7,49,55,435)		(86,06,58,054)
Less: Unallocated Expenditure (net of income)					
Interest					41,93,74,630
					(51,59,02,314)
Profit/(Loss) before exceptional item and tax					2,08,91,95,178
					(34,47,55,740)
Exceptional Item					3,22,71,176
					(4,91,83,132)

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

(Amount in ₹)

Particulars	Sugar	Co-Generation	Distillery	Adjustment	Total
Profit/(Loss) before tax					2,12,14,66,354
					(39,39,38,872)
Tax expense					53,68,16,277
					(42,76,029)
Net Profit/(Loss) for the period after tax					1,58,46,50,077
					(38,96,62,843)
Other Information					
Segment Assets	8,13,37,37,692	1,66,55,19,890	24,42,92,081		10,04,35,49,663
	(8,26,65,55,967)	(1,28,16,89,613)	(21,74,34,182)		(9,76,56,79,762)
Unallocable corporate assets					51,31,98,175
					(24,66,51,822)
Total Assets					10,55,67,47,838
					(10,01,23,31,584)
Segment Liabilities	6,77,73,35,493	12,68,348	7,72,74,021		6,85,58,77,862
	(8,58,61,59,031)	(15,66,03,420)	(7,45,20,969)		(8,81,72,83,420)
Unallocable corporate libilities					53,49,70,425
					(2,49,03,282)
Total Liabilities					7,39,08,48,287
					(8,84,21,86,702)
Capital Expenditure	3,59,53,154	-	95,28,131		4,54,81,285
	(6,50,97,792)	(2,09,100)	(8,09,96,070)		(14,63,02,962)
Depreciation/Obsolescence	15,99,32,289	12,70,29,428	1,24,56,545		29,94,18,262
	(23,62,12,146)	(6,15,56,295)	(98,77,561)		(30,76,46,002)

Revenue in respect of captive power produced from co generation plant has been arrived at based on the rates at which the same is being supplied to State Electricity Board.

(ii) The company does not have any Secondary Business Segment since there were no exports during the year and no assets located outside India.

20 Earning per share:

Particulars	Year ended 31/03/2017 (₹)	Year ended 31/03/2016 (₹)
Profit after tax	1,58,46,50,077	38,96,62,843
Less: Preference dividend including corporate dividend tax	3,04,74,556	3,04,74,646
Profit attributable to Equity Share holders	1,55,41,75,521	35,91,88,197
Number of equity shares outstanding during the period (weighted average)	1,75,89,641	1,63,14,676
Nominal value of equity shares (₹)	10	10
Earning per share (₹) Basic	88.36	22.02
Earning per share (₹) Diluted	88.36	22.02

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

21 Related party disclosures as required by Accounting Standard AS-18 for the year ended 31st March, 2017

a) Names of the related parties and description of relationship:

i) Enterprises over which key management personnel are able to exercise significant influence

-Morarka Finance Limited
-Dwarikesh Trading Company Limited
-Dwarikesh Informatics Limited (Associate Company)
-Dwarikesh Agriculture Research Institute
-Faridpur Sugars Limited (Associate Company)

ii) Key Management Personnel

-Shri G.R.Morarka	Managing Director
-Shri B.J.Maheshwari	Whole-time Director & Company Secretary Cum Chief Compliance Officer
-Shri Vijay S. Banka	Whole -time Director & Chief Finance Officer

iii) Relatives of Key Managerial Personnel Shri G.R.Morarka

-Smt. Smriti G. Morarka (Wife)
-Ms. Priyanka G. Morarka (Daughter)
-Shri Pranay G. Morarka (Son)

b) Details of Transactions

Sl. No.	Name of Related Party	Nature of Transaction	Volume of Transaction (₹)	Amount due to (₹)	Amount due from (₹)	Investment (₹)
1	Dwarikesh Trading Co. Ltd.	Inter Corporate Deposit Repaid	582 (1,776)	69,681 (70,263)		
		Interest Paid	7,022 (7,144)			
		Rent Received	2,40,000 (2,40,000)			
		Rent Paid	21,73,500 (Nil)			
		Advance Rent		40,000 (40,000)		
2	Dwarikesh Informatics Ltd.	Services Purchased	32,20,000 (27,35,440)	9,44,828 (11,97,528)		20,85,000 (22,00,000)
		Dividend Received	Nil (2,00,000)			
3	Dwarikesh Agriculture Research Institute (Formerly Dwarikesh Sugarcane Research Institute)	Interest Paid	12,621 (12,656)	1,26,211 (1,26,211)		
4	Faridpur Sugars Limited		Nil (Nil)	Nil (Nil)		96,000 (2,00,000)
5	Morarka Finance Limited	Rent Paid	17,80,984 (17,65,120)	Nil (Nil)		

Notes Annexed to and forming part of the Financial Statements

for the year ended 31st March, 2017

Sl. No.	Name of Related Party	Nature of Transaction	Volume of Transaction (₹)	Amount due to (₹)	Amount due from (₹)	Investment (₹)
		Management Consultancy Paid	13,79,000 (1,14,500)			
6	Shri G.R.Morarka	Interest Paid	1,90,375 (65,558)	61,594 (6,53,794)		
		Remuneration	1,31,52,000 (1,07,52,000)			
		Ex-gratia/Commission	9,65,04,398 (92,50,567)			
7	Shri B.J. Maheshwari	Remuneration	73,82,208 (63,28,608)			
		Ex-gratia/Interim Bonus	7,50,000 (5,248)			
		Leave Encashment	Nil (4,68,468)			
8	Shri Vijay S. Banka	Remuneration	73,43,844 (62,90,244)			
		Ex-gratia/Interim Bonus	7,50,000 (5,248)			
		Leave Encashment	Nil (2,91,119)			
9	Ms. Priyanka G. Morarka	Remuneration	16,22,000 (9,00,000)			
		Ex-gratia/Interim Bonus	16,800 (5,248)			
		Leave Encashment	19,250 (21,175)			

As per our report of even date

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

Kamal Kishore
Partner
Membership No. 078017

Place: New Delhi
Date: May 18, 2017

For and on behalf of Dwarikesh Sugar Industries Limited

G. R. Morarka
Managing Director
DIN: 00002078

B. J. Maheshwari
Whole Time Director & Company Secretary
cum Chief Compliance Officer
DIN: 00002075

Vijay S. Banka
Whole Time Director & Chief Financial Officer
DIN: 00963355

Place: Mumbai
Date: May 18, 2017

KEY FINANCIAL DATA

₹ in lakhs

	2006-2007 (Oct 06-Sept 07)	2007-2008 (Oct 07-Sept 08)	2008-2009 (Oct 08-Sept 09)	2009-2010 (Oct 09-Sept 10)	2010-2011* (Oct 10-Sept 11)	2011-2012 (Oct 11-Sept 12)	2012-2013 (Oct 12-Sept 13)	2013-2015 (18 months) (Oct 13-Mar 15)	2015-2016 (Apr 15-Mar 16)	2016-2017 (Apr 16-Mar 17)
Sales	24,402	29,386	48,461	57,728	61,655	72,595	96,282	1,17,643	83,151	1,25,610
Revenue from operation										
Other Income	119	40	155	190	35	216	1,310	266	862	944
Increase/Decrease ( ) in stock	6,929	7,005	(9,318)	6,132	(1,829)	9,941	(4,511)	28,228	2,856	7,014
Total Income	**31,450**	**36,431**	**39,297**	**64,051**	**59,861**	**82,752**	**93,082**	**1,46,137**	**86,869**	**1,33,568**
Manufacturing and operating expenses (cost of material used)	25,440	26,089	20,499	50,735	43,134	63,790	74,247	1,19,978	61,717	85,923
Excise Duty	1,708	2,121	2,274	2,221	2,342	2,735	3,521	4,035	3,717	6,570
Exception item/ Deferred revenue expenditure	30	30	30	30	0	-	-	-	(492)	(323)
Staff expenses	1,597	2,412	2,858	3,218	3,543	3,805	4,030	7,144	4,968	7,366
Selling & administration expenses	784	822	1,038	1,346	3,359	2,811	4,101	5,393	4,785	5,629
(other expenses*)										
Total Expenditure	**29,559**	**31,474**	**26,699**	**57,551**	**52,378**	**73,141**	**85,899**	**1,36,550**	**74,695**	**1,05,165**
Profit before interest, depreciation and tax (PBIDT)	1,890	4,957	12,598	6,500	7,483	9,611	7,183	9,587	12,174	28,403
Depreciation and amortization expenses	1,331	2,943	3,295	3,206	3,272	3,289	3,319	4,725	3,076	2,994
Profit before interest and tax (PBIT)	559	2,014	9,302	3,294	4,212	6,322	3,864	4,862	9,098	25,409
Interest	1,846	4,947	6,164	4,631	5,978	7,886	7,056	7,521	5,159	4,194
Profit before tax (PBT)	(1,287)	(2,933)	3,138	(1,336)	(1,766)	(1,564)	(3,192)	(2,659)	3,939	21,215
Taxes	(658)	(455)	630	(431)	(450)	(433)	(1,256)	(984)	42	5,368
Profit after Tax (PAT)	(628)	(2,478)	2,508	(906)	(1,316)	(1,131)	(1,936)	(1,675)	3,897	15,847
Cash accruals	2	27	6,103	1,651	1,506	1,725	117	2,066	7,006	24,195
Equity Share Capital	1,556	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,883
Preference Share Capital	1,610	1,610	1,610	1,610	1,610	1,610	3,110	3,110	3,110	3,110
Share Application money pending allotment						1,000	-	-	-	-
Equity Share Warrant	120	60	0	0		-	-	-	-	-
Reserves & Surplus	12,441	10,638	12,608	11,702	10,386	9,255	7,319	5,644	6,960	26,666
Secured loan funds excluding cash credit limits/	34,704	39,311	38,459	32,305	39,308	33,169	23,983	27,154	30,141	14,545
secured loan including repayable within 1 year*										
Unsecured loan funds	763	5,459	44	5,617	239	11	9	9	9	3
Net block of fixed assets	56,206	58,655	55,544	52,531	50,032	46,999	44,044	39,861	35,666	33,185
Investment	22	22	22	27	24	24	24	24	20	22
Deferred tax liability	1,413	945	1,701	1,261	683	249	-	-	-	3,688
Deferred tax Assets							1,017	2,001	1,707	-
Current assets	17,261	22,911	12,820	18,300	14,058	26,967	19,837	56,964	61,725	66,984

₹ in lakhs

	2006-2007 (Oct 06-Sept 07)	2007-2008 (Oct 07-Sept 08)	2008-2009 (Oct 08-Sept 09)	2009-2010 (Oct 09-Sept 10)	2010-2011* (Oct 10-Sept 11)	2011-2012 (Oct 11-Sept 12)	2012-2013 (Oct 12-Sept 13)	2013-2015 (18 months) (Oct 13-Mar 15)	2015-2016 (Apr 15-Mar 16)	2016-2017 (Apr 16-Mar 17)
Non Current Assets/Long term loans & advances & other non current assets					1,208	1,231	1,125	1,024	1,005	5,376
Current Liabilities / current liabilities excluding short term borrowing & current maturity of loan term debts	12,578	7,727	5,928	9,306	3,301	7,813	13,529	25,560	21,190	18,408
Non Current Liabilities/Other long term liabilities & long term provisions					1,046	1,159	1,237	1,494	1,670	1,489
Current Liabilities including cash credit limit	20,972	21,995	12,361	16,732	10,419	27,137	28,758	60,833	56,602	54,185
Capital raising expenditure to the extent not written off	90	60	30	0	0	-	-	-	-	-

FINANCIAL ICONS

OPERATING RATIOS										
Manufacturing & operating expenses/Total income	80.89%	71.61%	52.16%	79.21%	72.06%	77.09%	79.77%	82.10%	71.05%	64.33%
Cost of material consumed/Total income*										
Excise duty / Total income	5.43%	5.82%	5.79%	3.47%	3.91%	3.30%	3.78%	2.76%	4.28%	4.92%
Staff expenses / Total income	5.08%	6.62%	7.27%	5.02%	5.92%	4.60%	4.33%	4.89%	5.72%	5.51%
Selling & administration expenses / Total income	2.49%	2.26%	2.64%	2.10%	5.61%	3.40%	4.41%	3.69%	5.51%	4.21%
Other expenses / Total income*										
PBIDT / Total income	6.01%	13.61%	32.06%	10.15%	12.50%	11.61%	7.72%	6.56%	14.01%	21.26%
PBIT / Total income	1.78%	5.53%	23.67%	5.14%	7.04%	7.64%	4.15%	3.33%	10.47%	19.02%
PBT / Total income	(4.09%)	(8.05%)	7.99%	(2.09%)	(2.95%)	(1.89%)	(3.43%)	(1.82%)	4.53%	15.88%
PAT / Total income	(2.00%)	(6.80%)	6.38%	(1.41%)	(2.20%)	(1.37%)	(2.08%)	(1.15%)	4.49%	11.86%

BALANCE SHEET RATIO

Debt Equity Ratio	2.21	2.82	2.43	2.16	2.88	2.65	1.99	2.61	2.58	0.46
(Secured loan excluding cash credit / share holder's funds)										
Inventory Turnover Ratio	2.45	1.68	5.95	4.04	4.94	3.20	5.37	2.47	1.60	2.12
(Turnover / closing stock of inventory)										
Fixed Assets Turnover Ratio	0.56	0.62	0.71	1.22	1.20	1.76	2.11	3.67	2.44	4.02
(Total income / net block of fixed assets)										
Fixed Assets Coverage Ratio (FACR)	1.62	1.49	1.44	1.60	1.26	1.41	1.83	1.47	1.18	2.28
(Net block of fixed assets/ Secured loan excluding cash credit)										

PER SHARE DATA

	2006-2007 (Oct 06-Sept 07)	2007-2008 (Oct 07-Sept 08)	2008-2009 (Oct 08-Sept 09)	2009-2010 (Oct 09-Sept 10)	2010-2011* (Oct 10-Sept 11)	2011-2012 (Oct 11-Sept 12)	2012-2013 (Oct 12-Sept 13)	2013-2015 (18 months) (Oct 13-Mar 15)	2015-2016 (Apr 15-Mar 16)	2016-2017 (Apr 16-Mar 17)
Earnings per share (EPS) (Rs.)	(4.20)	(15.31)	14.20	(6.50)	(9.02)	(7.88)	(13.53)	(13.19)	22.02	88.36
Cash earnings per share (CEPS) (Rs.)	(0.22)	(0.63)	35.90	9.17	8.28	9.62	(0.95)	15.77	41.08	135.08
Dividend (Rs.per Equity Share)	0.00	0.00	1.50	0.00	0.00	0.00	0.00	0.00	0.00	10.00@
Dividend Payout %	0%	0%	15%	0%	0%	0%	0%	0%	0%	100%@
Book Value (Rs.)	89.93	75.21	87.28	81.73	73.66	66.73	54.86	44.60	52.66	151.61

*regrouped /reclasiified as per schedule VI since 2010-11

@ Recommended,subject to members approval

VALUE-ADDED STATEMENT

Corporate Output (Total Income)	31,450	36,431	39,297	64,051	59,861	82,752	93,082	1,46,137	86,869	1,33,568
Less: Manufacturing & Operating expenses/	25,440	26,089	20,499	50,735	43,134	63,790	74,247	1,19,978	61,717	85,923
cost of material consumed*										
Less:Exceptional Item/ deferred revenue expenditure	30	30	30	30	0	-	-	-	(492)	(323)
Less: Selling & Administrative expenses/	784	822	1,038	1,346	3,359	2,811	4,101	5,393	4,785	5,629
Other Expenses*										
Gross Value Added	5,196	9,490	17,730	11,940	13,368	16,151	14,734	20,766	20,859	42,339
Less: Depreciation	1,331	2,943	3,295	3,206	3,272	3,289	3,319	4,725	3,076	2,994
Net Value Added	3,865	6,547	14,435	8,734	10,096	12,862	11,415	16,041	17,783	39,345
Allocation of Net Value Added										
to personnel	1,597	2,412	2,858	3,218	3,543	3,805	4,030	7,144	4,968	7,366
to Exchequer (Excise)	1,708	2,121	2,274	2,221	2,342	2,735	3,521	4,035	3,717	6,570
to Exchequer (Direct Taxes)	72	14	360	249	0	-	-	-	145	4,519
to Mat Credit entitlement			(487)	(239)	128	-	-	-	(135)	(4,375)
to deferred tax	(731)	(469)	757	(441)	(578)	(433)	(1,256)	(984)	33	5,224
to Stake holders (Interest)	1,846	4,947	6,164	4,631	5,978	7,886	7,056	7,521	5,159	4,194
to Investors (Dividend)@	36	1	598	0	0	-	-	-	-	4,095
to Company (Retained earnings)	(664)	(2,479)	1,910	(906)	(1,316)	(1,131)	(1,936)	(1,674)	3,897	11,752
	3,865	**6,547**	**14,435**	**8,734**	**10,096**	**12,862**	**11,415**	**16,041**	**17,783**	**39,345**

*regrouped /reclasiified as per schedule VI since 2010-11

@ Dividend for the year 2016-17 is recommended,subject to members approval

KEY STATISTICS

PARTICULARS	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011*	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
No of days crushed											
- DN	169	142	119	140	141	155	159	141	156	146	173
- DP	166	127	106	134	132	147	148	131	139	127	169
- DD		99	66	114	113	145	143	111	113	98	148
Sugar cane Crushed in Qtls.											
- DN	83,77,011	72,19,113	50,64,737	66,15,074	68,82,340	76,62,759	77,30,481	67,54,422	82,88,859	78,21,407	91,37,553
- DP	88,95,373	71,29,891	45,75,622	64,83,011	58,70,034	78,88,321	83,90,189	72,63,772	81,52,637	72,80,891	97,94,050
- DD		50,42,169	30,06,582	58,55,079	61,05,708	81,57,356	81,39,741	68,53,451	68,64,859	59,46,903	94,08,128
Recovery % - DN	10.58	10.64	10.31	10.31	10.30	10.16	10.32	10.47	11.11	12.12	12.34
Recovery % - DP	10.07	10.33	9.93	9.77	9.47	9.73	10.00	10.52	10.98	11.77	12.11
Recovery % - DD		10.27	8.61	8.77	8.55	9.09	9.15	9.65	10.14	11.16	10.89
Total losses % -DN	2.04	1.92	1.84	1.89	1.85	1.82	1.83	1.79	1.70	1.82	1.75
Total losses % -DP	2.21	1.97	1.97	1.96	1.93	1.76	1.81	1.66	1.61	1.62	1.61
Total losses % -DD		2.14	2.14	2.04	2.07	1.90	1.92	1.68	1.72	1.74	1.75
Sugar Cane Bagged in Qtls. - DN	8,86,127	7,68,075	5,22,037	6,83,165	7,10,349	7,78,198	7,97,890	7,07,397	9,20,511	9,48,800	11,27,722
Sugar Cane Bagged in Qtls. - DP	8,95,500	7,36,265	4,54,380	6,34,460	5,57,845	7,67,410	8,38,650	7,64,090	8,95,261	8,56,652	11,85,936
Sugar Cane Bagged in Qtls. - DD		5,17,759	2,58,461	5,14,082	5,22,085	7,41,195	7,44,505	6,61,266	6,95,766	6,65,433	10,24,515

*regrouped /reclasiified as per schedule VI since 2010-11

DWARIKESH SUGAR INDUSTRIES LIMITED

Regd. Office: Dwarikesh Nagar – 246762, Dist. Bijnor, U.P.

CIN : L15421UP1993PLC018642

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the Company held on Saturday, August 19, 2017 at 10 a.m. at Dwarikesh Nagar – 246762, Dist. Bijnor, U.P.

* Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy



DWARIKESH SUGAR INDUSTRIES LIMITED

Regd. Office: Dwarikesh Nagar – 246762, Dist. Bijnor, U.P.

CIN : L15421UP1993PLC018642

PROXY FORM

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL Joint shareholders may obtain additional Slip at the venue of the meeting.

Name of Member(s)	
Registered address	

E-mail Id	
Folio No/ *Client Id	
*DP Id	

I/We, being the member(s) of _____ shares of Dwarikesh Sugar Industries Limited, hereby appoint:

1) _____ of _____ having e-mail id or failing him _____ or failing him

2) _____ of _____ having e-mail id or failing him _____ or failing him

3) _____ of _____ having e-mail id or failing him _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Saturday, August 19, 2017 at 10.00 a.m. at Dwarikesh Nagar – 246762, Dist. Bijnor, U.P. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions		For	Against
1.	Adoption of financial statement for the year ended March 31, 2017.		
2.	Declaration of Dividend on Cumulative Redeemable Preference Shares for the current financial year together with arrears thereon.		
3.	Declaration of Dividend on Equity Shares.		
4.	Approval for appointment of Statutory Auditors		
5.	Re-appointment & fixation of remuneration of Mr. G. R. Morarka (DIN 00002078)		
6.	Re-appointment & fixation of remuneration of Mr. B J Maheshwari (DIN 00002075);		
7.	Re-appointment & fixation of remuneration of Mr. Vijay S Banka (DIN 00963355);		
8.	Appointment of Ms. Nina Chatrath (DIN 07700943) as Women Independent Director		
9.	Appointment & fixation of remuneration of Cost Auditors		

Signed this _____day of _____ 2017

Affix a ₹1 Revenue Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of shareholder

Signature of third proxy holder

Notes:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

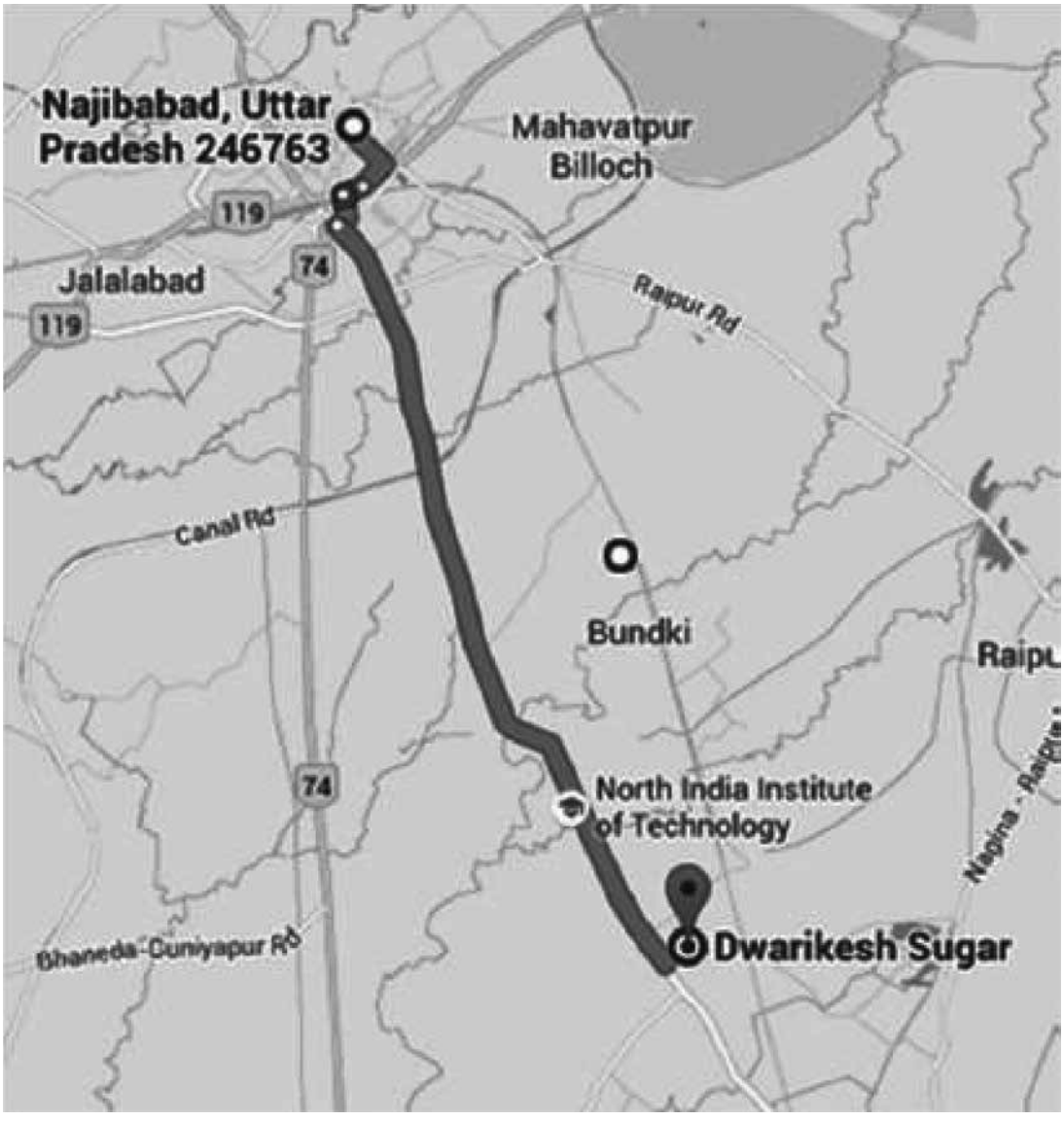
(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated

AGM VENUE ROUTE MAP



info@trisyscom.com

Dwarikesh Sugar Industries Limited

