Dhampur Sugar Mills Limited

Patience. Prudence. Profitability

Annual Report
2016-17

Contents

2 Corporate identity
4 Our manufacturing facilities
6 Our milestones
9 From the desk of the Managing Directors
14 Dhampur Sugar's 5 year progress
19 Business review
22 Management discussion and analysis
29 Risk management
30 Report of Board of Directors
54 Corporate Governance Report
68 Independent Auditor's Report
72 Balance Sheet
73 Statement of Profit and Loss
74 Cash Flow statement

Forward-looking 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 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. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

FY 2016-17 marked a watershed in India's sugar industry.

The country's sugar sector revived; Uttar Pradesh sugar mills performed better than sugar companies in other states; well-managed sugar companies like Dhampur Sugar outperformed much of the sector.

It would be simplistic to believe that Dhampur Sugar Mills outperformed by simply riding an increase in sugar realisations.

The reality is that Dhampur Sugar had patiently invested in business-strengthening during the sectoral slowdown.

The Company's strategy was vindicated during the sectoral rebound. Revenues increased 16%; profit after tax strengthened 815%.

Validating what the Company has always believed: that prudence combined with patience inevitably translates into superior profitability.

Dhampur Sugar Mills is one of India's most respected sugar companies, which has endured and grown over decades.

It is known for increasing cane crushing capacity judiciously, making proactive investments in downstream by-product processing while balancing sugar and non-sugar capacities.

With the objective to enhance business sustainability.

Our vision

Innovate and Optimise for the benefit of all Stakeholders.

Our mission

Making a positive contribution to the Environment we operate in.

Professionalism

- **Integrity:** trusted partnership
- **Commitment:** be Responsive
- **Accountability:** take ownership

Respect

- **Diversity & Inclusiveness:** provide equal opportunity
- **Value time:** punctuality in all areas
- **Humanity:** be sensitive and generate energy

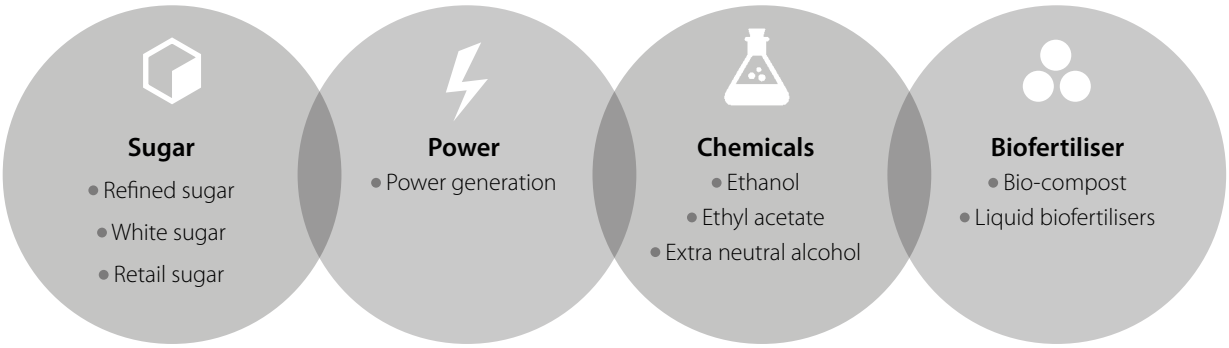
Act responsibly

- **Business Ethics:** apply ethical principles
- **Corporate Citizenship:** fulfil social, economic & legal Responsibilities
- **Corporate Governance:** drive fairness, accountability, responsibility and transparency

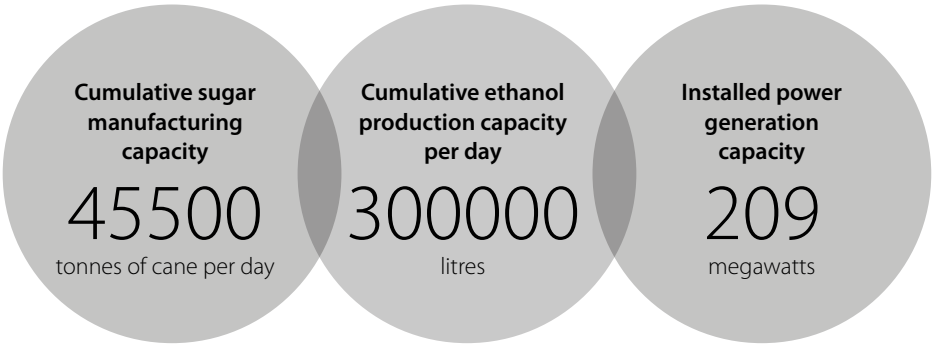
Passion to excel

- **Determination:** lead change and walk the extra mile
- **Value Adding Team Work:** build strength through a shared vision
- **Learning & Innovation:** Innovate through learning

Our business portfolio



Our capacities



Our background

Dhampur Sugar Mills Limited is one of the oldest organised sugar businesses in India. The Company was founded in 1933 by Lala Ram Narain with a cane crushing capacity of 300 tonnes per day. Over the decades, the Company has emerged as a leading Indian sugar manufacturing company comprising one of the country's largest power generation and ethanol manufacturing capacities. The Company is engaged in the manufacture and marketing of sugar, co-generated power and chemicals. The Company's five manufacturing facilities are located in Uttar Pradesh.

Our listing

The Company's shares are listed and actively traded on the Bombay Stock Exchange and the National Stock Exchange. The market capitalisation of the Company was ₹1440.94 crore as on 31 March 2017.

Our focus includes

- Maintaining core competence in sugar manufacture and the manufacture of allied products.
- Recruiting and retaining skilled and experienced human capital
- Building our business around sound governance
- Building the community in the areas of our presence.

Our manufacturing facilities

Dhampur Sugar, Bijnor District, Uttar Pradesh

Cane crushing capacity	Power generation	Distillery	Biofertiliser
15,000 metric tonnes per day	65 megawatts	200,000 litres per day	15,000 tonnes per annum

Our capability

- This unit's co-generation capacity of 65 megawatts is one of the largest single-unit co-generation capacities in India.
- The unit is considered among the India's most efficient co-generation systems; the unit was the first in India to be invested with a 105 kilogram per square centimetres boiler and turbine, enhancing operating efficiency.

Asmoli, Sambhal District, Uttar Pradesh

Cane crushing capacity	Power generation	Distillery	Biofertiliser
9,000 metric tonnes per day	44 megawatts	100,000 litres per day	5,000 tonnes per annum

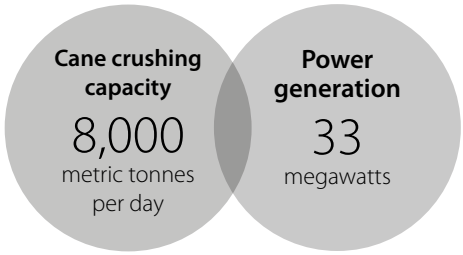
Our capability

- The unit employs the DRP (Defco Remelt Phosphotation) process with ion exchange to produce refined sugar.
- The other distillery products comprise ethanol, extra neutral alcohol and rectified spirit. Biogas produced is consumed in-house
- The unit manufactures high grade quick lime in a bagasse-fired lime kiln.

Our capacity addition

Business segment	2008	2011	2012	2013	2014	2015	2016
Sugar (tonnes of cane per day)	39,500	39,500	39,500	44,500	45,500	45,500	45,500
Power (megawatts)	145	150	150	169	209	209	209
Distillery (litres per day)	270,000	270,000	270,000	300,000	300,000	300,000	300,000

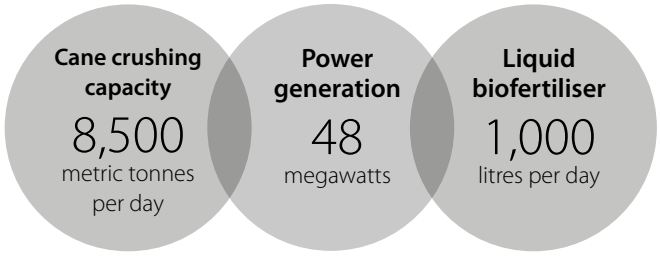
Mansurpur, Muzaffarnagar District, Uttar Pradesh



Our capability

- Investment in the Defco Remelt Phosphotation process at the Company's back-end refinery to manufacture refined sugar (subsequently marketed in 50 kilogram, 1 kilogram and 5 kilogram packaging (brand DHAM*pure*).
- Unit is located in a cane-rich belt; proximate to a national highway between Meerut and Muzaffarnagar

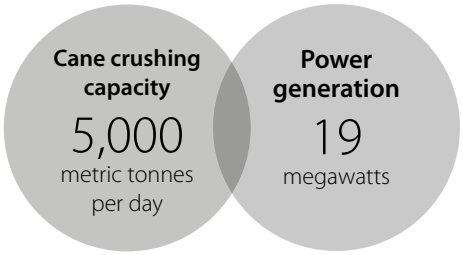
Rajpura, Sambhal District, Uttar Pradesh



Our capability

- A fully-automated unit; reports one of the lowest steam consumption rates in India
- The unit is engaged in an extensive cane development programme

Meerganj, Bareilly District, Uttar Pradesh



Our capability

- The Company engages in the manufacture of quality crystal white sugar
- It accesses cane from more than 45,000 farmers
- It provides farmers with subsidised liquid biofertilisers, pesticides and organic manure

Our milestones

1933 Laid the foundation of Dhampur Sugar Mills Limited with an initial capacity of 300 tonnes of cane crushed per day

1987 Leased a sick unit at Mansurpur (1,800 tonnes of cane crushed per day)

1991 Established a chemical unit at Dhampur to process molasses into alcohol and other chemicals (7,600 tonnes per annum)

1993 Increased crushing capacity of the Dhampur unit to 5,000 tonnes of cane crushed per day

1994 Installed a new sugar unit at Asmoli with a crushing capacity of 2,500 tonnes of cane per day

1995 Increased capacity of the Dhampur unit to 9,000 tonnes of cane crushed per day

1996 Increased crushing capacity at the Dhampur unit to 10,000 tonnes of cane per day

1997 Improved capacity of the chemical plant at Dhampur to 16,500 tonnes per annum

1999 Enhanced crushing capacity of the Asmoli unit to 5,000 tonnes of cane per day

2007 Commissioned a distillery at the Asmoli unit with a capacity of 100,000 litres per day through a joint venture

2007 Enhanced power generation capacity at the Dhampur unit, the Asmoli unit and Mansurpur unit to 65 megawatts, 40 megawatts and 28 megawatts, respectively

2007 Established the greenfield Rajpura unit with a crushing capacity of 7,500 tonnes of cane per day

2006

- Improved capacity of the Dhampur unit to 12,000 tonnes of cane crushed per day and the Asmoli unit to 6,000 tonnes of cane crushed per day
- Merged Mansurpur Sugar Mills Limited with Dhampur Sugar Mills Limited

2008

Expanded crushing capacity at the Dhampur unit to 15,000 tonnes of cane per day , at Asmoli to 9,000 tonnes of cane per day and at Mansurpur to 8,000 tonnes of cane per day

2010

Converted the Asmoli distillery into a wholly-owned subsidiary

2011

Enhanced power generation capacity at the Mansurpur unit to 33 megawatts

2012

Merged the Asmoli distillery with Dhampur Sugar Mills Limited following an order from the Hon'ble Allahabad High Court

2013

- JK Sugar Mills Limited merged with Dhampur Sugar Mills following an order of the Hon'ble Allahabad High Court
- Entered the IMFL segment

2014

- Enhanced distillery capacity to 300,000 litres per day
- Commissioned a 35.5-megawatt power plant in the Rajpura unit

2014

- Started manufacturing and marketing liquors like whiskey, rum, vodka and gin under the brand names of State House and PM to AM
- Installed a 4-megawatt bio genset at Asmoli

2015

- Increased ethanol capacity at Dhampur unit from 100,000 litres per day to 200,000 litres per day
- Established a slop boiler for enabling distillery operations during the rainy season

2016

- Start commissioning of Spent wash fired boiler of 75 MT and 35 MT at Dhampur and Asmoli Distillery under zero liquid discharge project
- Formed new wholly-owned subsidiary EHAAT Limited - rural business trading platform
- Acquired 51% stake in DETS Limited - engineering excellence in sugar industry equipment

FY 2016-17 was marked by ups and downs for Indian sugar companies.

Maharashtra, Karnataka and Tamil Nadu reported lower cane yields and sugar output. Uttar Pradesh reported increased yields, recovery and sugar output.

The overall result was that after six years of sugar surplus, India reported a sharp decline in sugar output; after years of sluggish and declining sugar prices, realisations reported an attractive recovery.

Though this improvement did not raise the performance of all sugar companies, some like Dhampur Sugar Mills profited on account of patient investment.

Patience

Dhampur Sugar Mills reported a consolidated average recovery of 10.94% in the year 2016-17.

The Company reported a 16.5% increase in sugar production.

Operational de-bottlenecking increased throughput; stronger control enhanced efficiencies, moderating losses of sugar, bagasse and molasses.

Prudence

The sum of Dhampur Sugar's operational improvements translated into superior financials.

The Company reported a sharp divergence in profitable growth.

Revenues increased 16% to ₹2608.16 crore. Profit after tax strengthened 815% to ₹236.70 crore.

The Company's non-sugar business accounted for 29% of revenues, which indicated prudent de-risking.

The Company moderated long-term debt by 3.22% in FY 2016-17, and it is expected to moderate long term debt by more than 20% in FY 2017-18.

Profitability

From the desk of the
Managing Directors

We are pleased to present the performance of our Company for FY 2016-17.

Dhampur Sugar Mills reported the best year since its incorporation – revenues increased 16% to ₹2608.16 crore while profit after tax strengthened 815% to ₹236.70 crore. The Company finished the year under review with a cash profit of ₹211.83 crore, long-term debt repayment of ₹224 crore and a higher interest cover.

At the outset, permit us to state that the performance of our Company during FY 2016-17 presents enduring possibilities. It would be simplistic to treat the performance as something that we achieved in one year with implications limited to the year under review.

Such an assumption would be a mistake for some reasons. One, we believe that the performance of the sector in FY 2016-17 is the result of a structural shift within India's sugar industry. This then is not just the result of a cyclical uptrend that may be followed by a predictable cyclical downtrend. While we believe that industrial cyclicality will indeed be a recurring feature, there are some ways in which the nature of cyclicality within India's sugar industry has possibly changed in an irreversible way.

Stability

For one, we at Dhampur Sugar believe that the nature of cyclicality within India's sugar industry will no longer be like the previous cyclicality recorded within the sector. Over the last decade, for instance, we have seen a distinctive form of cyclicality: year after year of extended sluggishness, high raw material costs and decline in sugar realisations to a level where the viability of normal conversion was threatened.

We can optimistically state with some confidence that perhaps that kind of cyclicality – extensive and intensive – is probably something that may not occur again. We believe that this viability-hampering cyclicality was the result of a man-made crisis: the action of political parties in cane-rich states to fix arbitrarily high cane prices. If there was a fallout of the extended sectoral decline this was it: a number of mills failed to remunerate farmers on time; a number of sugar mills lost money and were unable to reinvest in capacity addition.

Government's pragmatism

We believe that this politically-inspired intervention in cane pricing might have lived out its utility. There are four reasons for this.

Firstly, the Indian Government is pro-business from a holistic perspective, convinced that enhanced mill viability will inevitably translate into higher farmer prosperity in a market-linked environment.

Secondly, the Indian Government has recognised that cane pricing and mill viability play a string role in the country's agricultural prosperity; the greater the win-win proposition – as opposed to a long-standing perspective of win-lose – the better for the farmer, the miller, the consumer and the country.

Thirdly, the Indian Government has demonstrated its sector-strengthening commitment through timely interventions; this Government is business-like, moves with speed and is able to see every issue presented from a holistic perspective.

Fourthly, we have a rare alignment in sectoral policy following the election of a new Government in Uttar Pradesh, which is of the same political affiliation as the Central Government. Thereby, we see a pass-through in sectoral direction and encouragement; for once, the dynamism of the Indian Government is being mirrored in the State Government's body language; for once, the two Governments are not arbitrating on separate issues of cane pricing and sugar realisations; they are on the same policy page.

With this in view, I believe that the Indian sugar sector is at the cusp of a new era.

Performance

FY 2016-17 was a year marked by diverse realities. On the one hand, the cane crop was affected on account of climatic reasons in Maharashtra and Karnataka. While it is reasonable to believe that all the Indian states would largely mirror an underlying trend, the season under review was different. Uttar Pradesh performed exceedingly better for climatic and cane management reasons. Most mills in Uttar Pradesh reported higher sugar production not only because of an increase in planting but an increase in recoveries, which enhanced output on the one hand and moderated costs on the other. When decline in national sugar output increased sugar realisations, mills in Uttar Pradesh benefited handsomely on account of higher revenues (from output and increased marketplace realisations) and lower costs. This explains why Dhampur Sugar reported its best year in FY 2016-17, the benefits of which are likely to spill into the first half of FY 2017-18.

From what we have explained, it would appear that the improvement in our performance was largely on account of reasons external to the Company. This would not be a fair reading of the reality; Dhampur Sugar was able to capitalise effectively on the sectoral rebound because of its patient cane management that had proactively commenced during the gloomy days of the sectoral slowdown in anticipation of better days ahead.

During the course of the last three years, the Company identified certain factors clearly: for example, more profits could be generated in our command areas than within our manufacturing facilities. The reasons for this observation were the introduction of a new early-maturing cane variety. The Company was faced with a choice of whether to focus on in-plant activities or invest in business development through the propagation of this new variety? The challenges were considerable; a number of farmers refused to entertain the prospect of shifting from one cane variety to an untested version.

Our performance ambition

- Proactive responsiveness to changes in sugar price, demand, exports and domestic supply
- De-leveraging the Balance Sheet through debt prepayment and repayment
- Increasing utilisation of Dhampur Sugar's various capacities, strengthening profitability
- Initiating process improvements that makes it possible to enhance recovery and moderate costs
- Aiming at increasing coverage of early maturing cane varieties, enhancing yield and recovery

The Dhampur Sugar team worked extensively in educating farmers on the benefits of this new variety, demonstration in the Company's proprietary farms and showcasing the higher returns that they could potentially generate from their farm investments.

We are pleased to state the benefits of this perseverance. Dhampur Sugar crushed 12% more cane than in the previous year; the Company generated an average consolidated recovery of 10.94% when compared with the previous year; the Company generated a 16.5% increase in sugar output in FY 2016-17 over the previous year; average sugar realisation climbed from ₹26.67 per kg in the previous year to ₹35.90 per kg in FY 2016-17.

Outlook

The one question that most shareholders and analysts have been asking us is our prospective capital allocation strategy, now that the Company reported a cash profit of ₹221.83 crore in FY 2016-17.

At Dhampur Sugar, we believe that an opportunity to right-size our Balance Sheet after only one year during a sectoral up-cycle is a rare phenomenon. The Company does not intend to wait; our strategy is to reduce our long-term debt through accelerated repayments that make it possible to de-leverage our Balance Sheet. We believe that this would initialise a virtuous cycle; lower debt on the books could translate into a superior credit rating, which, in turn, should make it possible to renegotiate short-term debt at lower costs, strengthening our margins and surplus.

We must also take this opportunity to assure our shareholders that the priority of the day is not to rush headlong into a greenfield expansion. The management of our company would rather widen and deepen its cane management, consume its operating leverage, de-bottleneck existing capacities and enhance capacity utilisation.

We must take this opportunity to draw attention to an area that will warrant greater management attention. In terms of environment, health and safety, we have always been proactive. All mandatory requirements of the Government have always been stringently implemented across all our business segments and locations. The Company intends to strengthen this commitment; it has placed orders for new boilers to combust effluents, which are likely to be installed in the Q2 of 2017-18. We believe that with this competitive edge, our business will not only gravitate to the largest, quickest and thriftiest but also to the safest and most responsible.

As an extension of this aspect of environmental responsibility, we believe that the Indian Government will revise ethanol prices upwards to enhance remuneration in the manufacture of these products, making onward blending with automotive fuel easier. Due to the proactive policies of the Government, we believe that India is well on track to achieve its desired ethanol blending target in the next few years.

On the overall, we believe that the sugar industry is headed for better days. Even as the business may retain its cyclicality, the impact will be less severe and shorter, making it possible for the sector to report larger surpluses, validating its position as the cornerstone of India's agricultural prosperity.

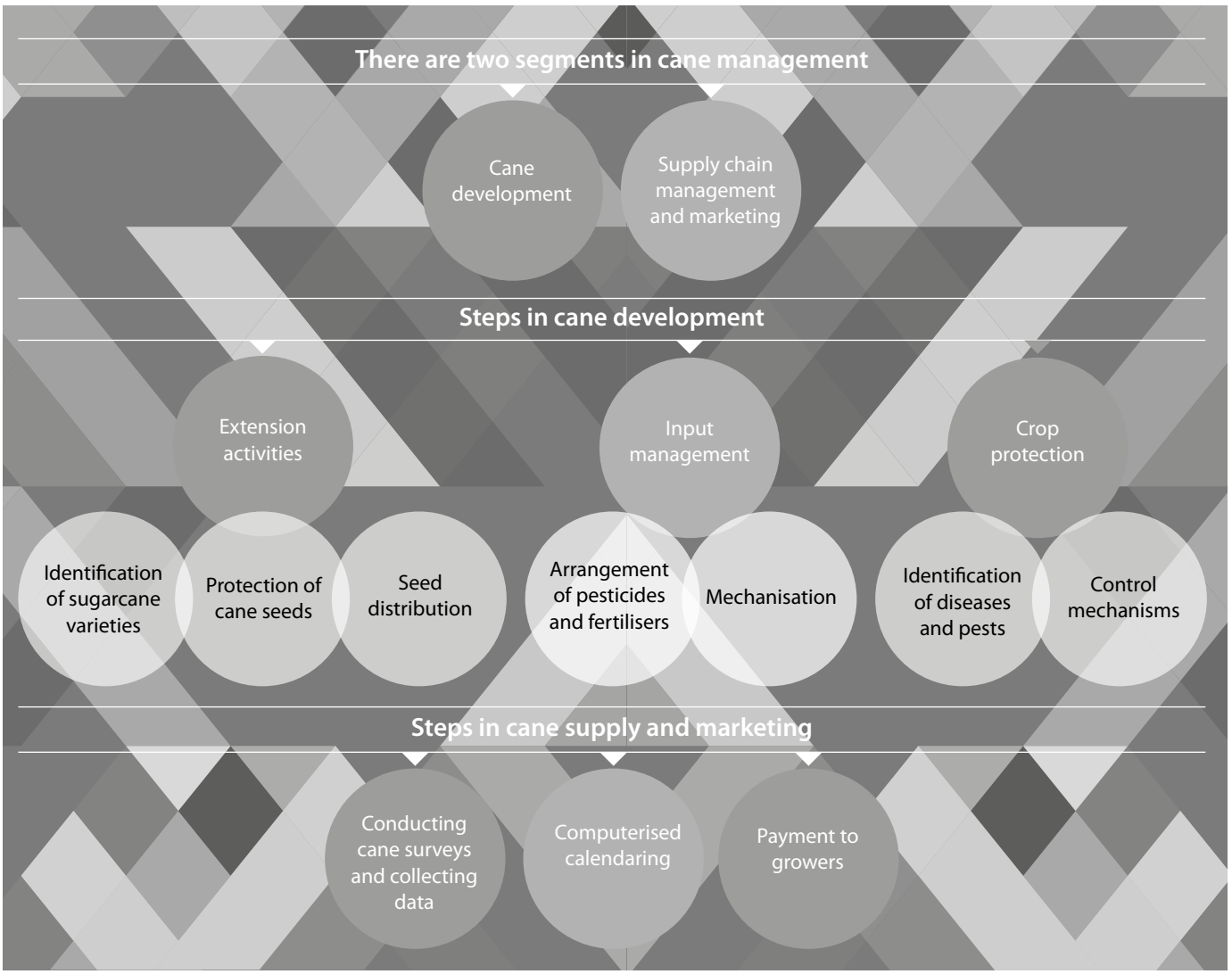
Gaurav Goel and **Gautam Goel,**
Managing Directors,
Dhampur Sugar Mills Limited

Dhampur Sugar. Breaking stereotypes...

Dhampur Sugar's cane management story

The conventional understanding is that cane management is a routine activity within sugar companies, the responsibility of cane growers and marked by negligible room for sugar manufacturers to transform long-standing planting realities.

Dhampur Sugar took a contrarian perspective a number of years ago, convinced that an active cane engagement could transform transactions into relationships, strengthen resource availability, enhance farmer incomes, strengthen corporate profitability and revitalise India's rural economy.



37.54
Cane crushed, FY 2011-12 (lac tonnes)

54.19
Cane crushed, FY 2016-17 (lac tonnes)

1.5
Number of farmers engaged, FY 2011-12 (in Lacs)

Soil testing: The growing agricultural challenge in India is to protect soil fertility and prevent terrain fatigue. Dhampur Sugar Mills Limited has responded to this reality through Integrated Nutrient Management. The Company's unique approach comprises the deployment of eco-friendly materials and processes, including the use of by products (press mud and boiler ash) generated from the manufacture of sugar, protecting soil quality and crop health.

Farmer management: Another challenge for most sugar manufacturing companies is the need to address farmers within a large command area, making it possible to procure cane systematically. Too large a quantity at the factory gates, which could moderate sucrose content, is not welcome; neither is inadequate line-up at the factory gate as it could affect factory utilisation. Dhampur Sugar Mills Limited enjoys the advantage of compacted command areas; the Company's command areas are located within a diameter of about 25-30 kilometres around each of its sugar factories. Over the years, the Company has differentiated its cane management approach through the creation of a dedicated cane management team comprising cane managers responsible for enhancing farmer throughput.

Over the years, the cane management team has played an impactful role, strengthening the Company through the following initiatives:

- A daily staff meeting on farm realities and proposed counter-initiatives
- Fortnightly engagements between officers and farmers to enhance familiarity with ground conditions.
- Training programs for farmers around modern agricultural practices (use of fertilisers and irrigation methods) through engaging audio-visual formats.

Supply chain management: The challenge in aggregating cane output from thousands of farmers at a particular factory within the space of a few months maximises the importance of supply chain management – neither too much should be available for crushing and neither too little at any given time. At Dhampur Sugar, we conduct extensive farm surveys that indicate the coverage of cane across every farm, the time of planting and the estimated time of harvest. This insight prepares the foundation of an extensive calendar indicating the quantity of cane to be delivered from a particular, farm keeping in mind the distance from the nearest Dhampur Sugar factory. Over the years, the efficiency of this supply chain has translated into a growing proportion of cane being crushed within 24 hours of harvest, enhancing recovery.

Model plots: In the area of cane management where it is critical to convince farmers about the selection of productive cane varieties and superior agricultural practices, seeing is believing. Over the years, Dhampur Sugar has commissioned model demonstration plots associated with each of its five sugar factories. Each year, the Company develops more than 1000 model plots to showcase efficient cane cultivation methods. Besides, the Company's research and development team having best and experienced person works closely with farmers in enhancing cultivation confidence. In addition to can planting advice, the team encourages farmers to grow inter-crops (cane is grown at a distance of 4 to 6 feet in single or multiple rows to enhance revenues.

Result

The effectiveness of the Company's cane management practices is evident in the numbers – increased cane crushing (implying a growing access to cane), enhanced yields and increased recoveries. In turn, this extensive improvement in cane management has strengthened operational efficiency, increasing margins beyond what would normally have been warranted by increased sugar realisations.

How Dhampur Sugar helped transform Bhushankar's destiny

Bhushankar is a cane grower with a farm near Dhampur Sugar's Rajpura sugar unit. He grew cane on a small area of his farm. He was unsure about the sectoral cyclicality. Dhampur Sugar's cane management team enhanced his confidence. The team invited him to the Company's model demonstration plot to educate him about the latest cane planting techniques. With this help, Bhushankar increased his cane plantation area to 10 hectares; he introduced inter-cropping. As a result, his cane yield of about 50 tonnes per hectare increased to 100 tonnes per hectare in FY 2016-17, transforming his farm's viability – and his destiny.

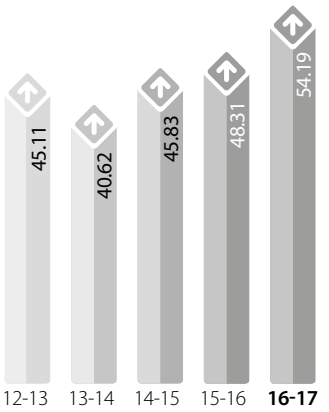
1.9
Number of farmers engaged, FY 2016-17 (in Lacs)

9.23
Average recovery (%), FY 2011-12

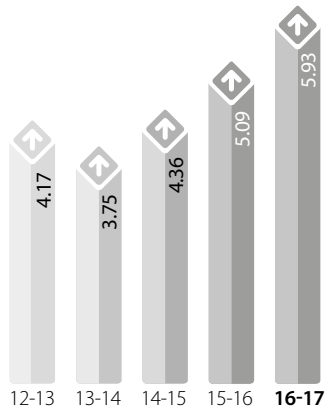
10.94
Average recovery (%), FY 2016-17

Dhampur Sugar's five-year progress

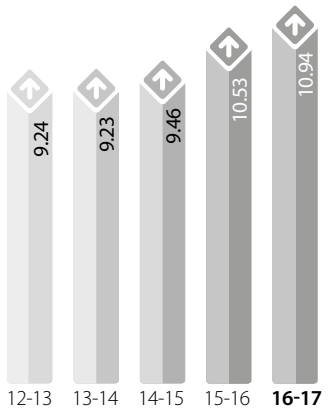
PRODUCTION GROWTH



Sugar cane crushed
(lac tonnes)

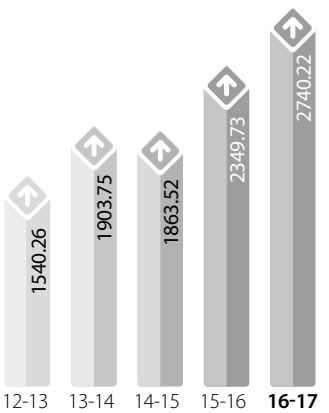


Sugar produced
(lac tonnes)

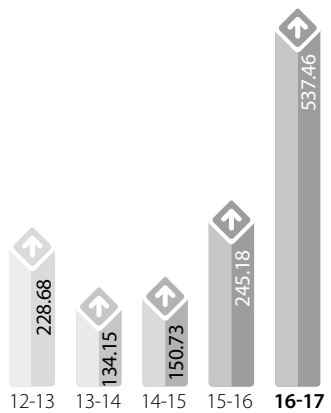


Sugar recovery
(%)

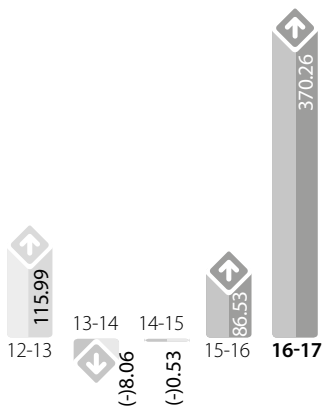
FINANCIAL PROGRESS



Income from operations
(₹ crore)



EBITDA
(₹ crore)

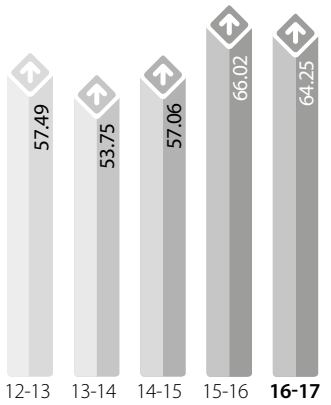


Cash profit
(₹ crore)

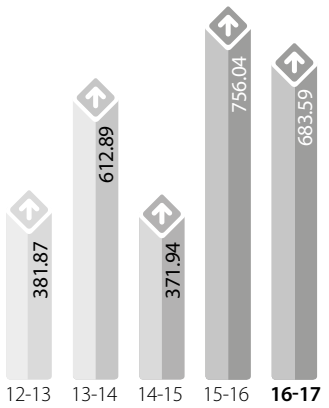
Strength of our numbers

Key financial ratios

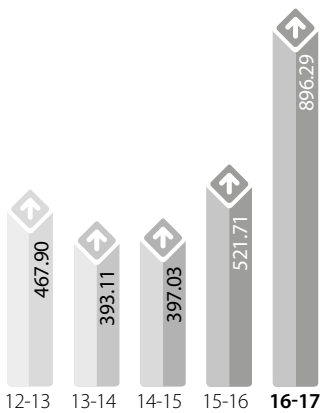
	2012-13	2013-14	2014-15	2015-16	2016-17
Raw material costs/ Total turnover (%)	69%	79%	78%	77%	66%
Overheads/ Total turnover (%)	29%	26%	25%	22%	22%
PBDIT/ Total turnover (%)	15%	7%	8%	11%	21%
Interest/ Total turnover (%)	8%	8%	8%	7%	6%
Interest cover (times)	2.03	0.94	1.01	1.55	3.21
PBDT/ Total turnover (%)	8%	15%	0%	4%	14%
Net profit/ Total turnover (%)	2%	-4%	-1%	1%	9%
Cash profit/ Total turnover (%)	8%	0%	0%	4%	14%
Capital output ratio [Turnover/ Average capital employed] (%)	164%	180%	176%	177%	170%



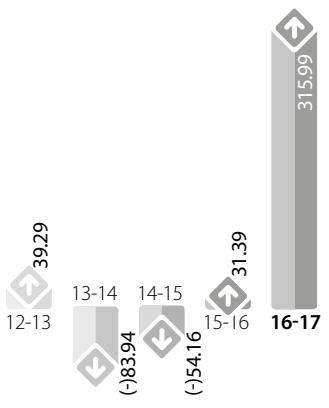
Power generated
(crore units)



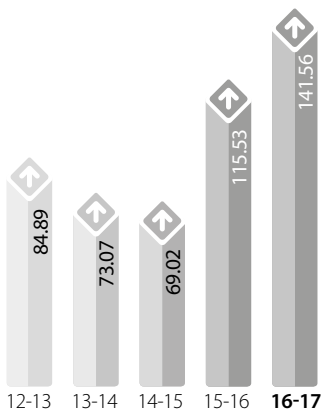
Ethanol/RS/ENA produced
(lac litres)



Gross profit
(₹ crore)



Profit (Loss) before tax
(₹ crore)



Book value per share
(₹)

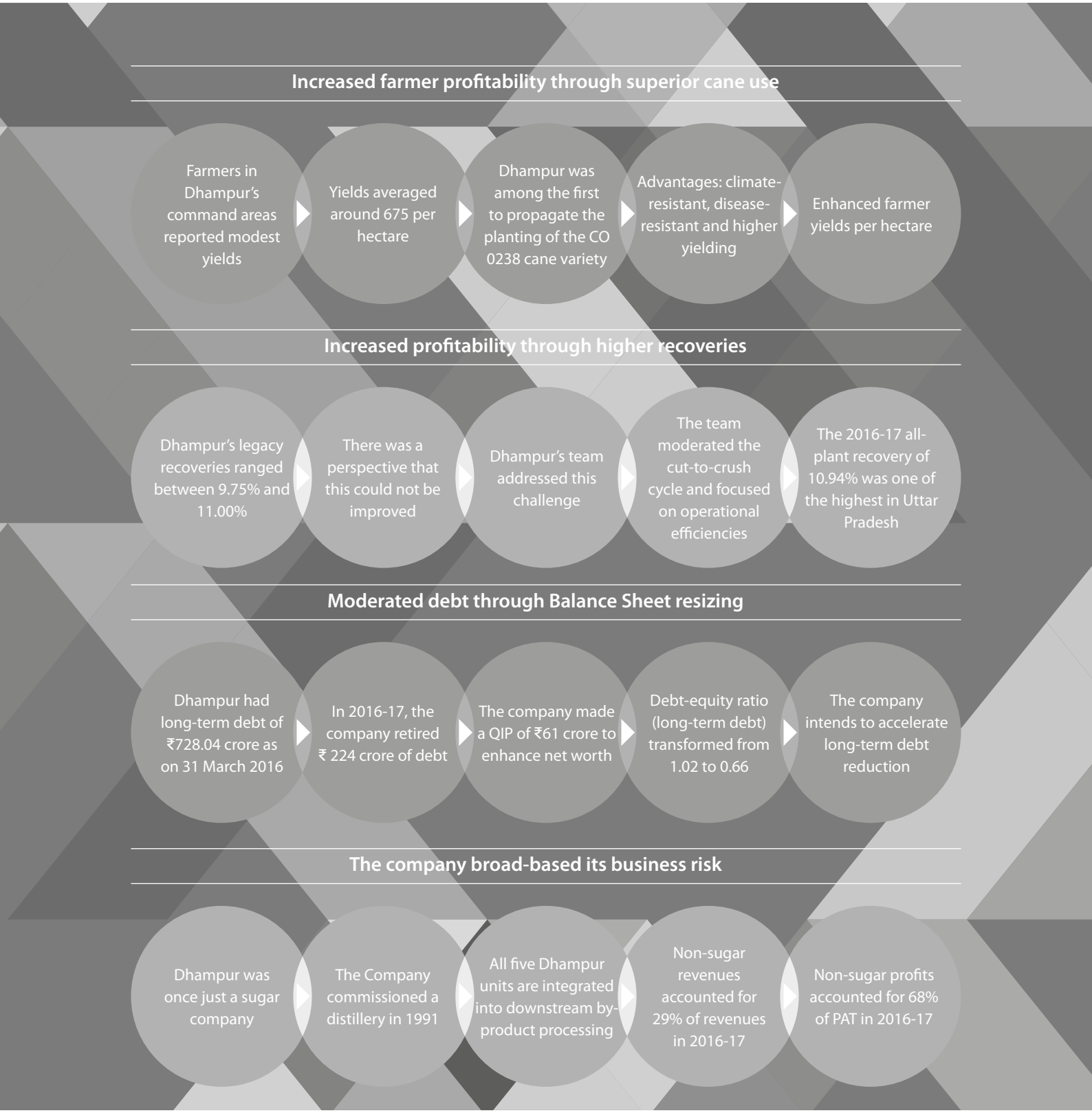
Balance sheet ratios

	2012-13	2013-14	2014-15	2015-16	2016-17
Debt-equity ratio	2.95	3.01	3.80	2.33	2.04
Inventory turnover (days)	322	244	248	204	207
Current ratio	0.88	0.83	0.85	0.84	1.00
Quick ratio	0.13	0.12	0.22	0.18	0.21
Asset turnover [Total revenue/ total assets]	0.56	0.67	0.59	0.71	0.77

Growth ratios

	2012-13	2013-14	2014-15	2015-16	2016-17
Growth in turnover (%)	-3%	23%	-2%	26%	16%
Growth in PBDIT (%)	10%	-41%	12%	63%	119%
Growth in PAT (%)	-23%	-445%	-84%	302%	815%
Growth in cash profit (%)	3%	-107%	-93%	16426%	145%

How Dhampur Sugar transformed realities



The strengths that we bring to our business

Brand of a pioneer

Dhampur Sugar is one of the leading sugar manufacturers in Uttar Pradesh with a heritage of more than eight decades. The Company's pioneering brand is one of the first to embrace forward-looking practices. The Company was among the first to commission a sugar refinery to launch sulphur-less sugar in consumer packs; it was among the first to commission state-of-the-art bagasse dryers and multi-fuel high pressure boilers (105 kilograms per square centimetres and 170 tonnes/hour capacities); it was among the first in India's sugar sector to engage in the downstream processing of by-products (bagasse leading to co-generation and molasses processing leading to ethanol production), strengthening its de-risking (now a sectoral norm).

Location

Each of Dhampur Sugar's sugar manufacturing units are located in the cane-rich belt of Western Uttar Pradesh characterised by rich topography, adequate sunshine and abundant rainfall – just the ingredients required for robust cane production. The Company's command areas are located around its sugar factories, moderating logistic costs. The farmers in the Company's command areas are progressive and open to farm mechanisation and modernisation. Some of the recoveries reported by the Company's factories have been among the highest recoveries reported across sugar mills in Uttar Pradesh.

Scale of integration

Dhampur Sugar is virtually three companies in one. The Company extended from the manufacture of sugar to ethanol manufacture as early as 1991; the Company utilised bagasse to co-generate power as early as 1997. The Company thus diversified its revenues, avoiding a singular dependence on sugar by investing scale in each of these business segments. The Company's co-generation capacity of 209 megawatts is one of the largest in India's sugar industry; the Company's ethanol capacity of 300000 kilolitre per day is also one of the largest in India's sugar sector.

Extent of integration

Dhampur Sugar's strength is derived from the extent of integration: the capacities of its downstream by-product processing units have been adequately balanced with its core cane crushing capacity. The result is that the Company is not over-invested in any of its core or downstream capacities; the Company generates a high overall throughput of sugar, ethanol and power from a stick of cane. This balancing also ensures that the Company does not need to procure molasses from the open market to feed its ethanol capacity, nor does it need to market surplus molasses in the open market in the absence of adequate ethanol manufacturing capacity, resulting in a superior return on assets invested in the business.

Annuity revenues

In a cyclical business, Dhampur Sugar invested in co-generation reinforced by a power purchase agreement with the Uttar Pradesh Government. The Government's power sales have been secured by a long-term purchase agreement that provides for predictable and pre-agreed tariffs from the Government. This agreement has enhanced the Company's revenue predictability and visibility in a sector that is largely driven by variables and cyclicality. The proportion of revenues derived from co-generation was 13.40% during the year under review; the quantum of revenues derived from this business increased from ₹333.88 crore in 2011-12 to ₹447.20 crore in FY 2016-17.

Farmer relationships

The core of Dhampur Sugar's competence has been derived from the strength of its farmer relationships (more than 19,000 farmers). The Company is recognised as progressive, inspiring farmers to collaborate in enhancing cane output, graduating towards superior cane varieties and embracing better agricultural practices. The Company is recognised as credible with a timely payments record, resulting in comfortable farmer liquidity. This result is reflected in higher cane crushing in the last decade, creating a robust foundation for not only enhanced sugar manufacture but also in the generation of a larger throughput to feed its downstream businesses.

Balance Sheet

Dhampur Sugar possesses one of the most credible Balance Sheets in Indian sugar industry. The Company possessed a gearing (factoring long-term debt) of 618.20 as on 31 March 2017 (declining from 728.04 as on 31 March 2016). The Company possessed a net worth of ₹939.78 crore at the close of the last financial year. The Company's EBIDTA margin was among the highest in India's sugar sector. The Company's average cost of debt (long-term and short-term combined) declined correspondingly, interest cover strengthened from ₹158.65 to ₹167.20 during the year as against the earlier under review. We believe that this Balance Sheet and ongoing sectoral profitability also provide the company with the opportunity to de-leverage, strengthening business sustainability.

How our strengths have translated into enhanced shareholder value

Revenues

₹ crore, 2012-13:
1540.26
₹ crore, 2016-17:
2608.16

CAGR %, four years
12.21

The company and the players in the nation who grew their revenues in the last four years at a rate higher than India's sugar sector (as measured by the quantum of sugar produced).

Profit after tax

₹ crore, 2012-13:
22.71
₹ crore, 2016-17:
236.70

CAGR %, four years
43.24

The company grew its profit after tax through one of the most challenging periods in India's sugar sector in the last seven years.

Gross block

₹ crore, 2012-13:
1642.74
₹ crore, 2016-17:
2295.84

CAGR %, four years
6.92

The company invested selectively in its assets through the course of the last sectoral slowdown, reflected in capacity de-bottlenecking and focused investments generating returns higher than the overall corporate profitability average.

Market capitalisation

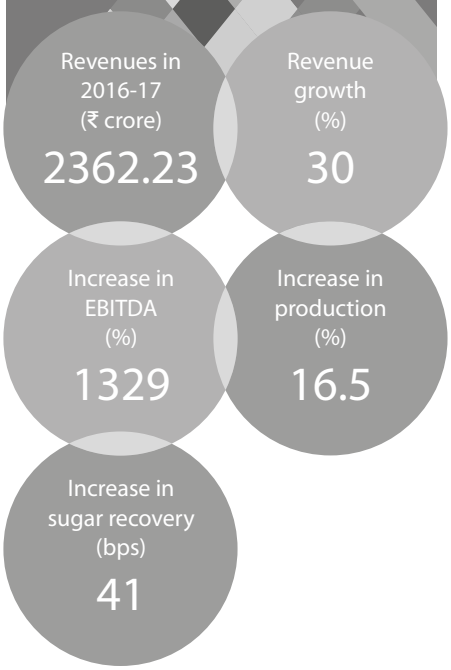
₹ crore, 2012-13:
245.45
₹ crore, 2016-17:
1440.94

CAGR %, four years
42.46

The Company's business credibility, strategy and sectoral outperformance were rewarded by the secondary capital markets in India through increased market capitalisation. This appreciation compared favourably with the 57% appreciation in the Bombay Stock Exchange (Sensex) during this period.

Business review

Sugar



How efficient cane management benefited Dhampur Sugar

- Increased yield and recovery, enhancing output and margins – a double-impact.
- Environment benefits from Integrated Nutrient Management, enhancing farm productivity
- Superior cane quality derived from farmer education

Dhampur Sugar is among the largest Indian sugar manufacturing companies by volume, possessing a cane crushing capacity of 45,500 tonnes.

The Company has progressively enhanced its manufacturing scale through acquisitions or the greenfield commissioning of sugar manufacturing facilities coupled with periodic capacity expansions in each. The result is that the Company's largest plant possesses cane a crushing capacity of 150000 tonnes of cane per day while its smallest factory possesses a capacity of 50000 tonnes per day, enjoying attractive economies of scale translating into superior operating efficiencies.

The Company has reinforced its manufacturing capability through proactive investments in cutting-edge technologies. This has translated into enhanced operating efficiency and environment compliance.

The Company also established itself as a forward-looking manufacturer through the production of refined sugar that is packaged and branded (brand Dham*pure*), strengthening corporate recall. The Company possesses refined sugar capacity of 1,700 tonnes per day.

The Company's principal strengths in the sugar business are derived from the location of sugar factories in cane-rich western Uttar Pradesh, a region marked by a rich culture of cane cultivation on the one hand and progressive agricultural practices among cane growers on the other. Besides, the command areas where the Company works are within a radius of 30 kilometres of its sugar units, moderating logistic costs and enhancing recovery on account of a lower transportation time to reach harvested cane to the factory. The strength of the Company and farmer relationships have been reflected in mutual trust, generating a growing availability of cane, serving as a robust foundation of its multi-business sustainability.

Highlights, 2016-17

- The quantum of cane crushed increased by 12.16% from 48.31 lac tonnes in FY 2015-16 to 54.19 lac tonnes in FY 2016-17. The Company's sugar sales increased by 30% from ₹1814.65 lac in FY 2015-16 to ₹2362.23 lac in FY 2016-17.
- The Company succeeded in enhancing coverage of the early maturing cane variety across its command areas during the year under review.
- The extensive use by farmers of the early maturing cane variety and favourable weather conditions helped increase sugar recoveries from 10.53% in FY 2015-16 to 10.94% in FY 2016-17 – the increased recovery generated an incremental 2222 tonnes of sugar.

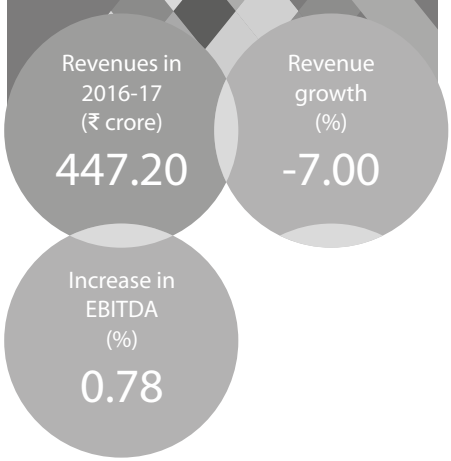
Outlook

The Company expects to enhance area under cane cultivation during the year under review, maintaining the increase in sugar output and broad-basing its resource foundation for the sustainable growth of its downstream sectors.

The Company intends to increase operational (cane crushing) days in FY 2017-18, enhancing capacity utilisation and related efficiencies.

Business review

Co-generation



Dhampur Sugar commenced co-generation two decades ago with the singular objective to enhance the monetisation of the bagasse generated from sugar manufacture.

The advantages of the business are considerable: superior monetisation of captively-generated resource, eco-friendly alternative to fossil fuel-derived power, corresponding tax and depreciation advantages as well as the pre-sold nature of the product (marketed to the state electricity board against a pre-determined tariff with a provision for periodic tariff increases).

Dhampur Sugar exported 61% of the power generated to the state electricity grid while 39% was used for captive consumption.

The Company's co-generation business was raised to 209 megawatt by the close of FY 2016-17. The Company's co-generation capacity is one of the largest within the Indian sugar sector.

Highlights, 2016-17

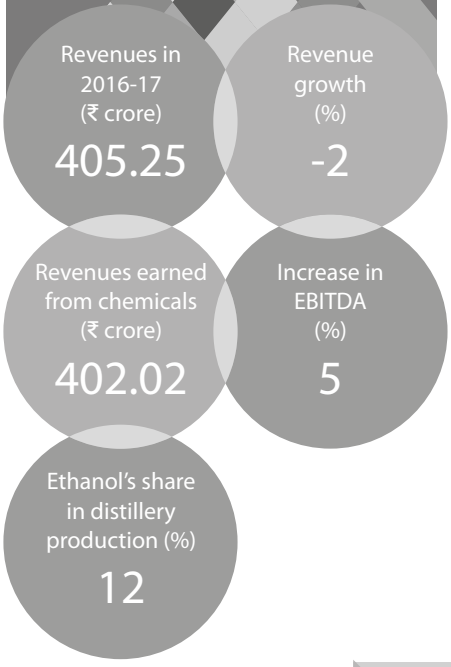
- Revenues generated from co-generation stood at ₹447.20 crore, contributing 13% to the Company's overall revenues as against ₹478.88 crore contributing 15% of the company's overall revenues.
- Power generation and supply was lower due to maintenance in our plants; the reduction in power supply was compensated to some extent by increased power tariff of ₹0.04 per unit.
- The Company exported 61% of the power generated.

Outlook

The Company will endeavour to sweat its assets at their optimal level during the coming financial year.

Business review

Distillery



Dhampur Sugar ventured into the downstream processing of molasses through its distillery segment with an installed capacity of 300000 litres per day.

In addition to producing ethanol, the distillery also manufactures rectified spirit, ENA, special denatured spirit and ethyl acetate.

The Government's emphasis and support provided to the ethanol blending program strengthened optimism related to the appetite for increased volumes of oil marketing companies in the country and prospective utilisation of the Company's capacity.

Highlights, 2016-17

- The Company bid for fewer ethanol supply contracts due to a reduction by the Government in the selling price for ethanol. This reduction was compensated by increased chemical production to the extent of approximately 10%.
- Even as the product mix changed, the division continued to remain profitable.
- Distillery revenues were ₹405.25 crore in FY 2016-17, contributing 12% to the Company's overall revenues.
- Average realisation per litre based on the evolved product mix was ₹41.06 compared to ₹41.64 in the previous year.

Outlook for 2017-18:

- Focus on maximising production having better margin
- Meet ethanol demand as per stipulated time-lines
- Focus on maximising production of ethanol, thereby enhancing per unit margin

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. The year was marked by the United Kingdom's decision to exit the European Union and the election of Donald Trump as the American President. Within advanced economies, comprising the US, Europe and Japan, a protracted monetary policy support and return to fiscal neutrality underpinned a generally-accelerating output. In countries outside the advanced economies, the sources of slower growth comprised commodity price declines, overhangs from erstwhile credit growth and political turmoil.

Global growth was 3.1% in 2016, the forecast revised downwards by 10 bps for 2017 compared to the April 2016 projections. Long-term prospects of emerging market economies improved following a decline in interest rates in advanced economies and firming commodity prices.

Asia and India demonstrated robust growth. The currencies of advanced commodity exporters have also strengthened, reflecting the firming of commodity prices; however, several emerging market currencies depreciated substantially.

Economic growth

	2016	2017	2018 (E)
Global economy	3.1%	3.4%	3.6%
Advanced economies	1.6%	1.9%	2.0%
Emerging market and developing economies	4.1%	4.5%	4.8%

Source: IMF

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 may strengthen the case for resource-rich economies in 2017.

World growth is expected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018, driven by stronger economic activity, expectations of robust global demand, reduced deflationary pressures and optimistic financial markets. *(Source: IMF)*.

Indian economic overview

The Indian economy slowed in 2016-17 to 7.1% from 7.9% in FY 2015-16, largely owing to the currency demonetisation in the third quarter of the financial year under review. However, the general undercurrent continued to be optimistic; India's consumer confidence index stood at 136 in Q4 2016, the highest in the world.

India retained its position as the fastest growing major economy in the world catalysed by strong consumption growth and enhanced government spending.

Inflation declined on account t of a decline in food inflation. This facilitated a 50 basis points rate cut by the RBI in 2016-17. A declining vulnerability on the external and fiscal front and fiscal consolidation by the government enhanced investor confidence that translated into record net foreign exchange inflows.

The year under review was also marked by the government's demonetisation initiative and the preparatory work related to the introduction of the goods and services Tax (GST). While the first initiative

focused on eliminating the parallel economy, the second is expected to transform the country's taxation structure.

India optimism story

Even as foreign direct investment into India steadily increased from approximately USD 24 billion in calendar year 2012 to approximately USD 46.4 billion in calendar year 2016, it accounted for only approximately 2% of India's GDP in 2015. The relaxation of foreign investment caps cover insurance firms (from 26% to 49%), military contractors (from 49% to 100%), and real estate companies (regardless of size), making India a preferred investment destination.

India's inflation declined to 5%–6% since 2014, softening interest rates and strengthening consumer sentiment. India's youth literacy levels have increased from 81.1% in 2006 to 89.7% in 2015.

The gross enrolment ratio for tertiary education increased from 11.5% in 2006 to 23.9% in 2013. *(Source: UNESCO)*

Outlook

India's growth is projected to be among the fastest growing global economies between 2016 and 2020; the country is projected to emerge as the third largest economy in the world by 2030, its GDP approximately trebling to USD7 trillion by 2030. Normal monsoons, reduced commodity prices, governmental policies and moderating inflation are expected to accelerate India's economic growth over the medium-term. The Asian Development Bank expects the Indian economy to grow at an accelerated 7.4% in 2017-18 and 7.6% in 2018-19, retaining its position as the world's fastest-growing major economy. *(Source: IMF, World Bank, RBI, IBEF)*

	2013	2014	2015	2016	2017 (E)
GDP (USD trillion)	1.92	2.04	2.11	2.26	2.30
Real GDP growth (%)	6.6	7.2	7.6	7.6	7.2
Inflation (%)	10.9	6.4	5.9	5.0	4.9
Exchange rate against the dollar	58.6	61.0	64.1	67.2	64.6

(Source: Euromonitor; IMF)

Global sugar industry

After three years of decline, sugar production finally grew during the 2016-17 extracting season*. According to Statista, global production in 2016-17 reached 170.9 million metric tonnes, an increase of 5.1 million metric tonnes from 2015-16. Improved output in Thailand, China and Brazil brightened prospects for the vertical. However, the production deficit is still expected to be a sizeable 5-6 million metric tonnes. Also, expectations of a marginal surplus in 2017-18 reduced prices slightly.

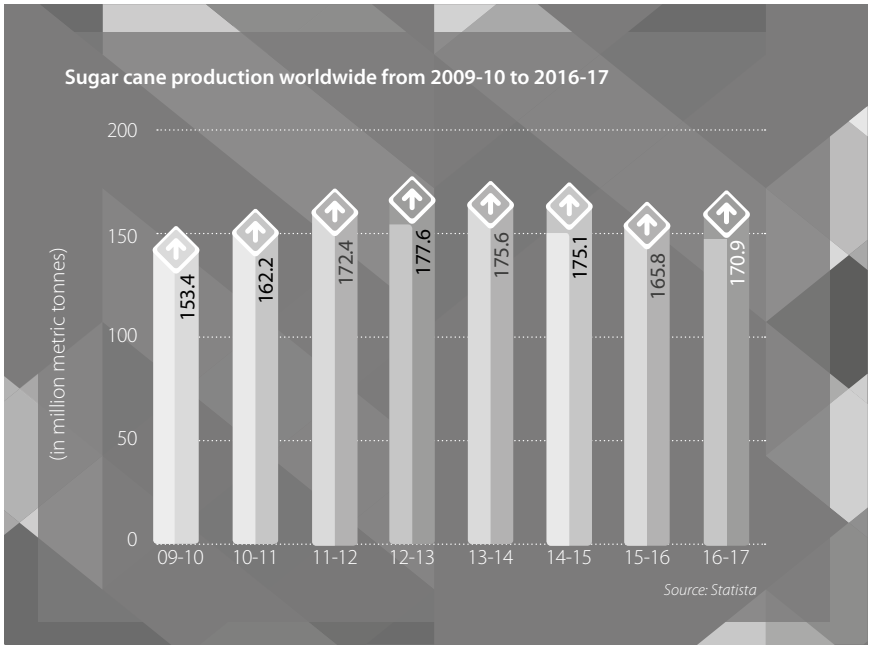
India's growth drivers

Millennial population: India's consumption story is expected to be shaped by its 440 million millennials and 390 million Gen Z (born after 2000). The sheer size of India's youth could make way for sustained growth in purchasing power.

Demographic dividend: India's workforce is estimated at the second largest in the world comprising 860 million 15–64 year-olds accounting for approximately 66% of the total population. India is expected to overtake China to have the world's largest workforce by 2026, potentially driving a larger consumption of paper. *(Source: Oxford Economics)*

Growing middle-class: The Indian middle-class population is estimated to have doubled from 300 million in 2004 to 600 million in 2012. Half the nation's population of 1.3 billion is estimated in the middle-class range, the biggest driver of economic growth.

Per capita incomes: As per the second advance estimates of National Income, the per capita net national income during 2016-17 is estimated to be around ₹103,818 compared to ₹94,178 in 2015-16. This indicates an increase of 10.2%, strengthening consumer spending.



Brazil: As per UNICA, cane crushing in Brazil ended on 31March 2017, the total cane crushed amounting to 607.14 million tons, down 1.71% compared to the previous year. The total number of mills operating at the end of March 2017 was 83 compared to 137 in the previous year. Despite a decline in the cane crushed, sugar production for 2016-17 marketing year (April – March) was 35.63 million tonnes, about 14.11% higher than the previous marketing year largely due to a 1.94% improvement in raw material quality and a keener sugar emphasis over ethanol. According to CONAB, Brazil is expected to produce 35.5 million tonnes of sugar in 2017-18 marketing year.

China: China is pegged to increase its sugar output by 13.79% to 9.9 million tonnes during the current sugar season. Its yearly sugar consumption is expected to stay at ~15 million tonnes and thus the sector's viability will depend largely on imports.

Thailand: Thailand, the second-largest exporter of sugar in the world, faced a decline in sugar output due to El Nino-led droughts wreaking havoc throughout the country. Consequently, the output is estimated to decrease by 3.1% to ~9.4 million tonnes.

Extracting seasons of sugar 2016-17 for the four biggest producers:

- **Brazil:** April 2016-March 2017
- **India, China, Thailand:** October 2016-September 2017

(Source: Reuters, CCM Market Intelligence, CNC Chemicals)

Global sugar industry price trends

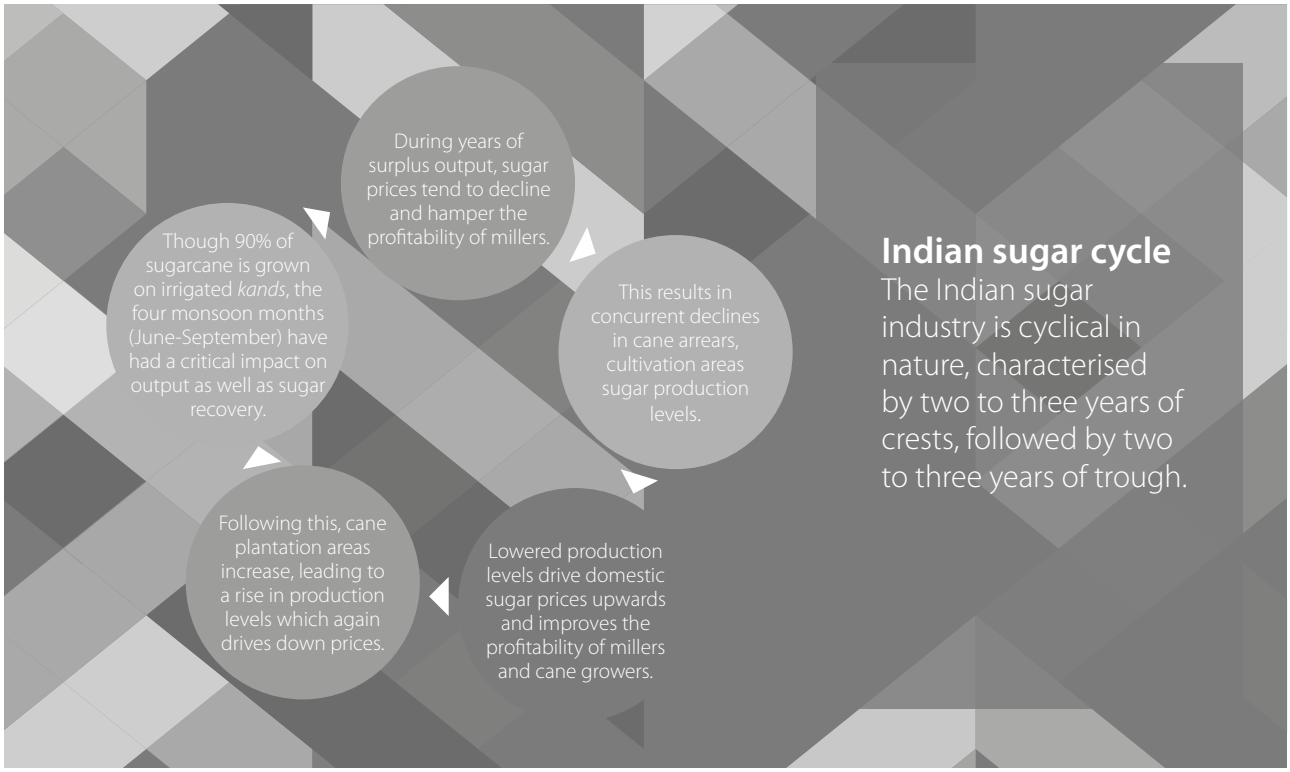
Unfavourable weather eroded sugar output across major geographies causing a sizeable deficit in 2015-16. Finally, sugar prices rebounded during January 2016 after a period of over seven years. After a marginal decline in February, the price uptick continued during the months of May (USD 480 per metric tonne), June (USD 530 metric tonne) and July (USD 540 per metric tonne). It dipped marginally again in August, before peaking at USD 595 per metric tonne in October 2016 a four-year high. While prices have come under significant pressure thereafter, they still remain strong. This has been because of the fact that the global deficit for 2016-17 was not as significant as anticipated earlier. Global Prices are expected to stay under pressure during 2017-18. *(Source: USDA)*

Indian sugar industry

The past few years have seen ups-and-downs in the sugar industry in India. In 2013-14, sugar production reached a high of 28.3 million tonnes. The production fell to 25.1 million tonnes in 2015-16 and is expected to hit a seven year low at 20.3 million tonnes in 2016-17, mainly due to two consecutive droughts. The government allowed a small quantity of imports at zero percent duty to meet possible marginal shortfall in supply. Production is expected to be enough to meet a domestic demand as well as leave a healthy balance for the next season.

During the 2016-17 sugar season, sugar production declined in Karnataka and Maharashtra but reached a record in Uttar Pradesh by the third week of April 2017 to 85.27 lac tonnes, breaking its previous highest record of 84.75 lac tonnes in 2016-17. There was also an increase in the cane-to-sugar recovery from 9.4% in 2006-07 to an estimated 10.6% in 2016-17. This contrarian performance in Uttar Pradesh was largely on account of a widening use of Co0238, a high-yielding cane variety. Even as this may be early to predict, ISMA has indicated that for the upcoming season (beginning October 2017), an increase in cane planting and adequate water availability could normalise cane production in Maharashtra and Karnataka, strengthening India's sugar output.

The UP sugar industry, with its 116 mills, is the backbone of the state's economy and supports 40 lac farmers and 2 lac labourers. Following the Uttar Pradesh election, the Chief Minister is expected to take active steps to enhance stability in the state's sugar industry, promising big investments. The new government also stressed that its commitment would be to double farm incomes and facilitate the opening of new mills through the following initiatives:



- Develop a just and a practical cane pricing policy that will ensure that the industry would be able to make timely cane payments and farmers get fair and remunerative cane payment on time.
- The above policy will also ensure that mills get bank loans easily.
- An end to the reservation policy of molasses stipulates that 25% of molasses be reserved for the country's liquor industry to benefit farmers as the industry would be in a better position to make cane payments on time.
- Action will be taken to ensure the timely payment of power dues from the UPPCL
- The Chief Minister advised each of the 116 mills in the State to adopt a village each year to be developed as a model village.

(Source: Livemint, IBEF, sugarnews.in , the Financial Express)

Indian sugar industry price trends

Sugar realisations have been trending upwards since August 2015 after reaching a low of ₹23,000 per metric tonne in July 2015. The Central Government's directives on mandatory exports in September 2015 and cane production subsidies in December 2015 bolstered the sector's ability to earn overseas revenues. Drought-like conditions in key geographies during SY2016 led prices to rise to ~₹36,000 per metric tonne in August 2016. In October 2016, prices rose to ₹36,200 per metric tonne, the highest in the past five years. Prices dipped slightly in the wake of the demonetisation in November 2016 to ₹35,500 per metric tonne. According to ICRA, although sugar prices are expected to remain steady in the near future, from a long-term perspective they would depend on the domestic sugar balance, international crude prices and governmental policies.

Demand drivers

Chocolates: India is emerging as the world's fastest growing chocolate market valued at ₹58 billion a couple of years ago and predicted to reach ₹122 billion by 2019.

Soft drinks: Indians consume about 5.9 billion litres of soft drinks per annum; the per capita consumption is about 1/20th of that of the US and 1/10th of that of Kuwait.

Confectionaries: Festivals, young consumers and urbanisation are driving the Indian confectionery market growth (expected to touch USD 2.2 billion by 2018).

(Source: Livemint, fnbnews, bharatbook)

Major factors affecting sugar realisations in India

Factor	Result	Impact on prices
Lowered acreage	Drop in cane cultivation areas in major sugar producing states due to droughts cause farmers to shift to other crops	Increase
Payment arrears	Pending payments result in farmers diverting to other crops resulting in reduced cane availability for the next crushing season.	Increase
Monsoon dependence	Any significant changes in production estimates resulting from poor monsoons can decrease inventory levels.	Increase
Increased consumption	Any increase in consumption levels leads to an overt dependence on sugar stocks.	Increase
Governmental policies	Governmental interventions to curb inflation usually stabilise sugar prices.	Decrease

(Source: ICRA, NBHC)

Governmental initiatives

Following the deregulation of the Indian sugar industry, the Fair and Remunerative Price (FRP) remains the only regulation which ensures that a farmer's income stays protected. 2014 onwards, the Central Government has undertaken a lot of policy interventions to strengthen the sugar industry, which was in a state of turmoil. Some of these include:

- Announcement of a soft loan with one year probation on loan payments. The mills took the loans but the payments went directly to the farmers. This provided them relief and infused much-needed liquidity into the sugar industry.

- To improve transparency and hasten information sharing, the Directorate of Sugar, operating under the aegis of the Department of Food and Public Distribution, has developed a web-based platform for online submission of information and inputs by mills on a monthly basis. This has brought in the much-needed transparency in the data management system of the sugar industry and has also provided an online window to the Central Government to keep a tab on stock utilisation levels of levy sugar for PDS and cane price arrears of sugar mills on fortnightly basis, among others.

The Central Government's ethanol blending programme has also been extremely helpful in reducing pollution levels, conserve foreign exchange and increase value addition. The blending targets have been increased from 5% to 10% under the Ethanol Blending Programme. Moreover, the procurement process of ethanol has also been streamlined and simplified. Suppliers supplying to OMCs had their exercise duties waived off for the 2015-16 fiscal.

Ethanol

India imports almost 70% of its annual crude petroleum requirement (approximately 110 million tonnes). India is using ethanol as a fuel additive to counter vehicular pollution and complete fuel combustion. India's ethanol demand is set to rise due to the government's mandatory blending directive. Ethanol production was around 1.12 billion litres in the sugarcane season 2015-16, about 65% higher than the 2014-15 season. Despite this growth, India faced an ethanol deficit of approximately 900 million litres at the end of 2016.

The sugarcane season 2016-17 could see a decline in ethanol production:

- Ethanol will attract an exercise duty of 12.5% which will have to be borne by the sugar mills, causing mills to divert molasses to the alcohol industry

- Oil marketing companies' procurement prices continue to be fixed while spirit manufacturers offer a free market price based on demand significantly higher than supply.

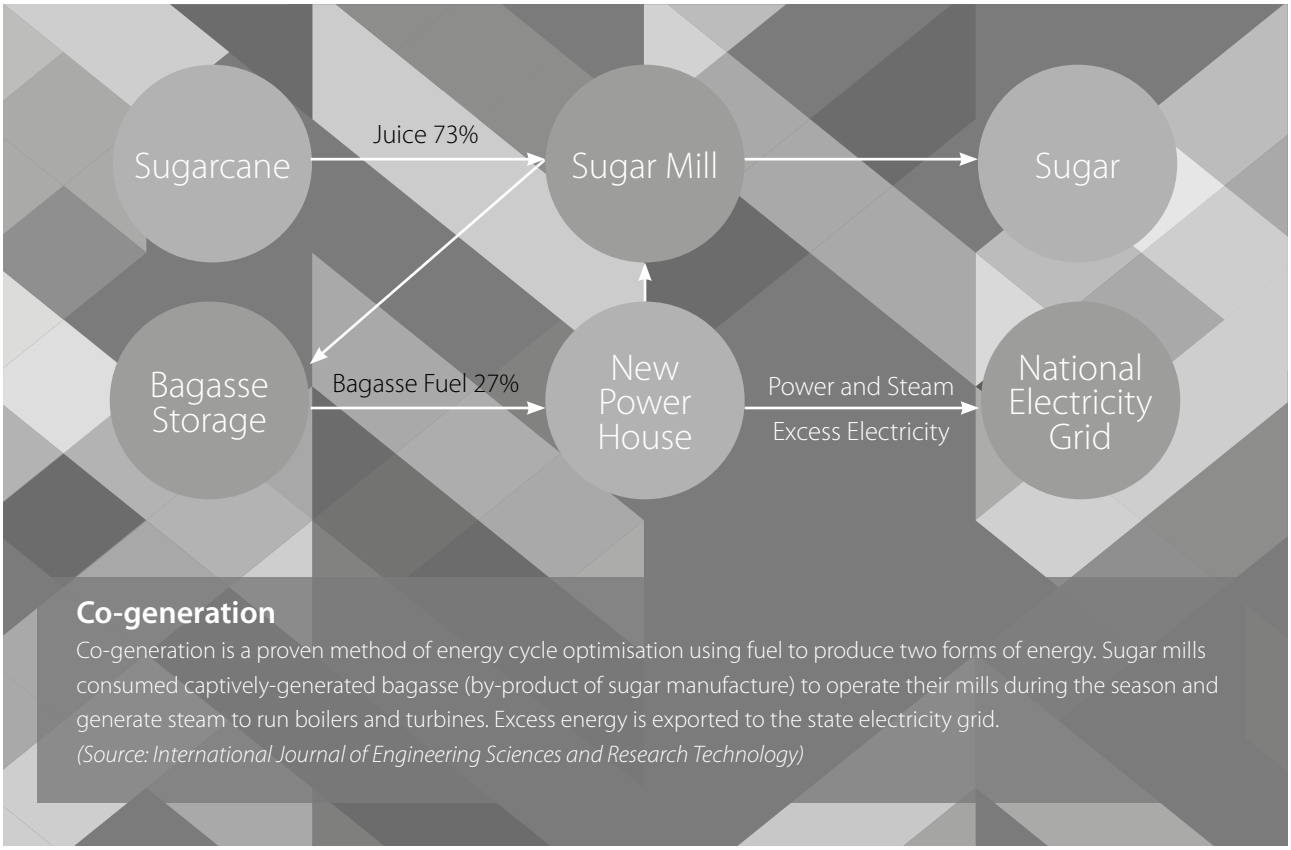
As a result of these factors, OMCs could fall short of procuring adequate ethanol for blending. For 2016-17, about 4 billion litres of ethanol is needed across three major industries (chemicals, alcohol and fuel). A 10% blending requirement would result in a requirement of 1.3 to 1.4 billion litres of ethanol a year, which is all the ethanol India can provide.

The implementation of GST and the ongoing work in making transportation between states easier for ethanol could enhance sectoral optimism.

(Source: Money Control, GEP, Ethanol India)

The FRP is the minimum price that sugarcane farmers are legally guaranteed. For 2017-18, sugarcane FRP of ₹255 per quintal has been approved, which is 10.6% higher than the price of ₹230 in 2016-17. A higher rate has been fixed for 2017-18, taking into account a rise in the cost of production and millers' capacity to pay this rate in view of better sugar prices.

(Source: Business Standard, Ministry of Consumer Affairs, Food & Public Distribution, Hindu Business Line)



Co-generation

Co-generation is a proven method of energy cycle optimisation using fuel to produce two forms of energy. Sugar mills consumed captively-generated bagasse (by-product of sugar manufacture) to operate their mills during the season and generate steam to run boilers and turbines. Excess energy is exported to the state electricity grid.

(Source: International Journal of Engineering Sciences and Research Technology)

A depletion of the finite energy resources and increasing pressure to reduce carbon emissions enhanced the identification of new and/or renewable energy sources. The last decade witnessed a momentum in sugar co-generation translating into the following benefits: savings in energy cost through CHP plants, additional revenue stream through sale of excess power to the state electricity grid and revenue through sale of carbon credits.

(Source: indiansugar.com, academia.edu, IJESRT)

Discussion on financial performance

Accounting policy

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

Particulars	2016-17 (₹ crore)	2015-16 (₹ crore)	% Growth (rounded)
Income from Operations	2740.22	2,349.73	16.62%
PBT	315.99	31.39	906.66%
PAT	236.70	25.88	814.61%
EPS (in ₹)	36.42	4.13	781.84%

Profit & Loss statement

- The Company's operating revenue increased from ₹2325.04 crore in 2015-16 to ₹2715.73 crore in 2016- 17. This was mainly due to a marked increase in production and profits of all the business segments. This also led to an increase in the cash profit from ₹86.53 crore in 2015-16 to ₹370.26 crore in 2016-17.

- Total revenues from the sugar division stood at ₹2362.23 crore, power generation segment revenues were ₹447.20 crore and distillery generated ₹405.25 crore.

- Operating expenses for 2016-17 stood at ₹2070.70 crore as against ₹2022.75 crore in 2015-16, the 2.37% increase mainly due to increased sugar production

- The cost of the Company's employee benefits increased from ₹84.38 in 2015-16 to ₹128.91 crore in 2016-17, leading to an increase in operating expenses.

- The Company's depreciation stood at ₹54.27 crore in 2016-17 against ₹55.14 crore 2015-16.

Capital employed

The total employed capital increased by 32.23% in 2016-17. The return on capital employed increased by about 154 bps in 2016-17.

EBITDA

EBITDA rose from ₹245.18 crore in 2015-16 to ₹537.46 crore in 2016-17. This was due to better realisations from the sugar segment.

Balance sheet

- **Net worth:** The Company's net worth was ₹939.78 crore as on 31st March 2017, which is an increase of 32.23% compared to ₹710.69 crore as on 31st March 2016. The increase was due to a rise in reserves and surplus.

- **Share capital:** The share capital decreased marginally to ₹66.45 crore as on 31st March 2017 as compared to ₹75.30 crore as on 31st March 2016 due to a redemption of preference shares during the year under review. Equity capital of the Company increased by ₹6.17 crore in year under review.

- **Reserves and surplus:** The reserves and surplus increased to ₹873.33 crore as on 31st March 2017 from ₹635.39 crore as on 31st March 2016.

- **Borrowings:** The Company's borrowings comprise long-term borrowings (current and non-current) and short-term borrowings. As on 31st March 2017, they stood at ₹1920.55 crore against ₹1656.51 crore as on 31st March 2016.

Working capital management

- **Current assets:** Current assets as on 31st March 2017 stood at ₹1867.70 crore against ₹1615.49 crore as on 31st March 2016, a increase of 15.61%. Current Ratio was 1.00 as on 31st March 2017 against 0.84 as on 31st March 2016 owing to a increase in current assets over current liabilities.

- **Inventories:** Inventories (finished and semi-finished goods along with raw materials) for 2016-17 increased by 17.48% from ₹1261.30 crore as on 31st March 2016 to ₹1481.72 crore as on 31st March 2017.

- **Short-term loans and advances:** Short-term loans and advances decreased in 2016-17 and stood at ₹20.70 crore compared to ₹36.92 crore in 2015-16.

- **Current liabilities:** Current liabilities decreased 2.58% from ₹1916.66 crore as on 31st March 2016 to ₹1867.26 crore as on 31st March 2017, mainly due to a decrease in trade payables. Trade payables decreased from ₹471.43 crore in 2015-16 to ₹308.61 crore in 2016-17, a decline of 34.54% whereas the other current liabilities decreased by 50.71%. Short-term borrowings increased from ₹928.47 crore in 2015-16 to ₹1274.16 crore in 2016-17, a rise of 37.23%.

Cash and bank balances

Cash and bank balances increased by 7.64% from ₹25.80 crore as on 31st March 2016 to ₹27.77crore as on 31st March 2017.

Internal control systems and their adequacy

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

Human resources

The Company has a streamlined human resource department in order to create an enriching and satisfying environment for the employees. This department, in close association with the senior management, recruits employees, is responsible for their remuneration, rewards and recognition. It is this department's responsibility to identify talent and arrest employee attrition and thus protect Dhampur's human capital. During the year under review, there were no material changes in the human resource policies of the Company; as on 31st March 2017, the total strength of the Company stood at 2934.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is of utmost importance for corporations today. Sustainability is not only of importance for any business but also for people and the planet. At Dhampur, we are extremely focused on CSR activities and believe in giving back what we get from our community. One of our primary focus areas is the environment. Businesses, regardless of their size tend to have a large carbon footprint. At Dhampur, we find ways to minimise wastage of resources such as water and power and reduce our effluents. We also focus on imparting quality education to the underprivileged. We developed schools around some of our facilities for the education of rural children. We conduct extra-curricular activities to ensure the all-round development of these children. Besides environment and education, Dhampur also focuses on healthcare. We organise healthcare camps that provide free health check-ups in nearby villages.

Risk management

Locational risk

In the sugar business, recovery rates are directly proportional to the distance between mills from sugarcane fields.

Mitigation

- Dhampur has established excellent road connectivity to ensure quick delivery
- Dhampur's command areas extend around a 30-kilometre radius of our mills.

Working capital risk

In the sugar business, labour is capital-intensive and can impact organisational liquidity.

Mitigation

- Dhampur's efforts to liquidate inventory levels at the end of each season ensure that dues are repaid in a timely manner.
- Dhampur manufactures and sells additional products such as power, ethanol and chemicals. This ensures steady cash flows and allows it to counter the full cyclical impact of the industry.

Raw material risk

A potential decline in cane production can diminish profitability.

Mitigation

- All of Dhampur's facilities are located in the cane-rich belt of Uttar Pradesh.
- Dhampur procures sugarcane from more than 190,000 farmers.
- Dhampur takes active steps in training farmers and also provides them with high-yielding seeds and other basic amenities.
- Dhampur also deploys dedicated teams in its command areas which specifically look after the growth and development of sugarcane.

Industry risk

An economic slowdown could adversely affect revenues.

Mitigation

- The Company has an established presence not only in sugar but also the co-generation, alcohol and biofertiliser segments.
- Dhampur also sells packaged sugar, strengthening margins.
- Non-sugar revenues stood at 29.43% of the total revenues in FY 2016-17 (41% in FY 2015-16), indicating only a moderating dependability on sugar.
- The low per capita sugar consumption in India provides ample room for Dhampur to grow.

Resource risk

An inability to procure enough cane could dent Dhampur's profitability.

Mitigation

- Dhampur procures sugarcane from more than 200,000 farmers.
- Dhampur enjoys enduring relationships with the farmers
- Dhampur's dedicated teams help farmers free their land faster post the sugar season and move on to their next crops
- Dhampur has also implemented farmer support programmes and supplied seeds and other agricultural implements

Regulatory risk

Unfavourable governmental policies could impact Dhampur's prospects.

Mitigation

- The policy interventions undertaken by the Central Government, such as the announcement of a soft loan with one year probation on loan payments bodes well for the segment.
- The Central Government announced an incentive programme for marketing and promotional services for raw sugar production, targeted towards the export market. All the incentives that mills receive from this would be utilised to make payments to farmers.
- The Central Government's ethanol blending programme has also been extremely helpful in reducing pollution levels, conserve foreign exchange and increase value addition. The blending targets have been increased from 5% to 10% under the Ethanol Blending Programme. Moreover, the procurement process of ethanol has been streamlined and simplified.

Board Report

To,
The Members,
Dhampur Sugar Mills Limited

The directors have pleasure in presenting their Annual Report of the company together with the Audited accounts for the period ended on 31st March, 2017.

Financial Results:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Gross Income	2608.16	2257.71	2558.61	2207.44
Profit Before Interest and Depreciation	537.46	245.18	542.16	240.73
Finance Charges	(167.02)	(158.65)	167.02	158.63
Gross Profit	896.29	521.71	885.20	518.52
Provision for Depreciation	(53.95)	(55.14)	53.95	54.86
Net Profit Before Tax	315.99	31.39	312.19	37.46
Provision for Tax	(78.16)	(5.51)	(78.15)	(5.51)
Net Profit After Tax	236.70	25.88	243.04	31.95
Balance of Profit brought forward	(62.96)	(74.25)	(51.30)	(68.66)
Balance available for appropriation	173.74	(48.37)	191.74	(36.71)
Proposed Dividend on Equity Shares	(23.24)	0.00	(23.24)	0.00
Tax on proposed Dividend	(4.73)	0.00	(4.73)	0.00
Transfer to General Reserve	(75.00)	0.00	(75.00)	0.00
Other Appropriations	(44.01)	(14.59)	(44.29)	(14.59)
Surplus carried to Balance Sheet	26.76	(62.96)	44.48	(51.30)

Operational performance:

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

Sugar operations at a glance

	31st March, 2017	31st March, 2016
Cane crushed (lac-qtls.)	541.87	483.05
Recovery (per cent)	10.94	10.53
Sugar Produced From Cane (lac-qtls.)	59.28	50.88

Co-generation operations at a glance

	31st March, 2017	31st March, 2016
Power generated (M.W.)	642525	660233
Sale to UPPCL (M.W.)	393630	430691

Chemical operations at a glance

Production	31st March, 2017	31st March, 2016
RS/ENA/Ethanol (in lacs BL)	683.59	710.25
Chemicals (net) (in lacs KG)	146.13	138.53

Subsidiaries, Joint Ventures or Associate Companies

The financial statements of Dhampur International Pte Limited, DETS Limited and Ehaat Limited, subsidiaries of the Company is annexed as Annexure 2 and forms an integral part of this report.

Material Changes and Commitments during the Year

There are no material changes and commitments affecting the financial position of the company which have occurred between 31st March, 2017 and the date of the report, as required under Section 134(3)(l) of the Companies Act, 2013.

However, the company has transferred its 'Rural Distribution Business of Consumer Products' to its wholly owned subsidiary Ehaat Limited vide Slump Sale Agreement dated 25th May 2017. The transaction is not material in terms of company law provisions and Listing Regulations.

Change in the Nature of Business

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

Dividend

Your directors recommend dividend of ₹3.50 per equity share of ₹10 each for the year ending 31st March 2017. During the year Interim dividend of ₹2.50 per equity share of ₹10 each was also paid. So the total dividend for the year is ₹6.00 per equity share of ₹10 each.

Reserves & Surplus

The Company has earned a Net Profit after tax of ₹243.04 Crore which has been adjusted in the Surplus/(Deficit) under the head Reserves & Surplus. The Reserves & Surplus now amounted to ₹890.72 Crores as at 31st March, 2017.

Equity Share Capital

During the current financial year, the Company has issued and allotted 61,72,655 equity shares of ₹10 each at a premium of ₹88.68 per equity share by way of Qualified Institutional Placement.

Directors

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

During the year Shri Anoop Kumar Wahi was appointed as Nominee Director of Punjab National Bank in place of Shri D.L Mittal.

It has been proposed to change the Remuneration and terms of appointment of Shri V.K Goel, Chairman, Shri A.K Goel, Vice Chairman, Shri Gaurav Goel, Shri Gautam Goel, Managing Directors and Shri Sandeep Kumar Sharma, Whole Time Director subject to approval of shareholders in the ensuing annual general meeting of the Company.

Brief profile of Shri Vijay Kumar Goel, Shri Ashok Kumar Goel, Shri Gaurav Goel, Shri Gautam Goel and Shri Sandeep Sharma has been given in the Corporate Governance, forming part of the Annual Report.

Key Managerial Personnel

Shri Gaurav Goel and Shri Gautam Goel are the Managing Directors of the Company and Shri Nalin K Gupta is Chief Financial Officer and Ms Aparna Goel is Company Secretary of the Company.

Deposits

1. Accepted during the year : ₹21.21 crores
2. Remained unpaid or unclaimed (excluding interest thereon) as at the end of the year ₹0.70 Crores
3. If there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
   a. At the beginning of the year; Nil
   b. Maximum during the year; Nil
   c. At the end of the year. Nil

Deposits not in compliance with Chapter V of the Act

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

Particulars of Loans, Guarantees or Investment

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

Related Party Transactions

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

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

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

Your directors draw attention of the members to Note No. 33 of the Financial Statement which sets out related party disclosures.

Auditors and Auditors' Report

Pursuant to provisions of Section 139 (2) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, Regulation 18 of SEBI (LODR) Regulations, 2015 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, the term of existing auditors i.e. M/s Mittal Gupta & Company, Chartered Accountants, Kanpur will conclude and they will retire at the conclusion of forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation to the services rendered by Messrs Mittal Gupta & Company as the Statutory Auditors of Company.

Subject to the approval of the Members, the Board has recommended appointment of M/s. TR Chadha & Co., Chartered Accountants (ICAI Firm Registration number 006711N/N500028) and M/s. Atul Garg & Associates, Chartered Accountants, (ICAI Firm Registration number 01544C) as Joint Statutory Auditors of the Company .

Cost Auditor

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, The Board of Directors, on the recommendation of Audit Committee, has appointed Shri S.R. Kapur, Cost Accountant, Khatauli as Cost Auditor to audit the cost accounts of the Company for the financial year 2017-18. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013, The Board of Directors, on the recommendation of Audit Committee has appointed M/s D.C Chhajed, Chartered Accountants, New Delhi as Internal Auditors of the Company for the financial year 2017-18.

Internal Control Systems And Their Adequacy

The details in respect of Internal Control system and their adequacy are included in the Management Discussion and analysis, which is a part of this report.

Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed GSK & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure 3 and forms an integral part of this report.

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

Management Discussion and Analysis

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

Corporate Governance:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

Directors Responsibility Statement:

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

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

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

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

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively; and

(f) the Directors, have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Declaration by Independent Directors

The Company has received declaration from following Independent Directors in accordance with the provisions of Section 149(6) of the Act:

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

Committees of the Board

The Board of Directors has the following Committees:

1. Audit Committee

2. Nomination and Remuneration Committee

3. Stakeholders' Relationship Committee

4. Corporate Social Responsibility Committee (CSR Committee)

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the performance evaluation of its own performance and of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders' Relationship Committee as well as evaluation of performance of Directors individually. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, corporate governance practices and stakeholders' interests, etc. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution,

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

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

Nomination and Remuneration Policy:

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

Risk Management Policy

The Company has Risk Management committee of Directors to have a system of Risk Management, inter alia, to review it periodically. A detailed note on risk management policy, elements of risk and its mitigation is comprised in Management Discussions and Analysis which forms part of this Report.

Vigil Mechanism/Whistle Blower Policy

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17

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

Corporate Social Responsibility

The composition of CSR committee is as under :

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

The Annual Report on CSR initiatives is attached as per Annexure – 4

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

The details of conservation of energy, techonology absorption, foreign exchange earnings and outgo pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure-5 and forms an integral part of this report.

Extract of Annual Return

According to the provisions of section 92(3) the prescribed Forms MGT-9 (Extract of Annual Return) is attached as per Annexure-6.

Details of Board Meetings held during the year

Details of the Compositions of the Board Meeting and the attendance at the meetings held during the financial year 2016-17 forms the part of the Corporate Governance Report.

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

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

Statutory Information

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 1 and forms an integral part of this report. A statement comprising the names of Top Ten employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure -7 and forms an integral part of this report.

The above annexure is not being sent along with this Annual Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered office of the Company, twenty one days before and upto the date of the ensuing Annual General Meeting during the business hours on working days.

None of the employees listed in the said annexure is a relative of any Director of the Company. None of the employees hold (by himself or alongwith his spouse and dependent children) more than two percent of the Equity Shares of the Company.

Acknowledgements:

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

For and on behalf of the Board

V. K. Goel
Chairman

Place: New Delhi
Dated: 25th May, 2017

Annexure - 1

Disclosure in Directors' Report pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Name of the director	Designation	DIN	Ratio
Shri Vijay Kumar Goel	Promoter , Chairman and Whole-time director	00075317	44.85:1
Shri Ashok Kumar Goel	Promoter , Vice Chairman and Whole-time director	00076553	38.15:1
Shri Gaurav Goel	Promoter and Managing Director	00076111	38.15:1
Shri Gautam Goel	Promoter and Managing Director	00076326	33.25:1
Shri Mahesh Prasad Mehrotra	Independent Director	00016768	NA
Shri Priya Brat	Independent Director	00041859	NA
Shri Ashwani Kumar Gupta	Independent Director	00108678	NA
Shri Anoop Kumar Wahi	Nominee Director	07542990	NA
Shri Harish Saluja	Independent Director	01233800	NA
Shri Rahul Bedi	Independent Director	02573535	NA
Shri Sandeep kumar Sharma	Whole Time Director	06906510	6.56:1
Ms. Nandita Chaturvedi	Independent Director	07015079	NA

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

Name of the director/CEO/CFO/CS	Designation	DIN/PAN	Percentage increase
Shri Vijay Kumar Goel	Promoter , Chairman and Whole-time director	00075317	25.58%
Shri Ashok Kumar Goel	Promoter , Vice Chairman and Whole-time director	00076553	5.33%
Shri Gaurav Goel	Promoter and Managing Director	00076111	5.31%
Shri Gautam Goel	Promoter and Managing Director	00076326	(9.14%)
Shri Mahesh Prasad Mehrotra	Independent Director	00016768	NA
Shri Priya Brat	Independent Director	00041859	NA
Shri Ashwani Kumar Gupta	Independent Director	00108678	NA
Shri Anoop Kumar Wahi	Nominee Director	07542990	NA
Shri Harish Saluja	Independent Director	01233800	NA
Shri Rahul Bedi	Independent Director	02573535	NA
Shri Sandeep kumar Sharma	Whole Time Director	06906510	NA
Ms. Nandita Chaturvedi	Independent Director	07015079	NA
Shri Arhant Jain	CFO and CS	ADNPJ0729P	-

3. Percentage increase in the median remuneration of employees in the financial year: 7.02%

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 17.4 : 8.14 (Excluding commission on profits)

5. Number of permanent employees on the rolls of company: Permanent Employees –"2934"

6. The key parameters for any variable component of remuneration availed by the directors :
   Commission on Net Profits of the Company to be paid to Promoter Directors : ₹1938 Lacs

7. Affirmation that the remuneration is as per the remuneration policy of the Company :
   The Company affirms that the remuneration is as per the remuneration policy of the Company .

Annexure - 2

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A": Subsidiaries

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

1. Name of the subsidiary: Dhampur International PTE Limited, Ehaat Limited and DETS Limited
2. Reporting period for the subsidiaries concerned: - 1st April, 2016 to 31st March, 2017.
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries:- USD (1 USD = ₹64.83)
4. Other Information:-

Particulars	Dhampur International PTE* Limited (₹ in Crores)	DETS Limited** (₹ In Crores)	Ehaat Limited*** (₹ In Crores)
Share capital	10.80	0.84	0.10
The date since when subsidiary was acquired	09.07.2009 (Since incorporation)	03.10.2016	24.10.2016 (Since incorporation)
Shareholding (in Percentage)	100%	51%	100%
Reserves & surplus	(17.49)	2.95	(0.25)
Total assets	24.20	5.66	0.07
Total Liabilities	30.89	2.22	0.22
Investments	NIL	1.30	NIL
Turnover (Previous Year)	77.98 (194.37)	13.67 (NIL)	NIL (NIL)
Profit/(Loss) before taxation	(6.31)	0.87	(0.25)
Provision for taxation	NIL	0.16	NIL
Profit after taxation	(6.31)	0.71	(0.25)
Proposed Dividend	NIL	NIL	NIL
% of shareholding	100%	51%	100%

i) Name of subsidiaries which are yet to commence operations: N.A

ii) Name of Subsidiaries which have been liquidated or sold during the year: N.A

* Based at Singapore, Trading in Commodities.

** Manufacturing and fabricating plant and machineries, equipments used in sugar industry.

*** Trading in Consumer Products.

Part "B": Associates and Joint Ventures

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

The Company has no associate or joint venture.

Annexure - 3

SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED 31ST MARCH, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the year ended on 31st March, 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 reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on 31st March, 2017 according to the provisions of:

I.

- The Companies Act, 2013 (the Act) and the rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the company during the audit period);

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period);

f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company during the audit period).

i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; as amended from time to time.

II.

- Sugar Cess Act, 1982
- Levy Sugar Price Equalisation Fund Act, 1976

- Food Safety and Standards Act, 2006
- Essential Commodities Act, 1955
- Sugar Development Fund Act, 1982
- Export (Quality Control and Inspection) Act, 1963
- Agricultural and Processed Food Products Export Act, 1986
- Indian Boilers Act, 1923

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

III.

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

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

We have relied on the representation made by the Company and its officers on systems and mechanism formed by the Company for compliance under other Act, Laws and Regulations to the Company.

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Central Government.

b. The Listing Agreements entered into by the Company with Stock Exchanges.

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

We further report that:

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

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

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

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

We further report that the company has passed special resolution at its Extra-ordinary General Meeting held on 23rd May 2016, under Section 180(1)(a) authorizing the Board of Directors to provide securities and / or to deal with the properties of the Company.

We further report that the company has approved issue of securities aggregating upto ₹2,00,00,00,000 (Rupees Two Hundred Crore Only), in one or more tranches, by way of Qualified Institutional Placement in order to raise capital by passing special resolution at its Extra-ordinary General Meeting held on 23rd May 2016. However, during the year, the Company has allotted 6172655 equity shares to Qualified Institutional Buyers of ₹10 each at a premium of ₹88.68 per share.

For GSK & Associates
(Company Secretaries)

Saket Sharma
Partner
(Membership No.: F4229)
(CP No.: 2565)

Date: 25.05.2017
Place: New Delhi

Annexure - 4

ANNUAL REPORT ON CSR INITIATIVES

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

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

   The Company had proposed to undertake activities relating to promoting education, sports, good agricultural practices, skill development, women empowerment etc.

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

   1. Eradication of hunger, poverty and malnutrition.
   2. Promotion of preventive health care and sanitation.
   3. Promotion of education.
   4. Promotion of gender equality.
   5. Reducing social and economic inequality.
   6. Ensuring environmental sustainability.
   7. Protection of Flora and Fauna.
   8. Protection of National Heritage, art and culture.
   9. Measures for the benefit of armed forces veterans, war widows and their dependents.
   10. Promoting sports.
   11. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
   12. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
   13. Rural development projects.

2. The composition of CSR Committee is as under:

   Shri V.K Goel, Chairman

   Shri Gaurav Goel, Member

   Shri Ashwani K Gupta, Member

3. Average Net Profit of the company for last 3 financial years. – ₹(30.36) Cr.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) NIL.

5. Details of CSR spent during the financial year 2016-17:

   (a) Total amount to be spent for the financial year; - NIL

   (b) Amount unspent, if any; Nil

   (c) Manner in which the amount spent during the financial year: N. A.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs: (1) Local area or others (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implement-ing agency
1	NIL	NIL	NIL	NIL	NIL	NIL	NA

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. N.A

7. Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, we hereby confirm that the CSR Committe has implemented and monitored the CSR initiatives of Dhampur Sugar Mills Limited in line with CSR objectives and policy of the Company.

On behalf of the CSR Committee

Chairman of CSR Committee

Managing Director

Annexure - 5

THE DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO ARE AS FOLLOWS:

A) Conservation of energy:

(i) the steps taken or impact on conservation of energy;
The Company is continuously working on conservation of energy through innovative measures. The Company is in process of installation of additional spent wash fired boiler at two of its unit at Dhampur and Asmoli. The boiler will use spent wash as fuel (apart from bagasse) which will result in less bagasse consumption in the boiler leading to additional bagasse saving for the same steam generation.

(ii) the steps taken by the company for utilising alternate sources of energy;
The Company is producing renewable energy not only for its captive consumption, but is also exporting power to state.

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

Power and fuel consumption	31st March, 2017	31st March, 2016
1 Electricity		
A Purchased:		
Units (kwh)	6577928	4606385
Total Value (₹)	56474427	34808185
Rate (₹/Unit)	8.59	7.56
B Own generation :		
i. Through diesel generator:		
Units (Kwh)	146365	175365
Unit per liter of diesel	2.77	2.76
Cost/ unit	19.61	19.52
ii. Through steam turbine:		
Units (Kwh)	173560787	166951800
Unit per liter of fuel /oil/gas : Steam produced mainly by use of own and purchased bagasse paddy husk and coal		
2 Coal		
Quantity (tonnes)	2259.32	891.33
Total cost (₹ in lac)	138.75	60.26
Average rate (₹/ tonnes)	6141.00	6761
3 Furnace oil		
Quantity (lts.)	-	-
Total cost (₹)	-	-
Average rate	-	-
4 Other/ Internal generation:		
Quantity (tonnes)	-	-
Total cost (₹)	-	-
Average rate	-	-

Power and fuel consumption		31st March, 2017	31st March, 2016
II	Consumption per unit of production		
A	Sugar (qtls.)	5924246	5190606
	- Electricity (Kwh/ qtls.)	30.43	33.09
	- Furnace oil	-	-
	- Coal (tonnes)	-	-
B	Chemical (qtls.)		
	- Electricity (Kwh/ qtls.)	24.44	27.17
	- Furnace oil		-
	- Coal (tonnes)		-

(B) Technology absorption:

(i) the efforts made towards technology absorption; N.A

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution; N.A

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported; N.A

(b) the year of import; N.A

(c) whether the technology been fully absorbed; N.A

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; N.A and

(iv) the expenditure incurred on Research and Development: ₹7.69 crore compared with previous year's ₹7.12 crore.

(C) Foreign exchange earnings and Outgo:

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

(₹ in Cr.)

Particulars	Current Year	Previous Year
Export and foreign exchange earnings	35.99	166.69
Imports and expenditure in foreign currency	23.90	137.86

Annexure - 6

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

i. CIN: L15249UP1933PLC000511

ii. Registration Date: 22.05.1933

iii. Name of the Company: Dhampur Sugar Mills Limited

iv. Category / Sub-Category of the Company: Public Company/Limited by shares

v. Address of the Registered office and contact details: Dhampur, Distt. Bijnor- 246761, U.P, Ph: 01344-220006, Email: investordesk@dhampur.com

vi. Whether listed company: Yes , with NSE and BSE Limited

vii. Name, Address and Contact details of Registrar and Transfer Agent, if any:
Alankit Assignments Limited
Alankit House, 1E/13, Jhandewalan Extension, New Delhi-110055
Ph: 011-42541234, 23541234, E-mail: rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	2060	70.57
2	Power	4390	13.36
3	Chemical:		
	Rectified Spirit	2200	12.11
	Ethyl Acetate	3007	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of the Company	CIN/ GLN/Foreign Registration Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Dhampur International Pte Limited, Singapore	200912388N	Foreign Subsidiary	100%	2(87)
2	DETS Limited, Dhampur	U74900UP2011PLC045167	Subsidiary	51%	2(87)
3	Ehaat Limited, Dhampur	U74999UP2016PLC087282	Subsidiary	100%	2(87)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/ HUF	9212604	0	9212604	15.30	9212604	0	9212604	13.88	0.00
b. Central Govt.	0	0	0	0.00	0	0	0	0	0.00
c. State Govt. (s)	0	0	0	0.00	0	0	0	0	0.00
d. Bodies Corp.	14797273	0	14797273	24.57	14047273		14047273	21.16	-1.13
e. Banks/FI	0	0	0	0.00	0	0	0	0	0.00
f. Any Other.									
(i) Directors & Relatives	85364	0	85364	0.14	85364	0	85364	0.13	0.00
(ii) Person Acting in Concert	9490396	0	9490396	15.76	9240396	0	9240396	13.92	-0.38
Sub-total (A) (1)	**33585637**	**0**	**33585637**	**55.78**	**32585637**	**0**	**32585637**	**49.08**	**-1.51**
(2) Foreign								**0.00**	
a. NRIs – Individuals	0	0	0	0	0	0	0	0.00	0
b. Other – Individuals	0	0	0	0	0	0	0	0.00	0
c. Bodies Corp.	0	0	0	0	0	0	0	0.00	0
d. Banks / FI	0	0	0	0	0	0	0	0.00	0
e. Any Other....	0	0	0	0	0	0	0	0.00	0
Sub-total (A)(2)	--		---	--				**0.00**	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**33585637**	**0**	**33585637**	**55.78**	**32585637**	**0**	**32585637**	**49.08**	**-1.51**
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	39141	3374	42515	0.07	1103225	3374	1106599	1.67	1.60
b. Banks/FI	2101658	331	2101989	3.49	175076	331	175407	0.26	-2.90
c. Central Govt	0	0	0	0	0		0	0.00	0
d. State Govt(s)	0	0	0	0	0		0	0.00	0
e. Venture Capital Funds	0	0	0	0	0		0	0.00	0
f. Insurance Companies	0	0	0	0	0		0	0.00	0
g. FIIs	797	650	1447	0.00	0	0	0	0.00	0.00
h. Foreign Portfolio Investors	0		0	0.00	2056637	650	2057287	3.10	3.10
Venture Capital Funds	0	0	0	0	0		0	0.00	0
i. Others (specify)	0	0	0	0	0		0	0.00	
Sub-total (B)(1)	**2141596**	**4355**	**2145951**	**3.56**	**3334938**	**4355**	**3339293**	**5.03**	**1.80**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a. Bodies Corp.								0.00	
i) Indian	7129472	13092	7142564	11.86	4966865	13040	4979905	7.50	-3.26
ii) Overseas	191812	0	191812	0.32	191812	0	191812	0.29	0.00
b. Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	9122841	456565	9579406	15.91	9362953	447128	9810081	14.78	0.35
ii) Individual shareholders holding nominal share capital in excess of ₹5 lakh	6732397	0	6732397	11.18	14766047	0	14766047	22.24	12.10
c. NBFC registered with RBI	1250	0	1250	0.00	58848	0	58848	0.09	0.09
d. Others (specify)							0	0.00	
(i) Non Resident Indian	835818	88	835906	1.42	635176	88	635264	0.96	-0.30
(ii) Trust	12	0	12	0.00	20709	0	20709	0.03	0.03
Sub-total (B)(2)	**24013602**	**469745**	**24483347**	**40.70**	**30002403**	**460256**	**30462659**	**45.89**	**9.01**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**26155198**	**474100**	**26629298**	**44.26**	**33337341**	**464611**	**33801952**	**50.92**	**10.80**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**59740835**	**474100**	**60214935**	**100**	**65922978**	**464612**	**66387590**	**100**	**9.30**

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares pledged/ encumbered to total shares	
1	Ashok Kumar Goel	298000	0.49	0	298000	0.51	0.00	0.00
2	Deepa Goel	10370	0.02	0	10370	0.02	0.00	0.00
3	Gaurav Goel	4211379	6.99	0	4211379	7.17	0.00	0.00
4	Gautam Goel	4242339	7.05	0	4242339	7.23	0.00	0.00
5	Vijay Kumar Goel	425466	0.71	0	425466	0.72	0.00	0.00
6	Vinita Goel	25050	0.04	0	25050	0.04	0.00	0.00
7	Aparna Jalan	46100	0.08	0	46100	0.08	0.00	0.00
8	Asha Kumari Swaroop	4	0.00	0	4	0.00	0.00	0.00
9	Ritu Sanghi jointly with Ajay Sanghi	7500	0.01	0	7500	0.01	0.00	0.00
10	Shefali Poddar	31760	0.05	0	31760	0.05	0.00	0.00
11	Shudh Edible Products Limited	4549680	7.56	3.16	4299680	7.32	0.00	-0.38
12	Sonitron Limited	4940716	8.21	3.11	4940716	8.41	0.00	0.00
13	Ujjwal Rural Services Limited (Formerly Associated Metals Company Limited)	125000	0.21	0.00	125000	0.21	0.00	0.00
14	Goel Investments Limited	11255515	18.69	0.42	10655515	18.15	0.38	-0.90
15	Saraswati Properties Limited	3416758	5.67	0	3266758	5.56	0.00	-0.23
	Total	**33585637**	**55.78**	**6.68**	**32585637**	**55.50**	**0.38**	**-1.51**

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	30585637	53.46	30585637	53.46
2	Allotment on Preferential basis	1500000	2.55	1500000	2.55
3	At the End of the year	32085637	54.65	32085637	54.65

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Anil Kumar Goel	250000	0.42	4080000	6.15
2	Seema Goel	110000	0.18	1080000	1.63
3	Dolly Khanna	22850	0.04	786272	1.18
4	HSBC Global Investment Funds - Asia Ex Japan Equity Smaller Companies	0	0.00	743429	1.12
5	Sabitha Chandran	0	0.00	715089	1.08
6	IThought Wealth Analytics LLP	0	0.00	700858	1.06
7	Government Pension Fund Global	0	0.00	600000	0.90
8	Koushik Sekhar	600000	1.00	600000	0.90
9	S. Shyam	436000	0.72	400000	0.60
10	Anil Kumar Goel	0	0.00	360000	0.54

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Shri Vijay Kumar Goel**				
	At the beginning of the year	425466	0.71	425466	0.64
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	425466	0.71	425466	0.64
2	**Shri Ashok Kumar Goel**				
	At the beginning of the year	298000	0.49	298000	0.45
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	298000	0.49	298000	0.45
3	**Shri Gaurav Goel**				
	At the beginning of the year	4211379	6.99	4211379	6.34
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	4211379	6.99	4211379	6.34

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4	**Shri Gautam Goel**				
	At the beginning of the year	4242339	7.05	4242339	6.39
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	4242339	7.05	4242339	6.39
5	**Shri Ashwani K Gupta**				
	At the beginning of the year	13237	0.02	13237	0.02
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-12837	-0.02	0	0.00
	At the End of the year	400	0.00	400	0.00
6	**Shri Harish Saluja**				
	At the beginning of the year	3000	0.00	3000	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00	0	0
	At the End of the year	3000	0.00	3000	0.00
7	**Shri Mahesh Prasad Mehrotra**				
	At the beginning of the year	115000	0.19	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	0	0	0	0
8	**Shri Sandeep Kumar Sharma**				
	At the beginning of the year	755	0.00	755	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	755	0.00	755	0.00
9	**Shri Arhant Jain**				
	At the beginning of the year	5031	0.01	5031	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	5031	0.00	5031	0.00

V. INDEBTEDNESS

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	680.63	33.04	22.38	736.05
ii) Interest due but not paid	4.08	-	1.27	5.35
iii) Interest accrued but not due	3.62	0.31	-	3.93
Total (i+ii+iii)	**688.33**	**33.35**	**23.65**	**745.33**
Change in Indebtedness during the financial year				
• Addition Principal	161.43	NIL	9.27	113.94
• Addition Interest				11.57
• Reduction Principal	(224.23)	(24.42)	(19.11)	(86.83)
• Reduction Interest				(15.90)
Net Change				22.78
Indebtedness at the end of the financial year				
i) Principal Amount	617.83	8.62	19.95	719.25
ii) Interest due but not paid	0.10	-	-	3.79
iii) Interest accrued but not due	3.48	0.00	0.00	3.58
Total (i+ii+iii)	**677.57**	**8.62**	**21.85**	**730.82**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Shri Vijay Kumar Goel	Shri Ashok Kumar Goel	Shri Gaurav Goel	Shri Gautam Goel	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	80,04,000	80,04,000	80,04,000	80,04,000	3,20,16,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,17,110	12,00,289	8,98,933	16,731	49,33,063
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission	6,46,00,000	6,46,00,000	6,46,00,000	-	19,38,00,000
	- as % of profit					
	- others, specify...					
5.	Others, please specify					
	Total (A)	7,54,21,110	7,38,04,289	7,38,02,933	80,20,731	23,10,49,063
	Ceiling as per the Act*					

*The Company is paying remuneration to the Executive Directors as per Section 197 and 198 read with Schedule V of Companies Act, 2013

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri Sandeep Kumar Sharma	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,70,850	14,70,850
	(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	1,11,514	1,11,514
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- as % of profit		
	- others, specify...		
5.	Others, please specify	-	-
	Total (A)	**15,82,364**	**15,82,364**
	Ceiling as per the Act*		

C. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri A.K. Gupta	Shri Rahul Bedi	Shri Harish Saluja	
1.	Independent Directors				
	• Fee for attending board committee meetings	2,74,550	1,02,900	1,83,050	5,60,500
	• Commission	-	-	-	-
	• Others, please specify				
	Total (1)	2,74,550	1,02,900	1,83,050	5,60,500
2.	Other Non-Executive Directors				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission				
	• Others, please specify				
	Total (1)				
	Total (B) = (1 + 2)	**2,74,550**	**1,02,900**	**1,83,050**	**5,60,500**
	Total Managerial Remuneration	2,74,550	1,02,900	1,83,050	5,60,500

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri M. P. Mehrotra	Shri Priya Brat	Smt. Nandita Chaturvedi	Shri Anoop Kumar Wahi	
1.	Independent Directors					
	• Fee for attending board committee meetings	1,59,800	2,74,550	91,300	46,000	5,71,650
	• Commission	-	-	-		-
	• Others, please specify					
	Total (1)	1,59,800	2,74,550	91,300	46,000	5,71,650
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings	-	-	-		-
	• Commission					
	• Others, please specify					
	Total (1)					
	Total (B) = (1 + 2)	**1,59,800**	**2,74,550**	**91,300**	**46,000**	**5,71,650**
	Total Managerial Remuneration	1,59,800	2,74,550	91,300	46,000	5,71,650

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Company Secretary/ CFO	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,38,399	10,38,399
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- as % of profit		
	- others, specify...		
5.	Others, please specify		
	- Provident Fund		
	Total (A)	**10,38,399**	**10,38,399**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

(₹ in Crores)

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

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

a) Transparency in policies and action.

b) Independence to develop and maintain a healthy work culture.

c) Accountability for performance.

d) Responsibility towards the society and for its core values.

e) Growth for stakeholders.

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

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

BOARD OF DIRECTORS:

The Company's Board of Directors comprises promoters, executives, non-executives, nominee(s) and Independent Directors. There are 12 Directors on the Board as on 31st March, 2017, of whom five are whole-time Directors, including Chairman and Vice Chairman.

During the period from 1st April, 2016 to 31st March, 2017, five Board meetings were held on:

1) 14th April, 2016
2) 10th May, 2016
3) 5th August, 2016
4) 09th November,2016
5) 10th February, 2017

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

Name of Director(s)	Category	No. of Board meeting attended	Last AGM attended	No. of Directorships and Committee Memberships/Chairmanships		
				Directorships	Committee memberships	Committee chairmanships
Shri V. K. Goel	P, C & ED	5	Yes	2	None	None
Shri A. K. Goel	P & VC	5	Yes	1	None	None
Shri Gaurav Goel	P & MD	5	Yes	2	2	1
Shri Gautam Goel	P & MD	2	No	1	None	None
Shri A. K. Gupta	ID & NED	5	No	1	1	1
Shri Priya Brat	ID & NED	5	No	4	4	2
Shri M. P. Mehrotra	ID & NED	4	No	5	2	2
Shri Harish Saluja	ID & NED	5	Yes	1	1	None
Shri Rahul Bedi	ID & NED	4	No	1	None	None
Shri Sandeep Sharma	WTD	4	Yes	1	None	None
Ms. Nandita Chaturvedi	ID & NED	4	Yes	1	None	None
Mr. Anoop Kumar Wahi*	Nominee Director	2	Yes	1	None	None
Mr. Darshan Lal Mittal**	Nominee Director	0	No	None	None	None

* Appointed as Nominee Director w.e.f 15.06.2016

**Ceased to be director w.e.f 10.05.2016, since nomination by PNB withdrawn.

P, C & ED : Promoter, Chairman and Executive Director;
VC : Vice Chairman;
MD : Managing Director;
ID : Independent Director;
WTD : Whole-time Director;
NED : Non-Executive Director;
ND : Nominee Director.

I. Directorship includes number of Directorship in Listed Entity including the Company. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited companies including Dhampur Sugar Mills Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.

II. Mr. V.K Goel, Mr. A.K Goel, Mr. Gaurav Goel and Mr. Gautam Goel are related to each other.

III. Brief profiles of each of the above Directors is available on the Company's website: www.dhampur.com

IV. Shri. Ashwani K Gupta and Shri Harish Saluja , Non –Executive Directors holds 400 and 3000 Equity Shares in the Company as on 31st March, 2017.

Information placed before the Board:

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

Post Meeting Mechanism

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

Board Support

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

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

a) **Shri V. K Goel:** Chairman of the Company . He is well known Sugar Technologist and Entrepreneur with vast experience of around 57 years. He is the source of inspiration for every innovation and Research and Development and has placed the Company among the global leaders in sugarcane technology. He has been the President of Indian Sugar Mills Association (ISMA), an apex body of sugar manufacturers of India. An avid sportsperson, he is also the Founder President of Delhi Squash Association. He has been associated with the Company as a Promoter Director since 1960.

Age : 77 Years
Qualification : Chemical Engineer
Experience : 57 years

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

Committee/Executive position held in other Companies: - None

b) **Shri A.K Goel :** Vice Chairman of the Company, has vast experience of around 48 years in the Sugar and Paper Industry. He has been President of Indian Sugar Mills Association (ISMA) and also the President of U.P. Sugar Mills Association (UPSMA). He is also the Founder President of Indian Agro Paper Mills Association (IAPMA). He is a dedicated bridge player and Founder President of Contract Bridge Association. He has represented India at the Bridge Olympiad and the Bermuda Bowl. He has been associated with the Company as a Promoter Director since 1969.

Age : 71 Years
Qualification : Commerce Graduate
Experience : 48 years .

Directorship in other companies: 1) Goel Investments Limited
Committee/Executive position held in other Companies: - Nil

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

Age : 44 Years
Qualification : Business Management Graduate
Experience : 23 years .

Directorship in other companies: 1) Goel Investments Limited, 2) Shudh Edible Products Ltd., 3) Mangalam Cement Limited, 4) Decon Mercantile Pvt. Ltd., 5) Francis Klein & Co. (Bombay) Pvt Ltd., 6) Star Metal Refinery Pvt. Ltd., 7) YPO (Delhi Chapter) U/s 25, 8) Dhampur International Pte. Ltd. (Singapore), 9) Venus India Asset- Finance Private Limited, 10) Dhampur Global Pte Ltd. (Singapore), 11) Venus India Structured Finance (Offshore) Fund Limited, Tortola, 12) Venus India Structured Finance Master Fund Limited, Tortola, 13) Indian Sugar Exim Corporation Limited, 14) YPO Greater Foundation, 15) Ehaat Limited, 16) DETS Limited

Committee/Executive position held in other Companies: - 4

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

Age : 43 Years
Experience : 23 years .

Directorship in other companies: 1) Goel Investments Limited 2) Shudh Edible Products Ltd. 3) Saraswati Properties Ltd 4) Sonitron Ltd. 5) Dhampur International Pte. Ltd. (Singapore), 6) Dhampur Global Pte Ltd. (Singapore), 7) Ehaat Limited, 8) DETS Limited

Committee/Executive position held in other Companies: - Nil

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

Age : 59 Years
Experience : 37 years .

Committee/Executive position held in other Companies: - Nil

AUDIT COMMITTEE:

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

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

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

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

The Company Secretary also acts as the Secretary to the Committee.

During the period from 1st April, 2016 to 31st March, 2017, four committee meetings were held on:

1) 10th May, 2016
2) 5th August, 2016
3) 09th November,2016
4) 10th February, 2017

The Committee, inter-alia, reviewed the financial statements including Auditors' Reports for the year ended 31st March, 2017 and

recommended its adoption, records of related party transactions, reports related to compliance of laws and risk management.

NOMINATION AND REMUNERATION COMMITTEE

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

Remuneration Policy

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

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

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

The Company Secretary also acts as the Secretary to the Committee.

During the period from 1st April, 2016 to 31st March, 2017, one committee meeting was held on:
10th February, 2017

Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each Meeting of the Board or Committee of Directors attended by them. The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman, Vice Chairman , Managing Director and Whole-time Director is governed by the recommendation of the Remuneration & Nomination Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of Chairman and Managing Director and Whole-time Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof.

Presently, the Company does not have a stock options scheme for its Directors.

Details of remuneration to the Directors for the year ended 31st March, 2017

Name of the Directors	Salary (₹)	Benefits (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Service Contract/Notice Period/Severance Fees
Shri V. K Goel	8004000	2817110	-	64600000	-	Proposed for Re-Appointment from 01.04.2017 to 31.03.2020, subject to necessary approvals. No Notice period and no severance fees.
Shri A.K Goel	8004000	1200289	-	64600000	-	Proposed for Re-Appointment from 01.04.2017 to 31.03.2020, subject to necessary approvals. No Notice period and no severance fees.
Shri Gaurav Goel	8004000	1198933	-	64600000	-	Proposed for Re-Appointment from 01.04.2017 to 31.03.2020, subject to necessary approvals. No Notice period and no severance fees.
Shri Gautam Goel	8004000	19731	-	-	-	Proposed for Re-Appointment from 01.04.2017 to 31.03.2020, subject to necessary approvals. No Notice period and no severance fees.
Shri Sandeep Kumar Sharma	1470850	111514	-	-	-	Proposed for Re-Appointment from 01.04.2017 to 31.03.2020, subject to necessary approvals. No Notice period and no severance fees.
Shri A.K. Gupta	-	-	-	-	274550	Appointed as Independent Director up to 25.09.2019.
Shri M.P. Mehrotra	-	-	-	-	159800	Appointed as Independent Director up to 25.09.2019.
Shri Harish Saluja	-	-	-	-	183050	Appointed as Independent Director up to 25.09.2019.
Shri Rahul Bedi	-	-	-	-	102900	Appointed as Independent Director up to 25.09.2019.
Shri Priya Brat	-	-	-	-	274550	Appointed as Independent Director up to 25.09.2019.
Ms. Nandita Chaturvedi	-	-			91300	Appointed as Independent Director up to11.11.2019.
Shri.Anoop Kumar Wahi	-	-	-	-	46000	Nominee Director

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and applicable provisions of the Listing Regulations, the Board has carried out the performance evaluation of its own performance and of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders' Relationship Committee as well as evaluation of performance of Directors individually. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, corporate governance practices and stakeholders' interests, etc. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, meeting risk management and competition challenges, compliance and due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc.

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

Policy on Board diversity

The Board of Directors shall have the optimum combination of Directors from different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee comprises Shri A. K. Gupta, Chairman; Shri Priya Brat; and Shri Harish Saluja.

The Committee, inter-alia, reviews issue of duplicate share certificates and oversees and reviews all matters connected with the Company's transfers of securities. It looks into redressal of shareholder's/investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, among others.

It oversees the performance of the Company's Registrar and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. Besides, it monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has delegated the power of approving transfer of securities to Shri Gaurav Goel, the Company's Managing Director.

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

During the period from 1st April, 2016 to 31st March, 2017, four Committee meetings were held on:

1) 10th May, 2016
2) 5th August, 2016
3) 09th November, 2016
4) 10th February, 2017

The attendance at the meetings are as follows:

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

The Company Secretary also acts as the Secretary to the Committee.

FAMILIARISATION PROGRAMME FOR DIRECTORS:

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

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

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

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

SUBSIDIARY:

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

Insider Trading Code:

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

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

STATUS OF INVESTORS' GRIEVANCES:

The total number of correspondence/complaints received during the year is 92 and all of them have been dealt with to the satisfaction of shareholders during the period ended 31st March, 2017 and no demat request/transfer was pending as on that date.

COMPLIANCE OFFICER

Ms. Aparna Goel, Company Secretary, is the Compliance Officer of the Company.

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

The CSR committee met once during the year on 5th August, 2016.

INDEPENDENT DIRECTORS MEETING

During the year under review, The Independent Directors met on 10th February, 2017, interalia, to:

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

DISCLOSURES AND AFFIRMATION

I. **Compliance with Mandatory Requirements:**
The Company is in compliance with all requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

II. **Related Party Transactions**
All transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant related party transactions during the year.

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

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

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

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

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

V. The Company has followed the Accounting standards referred to in section 133 of Companies Act, 2013 and other applicable laws and regulations for the preparation of financial Statements. The Significant accounting policies applied have been set out in the notes to the financial statements.

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

VII. During the current financial year, the Company has issued and allotted 61,72,655 equity shares of ₹10 each at a premium of ₹88.68 per equity share by way of Qualified Institutional Placement.

MEANS OF COMMUNICATION

I. The Company's Quarterly Financial results in the proforma prescribed by the Stock Exchanges pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved and taken on record by the Board of Directors and submitted to the stock exchanges.

II. The results are normally published in Business Standard/ Financial Express/Economic Times (in English) and Jan Satta/ Amar Ujala/Veer Arjun (in Hindi).

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

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

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

GENERAL MEETINGS:

Details of Annual General Meetings are as follows:

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

Year	Location	Date	Time
2015-16	Registered office P.O. Dhampur (Bijnor)	30th August, 2016	2.00 p.m.
2014-15	Registered office P.O. Dhampur (Bijnor)	11th September, 2015	2.00 p.m.
2013-14	Registered office P.O. Dhampur (Bijnor)	26th September, 2014	2.00 p.m.

During the year Extra Ordinary General Meeting of the Company was held on 23.05.2016 at registered office of the Company. The meeting was held for authorizing the Board of Directors under Section 180(1)(a) to provide securities and / or to deal with the properties of the Company and for approval for issue of securities, in one or more tranches, by way of Qualified Institutional Placement in order to raise capital.

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

Financial Year 2015-16 as under:

Invitation and Acceptance of Fixed Deposits from the members and public

Financial Year 2014-15 as under:

a. Invitation and Acceptance of Fixed Deposits from the members and public

b. Reappointment of Shri V. K. Goel as Chairman and Executive Director of the Company and to fix his remuneration.

c. Reappointment of Shri A. K. Goel as Vice Chairman and Executive Director of the Company and to fix his remuneration.

d. Reappointment of Shri Gaurav Goel as Managing Director of the Company and to fix his remuneration.

e. Reappointment of Shri Gautam Goel as Managing Director of the Company and to fix his remuneration.

f. Borrowing Powers of the Company.

Financial Year 2013-14 as under:

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

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

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

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

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

v. Dividend

The Board of Directors at their Meeting held on 25th May, 2017, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of ₹3.5/- per share, on equity shares of the Company for the Financial Year 2016-17. The Dividend shall be paid to the members whose names

appear on Company's Register of Members on August 21, 2017 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on August 21, 2017 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after September 4, 2017.

GENERAL SHAREHOLDER INFORMATION

82nd Annual General Meeting:

Date: 28th August, 2017

Time: 2 p.m

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

Tentative financial calendar

Board meeting to approve quarterly financial results :

Period quarter ending	Proposed Board meeting dates
30th June, 2017	End July, 2017
30th September, 2017	End October, 2017
31st December, 2017	End January, 2018
31st March, 2018	End May, 2018

Date of Book Closure

From Monday, 21st August, 2017 to Monday, 28th August, 2017 (both days inclusive)

Listing on stock exchanges

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

The annual listing fees for the year 2017-18 have been duly paid to all the above stock exchanges.

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

The equity shares available for dematerialization are as follows

ISIN No.INE041A01016 with NSDL and CDSL.

Stock market data from 1st April, 2016 to 31st March, 2017

Months	National Stock Exchange		Bombay Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
March, 2017	241.9	182.1	241.50	182.70
February, 2017	214.8	175.1	215	175.20
January, 2017	181.75	130.65	182	130.60
December, 2016	134.75	112.1	134.8	112.5
November, 2016	124.75	94.7	124.8	96.05
October, 2016	137.5	116.65	137.5	117
September,2016	125.8	105	126	105
August, 2016	137.5	124.4	137.65	105
July,2016	127	115	127	115.05
June, 2016	127.4	91.1	127.3	91.15
May, 2016	97.3	81.7	97.2	81.8
April, 2016	100	95.1	99.9	82.8

Share price performance in comparison to broad based indices-BSE Sensex and NSE as on 01st April, 2016 and 31st March 2017.

FY 16-17	BSE		NSE	
	DSML	Sensex	DSML	Sensex
01.04.2016	96.25	25269.64	96.45	7713.05
31.03.2017	217.05	29620.50	216.85	9173.75

REGISTRARS & SHARE TRANSFER AGENTS

M/s Alankit Assignments Limited,
Alankit House,
1E/13 Jhandewalan Extension,
New Delhi 110 055
Ph: 011 – 42541234, 23541234
Fax : 011- 42541201
E- mail : rta@alankit.com

SHARE TRANSFER SYSTEM

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

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

Distribution of Holding as on 31st March, 2017

Sl. No	Shareholding of normal value of ₹10 each	No. of shareholders	Percent of total shareholders	Share amount (₹)	Percent of total equity
1	1 to 5000	34502	90.745	30437160	4.58
2	5001 to 10000	1468	3.861	11852070	1.79
3	10001 to 20000	790	2.078	12360640	1.86
4	20001 to 30000	314	0.826	8047210	1.21
5	30001 to 40000	192	0.505	6874750	1.04
6	40001 to 50000	132	0.347	6221640	0.94
7	50001 to 100000	238	0.626	17822460	2.68
8	100001 to ABOVE	385	1.013	570259970	85.90
	TOTAL	**38021**	**100**	**663875900**	**100.00**

CATEGORY		HOLDING	%
1	Promoter	9212604	15.3
2	Associate Company	14047273	21.15
3	Director and Relatives	85364	0.14
4	Person Acting in Concert	9490396	15.76
5	Banks/FI	175401	0.26
6	Foreign Portfolio Investors	2057287	3.099
7	Corporate Bodies	4979905	7.50
8	Resident Indian Public	24574023	37.00
9	NRI/OCB/Foreign Nationals	827076	1.24
10	Mutual Funds	1106599	1.66
11	Trust	20709	0.03
Grand Total		**66387590**	**100**

Commodity Price Risks and Commodity Hedging Activities:

The Company's operations are mainly in India and therefore are not in foreign exchange, except import of raw material, stores and spares and liabilities against imports of capital goods. The Company has some exports which provides natural hedge to the exports.

DEMATERIALISATION OF SHARES

Over 99.30 per cent of the outstanding shares have been dematerialized up to 31st March, 2017. Trading in equity shares of the Company is permitted only in dematerialised form w.e.f October/November, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

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

N.A

CODE OF CONDUCT

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

DISCRETIONARY REQUIREMENTS

The Board: The Company has an Executive Chairman.

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

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

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

PLANT LOCATIONS:

Sugar units:

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

Chemical units:

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

Co-generation units:

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

ADDRESS FOR CORRESPONDENCE:

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

DECLARATIONS

Complaince with the Code of Conduct and Ethics:

As provided under Regulation 26 (3) of SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015, all the Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct and ethics of the Company for the year ended 31st March, 2017.

For Dhampur Sugar Mills Limited

Gautam Goel
Managing Director

CEO/CFO Certificate

The Board of Directors
Dhampur Sugar Mills Limited

We undersigned, in our respective capacities as Managing Director and Chief Financial officer of Dhampur Sugar Mills Limited, to the best of our knowledge and belief, certify that;

a) We have reviewed the Balance Sheet, Profit and Loss Account, Cash Flow Statement and the Director's report for the period from 1st April, 2016 to 31st March, 2017 and based upon our knowledge and information certify that :-

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

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards and other applicable laws and regulations.

b) There are, to best of our knowledge and belief, no transactions entered into by the company during the period, which are fraudulent, illegal or violative of the Companies Code of Conduct.

c) We accept the responsibility for establishing and maintaining internal control for financial reporting for the company and we have:

   i) Evaluated the effectiveness of the internal control system of the company.

   ii) Disclosed to the Auditors and Audit Committee of the Board, deficiencies in the design or operation of internal controls, if any of which we are aware, and

   iii) Necessary steps taken /proposed to be taken to ratify these deficiencies.

d) We have indicated to Auditors and the Audit Committee of the Board that there have been:

   i) no significant changes in internal control over the financial reporting during the period,

   ii) no significant changes in accounting policies during the period

   iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For Dhampur Sugar Mills Limited

Place: New Delhi
Date: 25.05.2017

Gautam Goel
Managing Director

Nalin K Gupta
Chief Financial Officer

Certificate on Corporate Governance

To
The Members of
Dhampur Sugar Mills Limited

We have examined the compliance of conditions of Corporate Governance by Dhampur Sugar Mills Limited for the period ended 31st March, 2017 as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations, 2015.

We state that in respect of Investor Grievance(s) received during the period ended 31st March, 2017, no such grievances are pending for a period exceeding one month against the Company as per the records maintained by Company and presented to the Investor Grievance Committee.

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

For GSK & Associates

Saket Sharma
Company Secretary
C.P. No. 2565

Place: New Delhi
Dated: 25.05.2017

Financial Statements

Independent Auditors' Report

To
The Members of
Dhampur Sugar Mills Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dhampur Sugar Mills Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of a subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2017 and its Profit and its Cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of two subsidiaries, whose financial statements reflect total assets of ₹29.86 crores as at March 31, 2017, total revenues of ₹90.90 crores, total loss after tax of ₹5.85 crores and net cash inflows amount to ₹2.74 crores for the year then ended, as considered in the consolidated financial statements. This financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of a subsidiaries, as noted in the 'Other Matter' paragraph, we report that

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company which are incorporated in India none of the Directors of any such company is disqualified as on 31st March, 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 Group and the operating effectiveness of such Controls, refer to our separate report in Annexure – 'A'

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of a subsidiary, as noted in the 'Other Matter' paragraph:

      i. The consolidated financial statements disclosed the impact of pending litigations on its financial position in its financial statements.

      ii. The Holding Company and subsidiary companies do not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

      iii. As explained, there has been no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

   (h) the Company has provided requisite disclosures in Note 29 to these (standalone) financial statements, as to holdings 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 the audit procedures performed 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 produced to us by the Management.

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

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

Place: New Delhi
Date: 25th May, 2017

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

(The Annexure – 'A' referred to in our Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended 31st March, 2017)

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

We have audited the internal financial control over financial reporting of Dhampur Sugar Mills Limited ("the Holding Company") as of 31 March, 2017 in conjunction with our audit of the consolidated financial statements of the company for the year ended on that date.

We have not audited the internal financial control over financial reporting of Subsidiary Company, which is a company not incorporated in India, as of 31st March, 2017.

Management's Responsibility for internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

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

Place: New Delhi
Date: 25th May, 2017

Consolidated Balance Sheet as at 31st March, 2017

(₹ in crores)

Particulars	Note No.	As at 31.03.2017		As at 31.03.2016	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	66.45		75.30	
Reserves and surplus	4	873.33	939.78	635.39	710.69
Minority interest			1.68		0.00
Non-current liabilities					
Long-term borrowings	5	528.70		546.34	
Deferred tax liabilities	6	42.95		0.00	
Other long-term liabilities	9	0.00		0.99	
Long-term provisions	7	24.99	596.64	20.82	568.15
Current liabilities					
Short-term borrowings	8	1274.16		928.47	
Trade payables	9	308.61		471.43	
Other current liabilities	9	248.50		504.12	
Short-term provisions	10	35.99	1867.26	12.64	1916.66
Total			**3405.36**		**3195.50**
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	11	1491.30		1495.71	
Intangible assets	11b	2.58		0.00	
Capital work-in-progress		27.13		28.17	
Non-current investments	12	0.44		0.80	
Deferred tax Assets (Net)	6	0.00		35.21	
Long-term loans and advances	13	16.06		19.93	
Other non-current assets	14	0.15	1537.66	0.19	1580.01
Current assets					
Current Investment	12a	1.30		0.00	
Inventories	15	1481.72		1261.30	
Trade receivables	16	216.01		251.22	
Cash and cash equivalents	17	27.77		25.80	
Short-term loans and advances	13	120.20		36.92	
Other current assets	14	20.70	1867.70	40.25	1615.49
Total			**3405.36**		**3195.50**
Significant Accounting Policies					
Notes on Financial Statements	1 to 39				

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

For Mittal Gupta & Co.

For and on behalf of the Board of Directors

B. L. Gupta
Partner
Chartered Accountants

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Gautam Goel
Managing Director

M.P.Mehrotra
Director

Place : New Delhi
Dated : 25.05.2017

A. K. Gupta
Director

Nalin Gupta
Chief Finance Officer

Aparna Goel
Company Secretary

Consolidated Profit and Loss Statement for the year ended 31st March, 2017

(₹ in crores)

Particulars	Note No.	Year ended 31.03.2017		Year ended 31.03.2016	
INCOME					
Revenue from operations	18	2715.73		2325.04	
Less : Excise duty and other taxes		132.06	2583.67	92.02	2233.02
Other income	19		24.49		24.69
Total revenue			**2608.16**		**2257.71**
EXPENSES					
Cost of Raw materials consumed	20		1815.16		1515.82
Purchases of Stock-in-Trade	18		95.40		237.08
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	21		(198.69)		(16.90)
Employee benefits expense	22		128.91		84.38
Finance costs	24		167.20		158.65
Depreciation and amortization expense			54.27		55.14
Other expenses	23		229.92		202.37
Total Expenses			**2292.17**		**2236.54**
Profit before exceptional and extraordinary items and tax			**315.99**		**21.17**
Exceptional items -					
- Remission of Cane Commission liability relating to earlier years (Net of taxes)			0.00		10.22
Profit before extraordinary items and tax			**315.99**		**31.39**
Extraordinary items			0.00		0.00
Profit/(loss) before tax			**315.99**		**31.39**
Tax expense:					
Current tax/Income tax adjustments			64.42		4.11
Less: MAT credit entitlement			(64.27)		(4.11)
Deferred tax assets/(liability) (Net)			(78.16)		(5.51)
Profit/(loss)			**237.68**		**25.88**
Share of profit/loss transferred to minority			(0.63)		-
Pre-Acquisition profit of the subsidiary company			(0.35)		-
Profit/(loss) after minority interest			**236.70**		**25.88**
Earning per equity share (nominal value of share ₹10/- each)					
Basic (₹ per share)			36.42		4.13
Diluted (₹ per share)			36.42		4.13
Significant Accounting Policies					
Notes on Financial Statements	1 to 39				

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

For Mittal Gupta & Co.

For and on behalf of the Board of Directors

B. L. Gupta
Partner
Chartered Accountants

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Gautam Goel
Managing Director

M.P.Mehrotra
Director

Place : New Delhi
Dated : 25.05.2017

A. K. Gupta
Director

Nalin Gupta
Chief Finance Officer

Aparna Goel
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2017

(₹ in crores)

Particulars		Year ended 31.03.2017		Year ended 31.03.2016	
A.	**Cash flow from operating activities:**				
	Net Profit/(Loss) before tax and exceptional items		315.51		21.17
	Adjustment for:				
	Depreciation	54.24		55.14	
	Loss on sale of fixed assets (Net)	1.46		(1.26)	
	Finance Cost	167.10		158.65	
	Cane Commission written off	13.06		0.00	
	Provision for impairment of investment reversed	0.00		(3.24)	
	Interest and other investment income	(2.70)		(3.03)	
	Molasses storage fund	0.18		0.16	
	Provision for doubtful debts & balance written off/(back)	(5.38)	227.96	(2.37)	204.05
	Operating profit before working capital changes		543.47		225.22
	Adjustments for:				
	Trade and other receivables	44.16		105.58	
	Inventories	(219.89)		(9.02)	
	Trade and other payables	(351.63)	(527.36)	(153.63)	(57.07)
	Cash generated from operation		16.11		168.15
	Taxes refund/(paid)		(69.02)		0.06
	Net cash from operating activities (A)		**(52.91)**		**168.21**
B.	**Cash flow from investing activities :**				
	Purchases of fixed assets (Net)		(59.29)		(48.50)
	Proceed from sale of investment in mutual fund		0.36		3.71
	Investment in subsidiary companies		(1.51)		0.00
	Fixed Deposit (net)		(0.30)		(0.17)
	Interest and other investment income		0.16		3.25
	Net cash used in investing activities (B)		**(60.58)**		**(41.71)**
C.	**Cash flow from financing activities :**				
	Redemption of preference shares		(15.02)		(2.16)
	Issue of equity share including premium		61.01		3.71
	Equity shares issue expenses		(1.66)		0.00
	Proceeds from Long term borrowings		218.32		190.97
	Repayments of Long term borrowings		(299.01)		(162.29)
	Proceeds from short term borrowings (net)		345.51		18.11
	Interest subsidy received		7.50		0.00
	Dividend including dividend distribution tax		(24.66)		0.00
	Finance Cost Paid		(175.96)		(165.74)
	Net cash used in financing activities (C)		**116.03**		**(117.40)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		2.54		9.10
	Opening Balance of Cash and Cash Equivalents		18.50		9.40
	Opening Balance of Subsidiary Company (i.e. DETS Limited)		0.03		0.00
	Closing balance of Cash and Cash Equivalents		21.07		18.50

Consolidated Cash Flow Statement for the year ended 31st March, 2017

Reconciliation of Cash & Cash Equivalents : (₹ in crores)

Particulars	As at 31.03.2017	As at 31.03.2016
Closing Balance of Cash & Cash Equivalents as per Cash Flow Statement	21.07	18.50
Add: Balance in Unpaid Dividend account	0.35	0.26
Add: Deposit pledged against margin money/guarantee	1.63	2.59
Add: Deposits earmarked for Fixed Deposit	3.66	3.66
Add: Deposits earmarked for Molasses Storage Fund	1.06	0.79
Closing Balance of Cash & Cash Equivalents as per Note No - 17	**27.77**	**25.80**

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

For Mittal Gupta & Co.

B. L. Gupta
Partner
Chartered Accountants

Place : New Delhi
Dated : 25.05.2017

For and on behalf of the Board of Directors

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Gautam Goel
Managing Director

M.P.Mehrotra
Director

A. K. Gupta
Director

Nalin Gupta
Chief Finance Officer

Aparna Goel
Company Secretary

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

1) Corporate Information:

Dhampur Sugar Mills Limited ('the Company') having CIN No. L15249UP1933PLC000511 is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913 and has its registered office at Bijnor, Uttar Pradesh, India.

Its shares are listed on two stock exchanges in India namely, National Stock Exchange of India and Bombay Stock Exchange of India.

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

2) Significant Accounting Policies:

i. Basis of Preparation of Financial statement

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

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

ii. Principles of Consolidation

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

a) The consolidated financial statements of the Company and its subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2017.

b) The consolidated financial statement of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances and intra-group transactions resulting in unrealized profits or losses.

c) The operating activities of Dhampur International Pte. Ltd. is being treated as integral foreign operations and accordingly the financial statements are translated as if the transactions of the foreign operation have been those of the Company itself.

d) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, like transaction and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

e) The excess of cost to the Company of its investments in the subsidiary company is recognized in the financial statement as goodwill and the excess of company's portion of equity of the subsidiary over the cost of the investments therein is treated as capital reserve.

f) Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above If, the amount of losses applicable to the minority on consolidation exceeds the minority interest in the equity of the subsidiary, the excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that minority has a binding obligation to, and is able to, make good the losses. if the subsidiary subsequently reports profits, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

g) The list of subsidiary companies which are included in the consolidation and the groups' holding therein are as under:

Sl. No.	Name of the Company	Country of Incorporation	Ownership in % either directly or through subsidiaries	
			2016-2017	2015-2016
1.	Dhampur International Pte. Ltd.	Singapore	100.00	100.00
2.	DETS Limited	India	51.00	0.00
3.	EHAAT Limited	India	100.00	0.00

iii. Use of Estimates

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

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

iv. Fixed Assets and work-in-progress

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

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

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

b) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

v. Depreciation and Amortization

a) The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

b) Depreciation on tangible fixed assets is provided for on Straight Line Method over the useful life of assets specified in the Schedule –II of Companies Act, 2013.

c) Intangible assets are amortized on a straight line basis over the estimated useful economic life of the assets. The Company uses a rebuttable presumption that the useful life of intangible assets is ten years from the date when the assets is available for use.

vi. Foreign Exchange Transactions

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

Monetary items denominated in foreign currencies at the year-end are restated at year-end rates. In case of items which are covered by forward exchange contracts, the premium or discount arising out at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the exchange reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date,

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

is recognized as income/ expense for the year except that the exchange differences, including premium or discount on forward exchange contracts, arising in respect of long term borrowings or liabilities relating to the acquisition of the depreciable capital assets which are adjusted to the cost of fixed assets.

Non-monetary foreign currency items are carried at cost.

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

vii. Inventories

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

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

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

Standing cane and other crops are carried at cost.

Loose tools and instruments are carried at depreciated value.

By-products are carried at net realizable value.

viii. Excise duty

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

ix. Employees Benefits

Defined contribution plan:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly/annual contribution at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioners and the Central Provident Fund under the State Pension Scheme. The Company generally liable for monthly/annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

Defined benefit plan:

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

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

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

x. Leases

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

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

xi. Investments

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

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

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

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

xii. Revenue Recognition

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

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

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

xiii. Borrowing Costs

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

xiv. Provision for Current and Deferred Tax

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

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

xv. Impairment of Assets

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

xvi. Government Grants

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

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

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

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

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

xvii. Provisions, Contingent Liabilities and Assets

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

Contingent liabilities are shown by way of notes to the account in respect of obligations where, based on the evidence available their existence at the balance sheet date is considered not probable.

Contingent assets are not recognized in the financial statements.

xviii. Cash and Cash Equivalents

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

xix. Cash Flow Statement

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

xx. Earning Per Share

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

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

xxi. Segment Reporting

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

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

xxii. Equity Issue Expenses

Expenses incurred on issue of equity shares are charged in securities premium reserve account in the year in which it is incurred.

2A) Change in Accounting Policy:

During the year, the Company has changed its accounting policy for charging depreciation on Plants and Buildings having been put to used upto 31st March, 1989 and other fixed assets having been put to use upto 31st March, 2014 from Written Down Value to Straight Line Method. Consequent to this change charge of depreciation for the year is lower by ₹0.47 Crore.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

3 - Share capital

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
Authorized shares				
11,38,26,000 equity shares of ₹10/- each		113.83		113.83
69,17,400 preference shares of ₹100/- each		69.17		69.17
Issued , subscribed and paid-up shares				
Equity shares				
6,63,87,590 (6,02,14,935) equity shares of ₹10/- each fully paid-up	66.38		60.21	
3,25,496 equity shares forfeited	0.07		0.07	
Less : Calls in arrears	#	66.45	#	60.28
Preference shares				
Nil (18,01,817), 8% Cumulative Redeemable preference shares of ₹100/- each fully paid-up		0.00		15.02
{Amount pending for redemption - Nil (₹83.35) per share}				
TOTAL		**66.45**		**75.30**

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

Particulars	31.03.2017		31.03.2016	
	No.	(₹ in crores)	No.	(₹ in crores)
Authorized shares				
Equity shares				
At the beginning of the period	113826000	113.83	113826000	113.83
Outstanding at the end of the period	113826000	113.83	113826000	113.83
Preference shares				
At the beginning of the period	6917400	69.17	6917400	69.17
Outstanding at the end of the period	6917400	69.17	6917400	69.17
Issued , subscribed and paid-up shares				
Equity shares				
At the beginning of the period	60214935	60.21	58714935	58.71
Issued during the period	6172655	6.17	1500000	1.50
Outstanding at the end of the period	66387590	66.38	60214935	60.21
Preference shares				
At the beginning of the period	1801817	15.02	2684770	17.18
Redeemed during the period	1801817	15.02	882953	2.16
Outstanding at the end of the period	0	0.00	1801817	15.02

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

3 - Share capital *(contd.)*

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

Particulars	31.03.2017		31.03.2016	
	No.	% holding	No.	% holding
Equity shares of ₹10 each fully paid-up				
Goel Investments Ltd.	10655515	16.05	11255515	18.69
Sonitron Ltd.	4940716	7.44	4940716	8.21
Shudh Edible Products Ltd.	4299680	6.48	4549680	7.56
Mr. Gautam Goel	4242339	6.39	4242339	7.05
Mr. Gaurav Goel	4211379	6.34	4211379	6.99
Saraswati Properties Limited	3266758	4.92	3416758	5.67
8% Cumulative Redeemable Preference shares of ₹100 each fully paid-up				
JK Tyre & Industries Limited	0	0.00	1801817	100.00

3.c - Calls unpaid of equity shares

Particulars	31.03.2017		31.03.2016	
	No.	Amt. (in ₹)	No.	Amt. (in ₹)
i) Calls unpaid by directors and officers	Nil	Nil	Nil	Nil
i) Calls unpaid by others	2185	10705	2185	10705

3. d Terms/right attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the shareholders of equity shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

3.f Right attached to Preference shares

(i) The Preference shares will constitute direct, unconditional, un-subordinated and unsecured obligations of the company and will at all times rank pari passu and without any preference among them.

(ii) No premature redemption option to the company, nor to the shareholders of Cumulative Redeemable Preference shares and no option to the shareholders to seek redemption in case of non-payment of dividend.

3.g Terms of redemption of Preference shares

(i) Nil (Previous Year 18,01,817) - 8% Cumulative Redeemable Preference Shares of ₹100 each are redeemable in 3 equal yearly installments commencing from April 01, 2014. The amount due for redemption as at 31st March, 2017 is ₹ Nil, (9 Crores).

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

Particulars	31.03.2017	31.03.2016
Proposed final dividend per equity share of ₹10/- each	₹3.50	₹ NIL

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

3 - Share capital *(contd.)*

3.i - The Board of directors declared and paid the following dividend : (₹ in crores)

Particulars	As at 31.03.2017	As at 31.03.2016
Interim dividend per equity share of ₹10/- each	₹2.50	₹ NIL
Arrears dividend on cummulative redeemable preferance shares of ₹100 each*	₹4.69 Crore	₹ NIL

*including dividend distribution tax

3.j During the year, the company has issued and allotted 61,72,655 equity shares of ₹10 each @ premium of ₹88.68 per equity share by way of Qualified Institutional Placement.

4 - Reserves and surplus

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
Capital reserve				
Balance as per last account	25.23		10.64	
Add: Net gain on sale of RECs' transfer from surplus	19.63		14.59	
Add: On consolidation of subsidiary	0.33	45.19	0.00	25.23
Securities Premium Reserve				
Balance as per last account	326.86		323.41	
Less: Expenses on issue of shares during the year	(1.66)			
Add: Received during the year	54.74	379.94	3.45	326.86
Reserve for construction of Molasses Storage Tank				
Balance as per last account	1.22		1.06	
Add: Provided during the period	0.18	1.40	0.16	1.22
Capital redemption reserve				
Balance as per last account		3.72		3.72
Revaluation Reserve				
Balance as per last account	295.08		35.69	
Add: During the year (Refer Note No. - '11.b')	0.00	295.08	259.39	295.08
General reserve				
Balance as per last account	46.24		46.24	
Add : Transferred from Surplus/(Deficit)	75.00	121.24	0.00	46.24
Surplus/(Deficit)				
Balance as per last account	(62.96)		(74.25)	
Profit/(loss) for the year	236.70		25.88	
Pre acquisition profit of the subsidiary company	0.28		0.00	
Less: Net gain on sale of RECs' transfer to Capital Reserve	(19.63)		(14.59)	
Less: Interim Dividend on Equity Shares	(16.60)		0.00	
Less: Proposed Dividend on Equity Shares	(23.24)		0.00	
Less: Dividend on Preference Shares	(3.89)		0.00	
Less: Taxes on Dividend	(8.90)		0.00	
Less: Transferred to general reserve	(75.00)		0.00	
Net Surplus/(deficit)		26.76		(62.96)
TOTAL		**873.33**		**635.39**

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

5 - Long-term borrowings

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Non-current	Current	Non-current	Current
Term loans				
Secured				
Rupee term loans from banks	357.18	50.74	349.81	85.39
Rupee term loans from banks SEFASU	30.43	36.51	66.94	36.51
Rupee term loans from banks Soft loan	79.51	9.91	99.09	0.00
Rupee term loans from sugar development fund	38.58	15.34	18.24	25.37
	505.70	**112.50**	**534.08**	**147.27**
Unsecured				
Deposits - from related parties	12.08	0.01	4.13	2.68
- from public	5.33	2.15	4.76	2.08
Buyers' credit from bank in foreign currency	5.59	3.03	3.37	29.67
	23.00	**5.19**	**12.26**	**34.43**
Total	**528.70**	**117.69**	**546.34**	**181.70**

5.a - Nature of security

(i) Rupee term loan from banks under the Government sponsored subvention Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU), 2014 of ₹66.94 crores are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.

(ii) Rupee term loan from bank under the Government sponsored Scheme for Extending soft loan to sugar mills of ₹89.42 crores are secured by third parri passu charge on block of fixed assets of the company and personal guarantee of four directors.

(iii) Rupee term loans from Sugar Development Fund (SDF) of ₹35.68 crores are secured by pari passu First charge over the movable and immovable assets of DSM Sugar Rajpura, a unit situated at Rajpura, and balance ₹18.24 crores are secured by exclusive second charge on all movable and immovable assets excluding current assets of the company.

(iv) Rupee term Loan from Bank of ₹150.00 crores are secured by the subservient charge on all movable and immovable assets except book debts, stock-in-trade, raw materials, spare parts and other current assets.

(v) All other term loans from banks are secured by first parri passu charge on all movable and immovable assets except book debts, stock-in-trade, raw materials, spare parts and other current assets.

(vi) All the term loans are guaranted by four directors.

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

(₹ in crores)

Particulars	ROI (%) as on 31.03.2017	F.Y. - 18-19	F.Y. - 19-20	F.Y. - 20-21	Beyond F. Y. 21-22	Total
Secured						
Term Loans from banks	11.25%	10.83	10.83	10.83	8.12	**40.61**
Term Loans from banks	11.10%	6.00	0.00	0.00	0.00	**6.00**
Term Loans from banks (Including Soft Loan)	10.40%	80.63	85.25	56.50	146.03	**368.41**
Term Loans from banks	9.45%	13.68	7.67	0.00	0.00	**21.35**
Term Loans from banks	2.85%	0.15	0.17	0.00	0.00	**0.32**
Term Loans from banks SEFASU	Nil	30.43	0.00	0.00	0.00	**30.43**
Sub-total		**141.72**	**103.92**	**67.33**	**154.15**	**467.12**

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

5 - Long-term borrowings *(contd.)*

5.b - Maturity profile and Rate of interest of long term borrowings are as set out below : (₹ in crores)

Particulars	ROI (%) as on 31.03.2017	F.Y. - 18-19	F.Y. - 19-20	F.Y. - 20-21	Beyond F. Y. 21-22	Total
Rupee term loans from SDF	7.00%	2.90	0.00	0.00	0.00	**2.90**
Rupee term loans from SDF	4.75%	0.00	3.57	7.14	24.97	**35.68**
Sub-total		**2.90**	**3.57**	**7.14**	**24.97**	**38.58**
Total secured		**144.62**	**107.49**	**74.47**	**179.12**	**505.70**
Unsecured Deposits	10.25% to 12%	5.24	12.17	-	-	**17.41**
Buyers Credit from Bank	1.78%	0.40	5.19	-	-	**5.59**
Grand-total		**150.26**	**124.85**	**74.47**	**179.12**	**528.70**

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

(₹ in crores)

Particulars	As at 31.03.2017	As at 31.03.2016
Deferred Tax Asset :		
i) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years	19.69	10.83
ii) On account of carried forward losses and unabsorbed depreciation	81.21	169.95
	100.90	180.78
Deferred Tax Liability :		
i) On account of differences in book depreciation and tax depreciation	143.85	145.57
Net Deferred Tax Asset/ (Liability)	**(42.95)**	**35.21**

7 - Long-term provisions

(₹ in crores)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for employee benefits :		
Provision for gratuity	24.99	20.82
Total	**24.99**	**20.82**

8 - Short-term borrowings

(₹ in crores)

Particulars	As at 31.03.2017	As at 31.03.2016
Secured		
Cash credit from banks	1263.52	919.32
Rupee loans from banks	0.00	0.00
	1263.52	**919.32**
Unsecured		
Deposits - from related parties	0.20	3.30
- from public	10.36	5.26
Short term loans and advances - from related parties	0.08	0.59
- from others	0.00	0.00
	10.64	**9.15**
Total	**1274.16**	**928.47**

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

8 - Short-term borrowings *(contd.)*

8.a - Nature of security

Cash Credit limits from District Co-operative Banks/UPCB having outstanding of ₹394.57 Crores as at 31st March, 2017 are secured by pledge of stocks of sugar and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

Cash Credit limit from SBI having outstanding of ₹50.00 Crores as at 31st March, 2017 are secured by pledge of stocks of sugar and personal guarantee of four directors.

All other Cash credit limits from banks having outstanding of ₹818.95 Crores as at 31st March, 2017 are secured by pledge of stocks of sugar and hypothecation of consumable stores and spare parts, chemicals, molasses etc. and by parri passu third charge over the fixed assets of the company and personal guarantee of four directors.

9 - Trade payables and Other Current Liabilities

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Non-current	Current	Non-current	Current
Trade payables (Refer Note No. - '34' of dues to micro and small enterprises)	0.00	308.61	0.00	471.43
Other Non-Current and Current liabilities				
Current maturities of long term borrowings (Refer Note No. - '5')	0.00	117.69	0.00	181.70
Interest accrued but not due on borrowings	0.00	3.58	0.99	2.94
Interest accrued and due on borrowings*	0.00	0.10	0.00	5.31
Unpaid dividend	0.00	0.35	0.00	0.26
Unpaid matured deposits and interest accured thereon	0.00	0.81	0.00	0.20
Advance from customers	0.00	2.17	0.00	1.52
Security deposits	0.00	3.72	0.00	4.42
Statutory dues payable	0.00	91.54	0.00	68.59
Other Liabilities	0.00	28.54	0.00	239.18
Sub Total	**0.00**	**248.50**	**0.99**	**504.12**
Total	**0.00**	**557.11**	**0.99**	**975.55**

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

* Represents interest debited by banks on loans at the close of business hours as at 31st March 2017 which has been repaid by the company on next working day.

10 - Short-term provisions

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
Provision for employee benefits:				
Provision for employees		7.86		8.53
Other provisions				
Provision for tax	64.42		4.11	
Less : Advance tax paid	-64.26	0.16	0.00	4.11
Provision for dividend (including dividend distribution tax)		27.97		0.00
Total		**35.99**		**12.64**

11 - Tangible assets

(₹ in crores)

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Railway sidings	Weighbridge	Computers	Office Equipments	Electrical Appliances	Vehicles	Live Stock	Farm Asset & Equipment	Total (2016-2017)	Total (2015-2016)
Cost														
As on 01-04-2016	346.64	171.90	1666.28	11.78	0.00	7.79	9.91	2.61	8.88	21.61	0.01	0.89	2248.30	1954.37
Addition on account of revaluation (Refer Note - "11.b")	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	259.39
Additions	0.00	1.17	39.72	0.15	0.00	0.84	0.65	0.08	0.32	4.74	0.00	0.00	47.67	38.72
Disposals	0.00	0.10	0.47	0.21	0.00	0.10	0.30	0.01	0.05	4.52	0.00	0.00	5.76	5.01
Other adjustments : - Exchange differences	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.29
- Borrowing costs	0.00	0.00	2.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.92	0.54
As at 31-03-2017	**346.64**	**172.97**	**1708.52**	**11.72**	**0.00**	**8.53**	**10.26**	**2.68**	**9.15**	**21.83**	**0.01**	**0.89**	**2293.20**	**2248.30**
Depreciation														
As on 01-04-2016	0.00	52.12	653.87	9.24	0.00	6.52	8.64	2.31	6.20	13.26	0.00	0.43	752.59	700.44
Charges for the year	0.00	5.83	45.50	0.33	0.00	0.15	0.49	0.08	0.39	1.36	0.00	0.04	54.18	55.10
Disposals	0.00	-0.09	0.52	0.18	0.00	0.08	0.29	0.01	0.08	3.80	0.00	0.00	4.87	2.95
Adjusted from retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31-03-2017	**0.00**	**58.04**	**698.85**	**9.39**	**0.00**	**6.59**	**8.84**	**2.38**	**6.51**	**10.82**	**0.00**	**0.47**	**801.90**	**752.59**
Net Block														
As at 31-03-2016	346.64	119.78	1012.41	2.54	0.00	1.27	1.27	0.30	2.68	8.35	0.01	0.46	1495.71	1253.93
As at 31-03-2017	346.64	114.93	1009.67	2.33	0.00	1.94	1.42	0.30	2.64	11.01	0.01	0.42	1491.30	1495.71

11.a - Intangible assets

(₹ in crores)

Particulars	Licence	Total
Cost of Software		
As on 01-04-2016	0.00	0.00
Additions	2.64	2.64
Disposals	0.00	0.00
Other adjustments : - Exchange differences	0.00	0.00
- Borrowing costs	0.00	0.00
As at 31-03-2017	**2.64**	**2.64**
Amortization		
As on 01-04-2016	0.00	0.00
Charges for the year	0.06	0.06
Disposals	0.00	0.00
As at 31-03-2017	**0.06**	**0.06**
Net Block		
As at 31-03-2016	0.00	0.00
As at 31-03-2017	2.58	2.58

11.b The Company has revalued its land situated at Meerganj Unit as on 07.10.2013 and further revalued all lands as on 25.03.2016 at fair market value as valued by an independent certified valuer. Consequent to revaluation, the value of land was increased by ₹295.08 Crores.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

12 - Non-current Investments

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
Trade Investments :-				
Ramganga Sanyukta Sahkari Kheti Samiti Limited (Unquoted)				
01 Equity share of ₹100/- each fully paid-up		#		#
Other Investments :-				
In Other Companies :				
Investment in Equity shares (fully paid-up unless otherwise stated)				
VLS Finance Limited (Quoted)				
263142 Equity shares of ₹10/- each	0.44		0.44	
South Asian Enterprises Limited (Quoted) (**)				
250000 Equity shares of ₹10/- each				
(At cost less provision for diminution in value ₹0.25 crores (P.Y. ₹0.25 crores))	#	0.44	#	0.44
Investment in Mutual fund				
Baroda Pioneer Income Fund - Dividend Reinvestment Plan (Quoted)				
(Merged out from Baroda Pioneer PSU Bond Fund - Monthly Dividend Plan)				
Nil (160174) Units of ₹10/- (₹10/-) each		0.00		0.36
Total		**0.44**		**0.80**

(₹ in crores)

Disclosure of non-current investments	As at 31.03.2017	As at 31.03.2016
Aggregate amount of quoted investments	0.44	0.80
Aggregate amount of unquoted investments	0.00	0.00
Total investments net of provision for diminution	0.44	0.80
Aggregate provision for diminution in value of investments (**)	0.25	0.25
Aggregate market value of quoted investments	1.64	1.17

12.a - Current Investments

(₹ in crores)

Particulars	Unit (No.)	As at 31.03.2017	As at 31.03.2016
Trade Investments :-			
Reliance Money Manager Fund	5917.245	1.30	0.00
(Market Value ₹1.34 Crores)			
Total		**1.30**	**0.00**

12.b During the year the Company has acquired the 4,28,400 equity shares of DETS Limited (Constituting 51% of Equity Share Capital of DETS Limited) and became the holding Company of the DETS Limited w.e.f. 03rd October,2016.

12.c During the year the Company has promoted and incorporated a Wholly Owned Subsidiary in the name of of EHAAT Limited and subscribed the 1,00,000 Equity Share Capital of the Company on 22th October,2016.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

13 - Long and short term loans and advances

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Non-current	Current	Non-current	Current
(Unsecured considered good unless otherwise stated)				
Capital advances	12.31	0.00	5.64	0.00
Security deposits:-				
- to related parties (Refer Note No. - '33' for details)	2.65	0.00	2.19	0.00
- to others	1.10	0.14	0.82	0.26
Other loans and advances :				
Advances to employees	0.00	0.45	0.00	0.46
Advances to suppliers/contractors/service providers/others	0.00	19.06	0.00	18.56
Loans	0.00	1.31	0.00	1.69
Balances with revenue authorities	0.00	15.34	0.00	9.92
Income tax and wealth tax payments	0.00	2.46	0.00	1.21
MAT credit entitlement	0.00	75.54	11.28	0.00
Payments of taxes under protest/appeal	0.00	1.75	0.00	1.57
Prepaid expenses	0.00	2.30	0.00	3.25
Others	0.00	1.85	0.00	0.00
Total	**16.06**	**120.20**	**19.93**	**36.92**
Details of Loan:				
Ujjwal Microfinance Finance Private Ltd.	0.00	1.38	0.00	0.00

14 - Other non-current and current assets

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Non-current	Current	Non-current	Current
(Unsecured considered good unless otherwise stated)				
Others :				
Inventory - Loose tools and equipments	0.15	0.00	0.19	0.00
Insurance claim receivable	0.00	0.42	0.00	6.79
Subsidy receivable from government/government authority	0.00	17.34	0.00	32.88
Interest receivable	0.00	2.81	0.00	0.29
Others	0.00	0.13	0.00	0.29
Total	**0.15**	**20.70**	**0.19**	**40.25**

15 - Inventories

(₹ in crores)

Particulars	As at 31.03.2017	As at 31.03.2016
(Refer Note No. - '2' for Mode of Valuation)		
Raw materials	16.42	17.92
Goods-in-process	21.47	35.91
Standing cane and other crops	0.39	0.35
Finished goods	1389.73	1148.09
Traded goods	6.98	22.39
Stores, Spare parts, P.P. bags, Chemicals etc.	42.15	36.64
Inventory held for disposal	4.58	0.00
Total	**1481.72**	**1261.30**

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

16 - Trade receivables

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding six months from the date they are due for payment :				
- Considered good		0.69		1.87
Other receivables		215.32		249.35
Total		**216.01**		**251.22**

17 - Cash and cash equivalents

(₹ in crores)

Particulars	As at 31.03.2017		As at 31.03.2016	
Cash and cash equivalents				
Balances with banks :				
On Current accounts	19.10		16.82	
On unpaid dividend account	0.35	19.45	0.26	17.08
Cash on hand		1.13		1.68
Other bank balances :				
Deposits pledged against margiin money/guarantee	2.47		2.59	
Deposits earmarked for Fixed Deposit	3.66		3.66	
Deposits earmarked for Molasses Storage Fund	1.06	7.19	0.79	7.04
Total		**27.77**		**25.80**

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

(₹ in crores)

Particulars	Opening stock	Purchases	Sales	Closing stock
Revenue from operations				
Sale of Products				
Finsihed goods				
Sugar	1036.74	-	2013.96	1271.80
Previous year	971.73	-	1468.52	1036.74
Molasses	67.58	-	0.00	55.71
Previous year	91.37	-	0.00	67.58
Chemicals	14.99	-	364.22	34.45
Previous year	26.14	-	402.85	14.99
Farm produce	0.31	-	0.98	0.17
Previous year	0.06	-	0.77	0.31
Power	-	-	200.63	-
Previous year	-	-	218.42	-
Others	28.47	-	13.80	27.60
Previous year	36.85	-	0.19	28.47
Sub-total finished goods	**1148.09**		**2593.59**	**1389.73**
Previous year	**1126.15**		**2090.75**	**1148.09**

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

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

(₹ in crores)

Particulars	Opening stock	Purchases	Sales	Closing stock
Traded goods				
Coal	-	0.00	0.00	-
Previous year	-	42.85	43.71	-
Soyabean Oil	-	0.00	0.00	-
Previous year	-	38.20	37.91	-
Sugar	-	0.00	0.00	-
Previous year	-	60.96	61.32	-
Other purchases	4.42	95.40	102.48	6.98
Previous year	5.02	95.07	81.44	4.42
Sub-total traded goods	**4.42**	**95.40**	**102.48**	**6.98**
Previous year	**5.02**	**237.08**	**224.38**	**4.42**
Stock-in-process :				
Sugar	16.92			18.96
Previous year	16.46			16.92
Molasses	1.51			1.83
Previous year	1.93			1.51
Chemicals	17.48			0.68
Previous year	12.34			17.48
Standing crops	0.35			0.39
Previous year	0.28			0.35
Sub-total Stock-in-process	**36.26**			**21.86**
Previous year	**31.01**			**36.26**
Total (Gross) (A)	**1188.77**	**95.40**	**2696.07**	**1418.57**
Previous year	**1162.18**	**237.08**	**2315.13**	**1188.77**

Other operating revenue

(₹ in crores)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Miscellaneous income	0.33	2.27
Scrap sale	1.28	1.43
Balances written back	0.62	1.23
Insurance claim received	0.76	0.00
Provision no longer required written back	1.22	1.14
Subsidy from Central Govt. under MIEQ	13.95	0.00
Duty Draw Back	1.50	3.84
Other operating revenue (B)	**19.66**	**9.91**
Total Revenue from operations (Gross) (A+B)	**2715.73**	**2325.04**

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

19 - Other income

(₹ in crores)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Rent	1.24	1.28
Profit on sale of assets	0.58	1.44
Income from Consultancy services	0.00	0.09
Services charges received	0.00	1.02
Interest income	2.90	3.00
Misc. Receipts	0.12	0.00
Provision for impairment of investment reversed	0.00	3.24
Income from REC (Net of expenses)	19.63	14.59
Dividend income	0.02	0.03
Total	**24.49**	**24.69**

20 - Cost of Raw materials consumed

(₹ in crores)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Sugar cane	1739.82	1372.06
Molasses consumed	27.55	58.41
Bagasse & other fuel consumed	12.85	37.59
Chemicals and others	34.94	47.76
Total	**1815.16**	**1515.82**

21 - (Increase)/Decrease in inventories

(₹ in crores)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Inventories at the end of the year		
Finished goods	1389.73	1148.09
Stock-in-process	21.86	36.26
Traded goods	6.98	22.39
	1418.57	**1206.74**
Inventories at the beginning of the year		
Finished goods	1148.09	1126.15
Stock-in-process	36.26	31.01
Traded goods	22.39	5.02
	1206.74	**1162.18**
Net excise duty on account of (Increase)/decrease in inventories	13.14	27.66
(Increase)/Decrease in inventories	**(198.69)**	**(16.90)**

22 - Employees benefits expense

(₹ in crores)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Salary,wages and bonus	112.66	73.62
Contribution to provident and other funds	7.76	6.21
Workmen and staff welfare expenses	2.07	1.79
Gratuity	6.25	2.08
Voluantary retirement compensation	0.17	0.68
Total	**128.91**	**84.38**

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

23 - Other expense

(₹ in crores)

Particulars	Year ended 31.03.2017		Year ended 31.03.2016	
Consumption of stores, spares and other manufacturing expense		46.16		43.68
Packing material expense		28.53		26.68
Expenditure on crops		0.79		0.56
Power and fuel		15.91		7.03
Repairs and maintenance :				
Plant and machinery	31.00		40.16	
Buildings	2.41		4.62	
Others	4.16	37.57	2.64	47.42
Rent		5.91		6.20
Rates and taxes		3.95		2.36
Charity and donation		0.56		0.23
Insurance		2.25		2.01
Molasses fund		0.18		0.16
Selling expenses :				
Commission to selling agents	8.92		11.72	
Other selling expense	14.58	23.50	10.75	22.47
Payment to auditors :				
Audit fee	0.26		0.26	
Tax audit fee	0.07		0.06	
Income Tax Matters & Other Certification Fees	0.10		0.08	
Reimbursement of expenses	0.02	0.45	0.02	0.42
Miscellaneous expenses		30.54		27.91
Cane Commission Subsidy written off		13.06		0.00
Cane development expense		7.69		7.12
Expenses relating to earlier year		0.00		0.02
Foreign exchange difference (Net)		1.05		2.23
Balances written-off		3.74		0.00
Directors sitting fee		0.11		0.11
Loss on sale of fixed assets		2.04		0.18
Loss on sale of export quota obligation		5.93		5.58
Total		**229.92**		**202.37**

23.a Cane Commission subsidy reversal, sum of ₹13.06 Crore being society commission relating to sugar season 2015-16 for period upto 31st March, 2017 recoverable from the State Government of Uttar Pradesh, written off during the year in pursuance of Government order dated 28th December, 2016.

24 - Finance costs

(₹ in crores)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest	168.13	156.42
Documentaion and other bank charges	5.82	4.55
Foreign exchange difference (Net)	0.01	4.94
	173.96	165.91
Less : Interest & Doumentation charges capitalized during the period	(2.40)	(1.68)
Less : Interest subsidy claimed under UPSIPP 2013	(4.36)	(5.58)
Total	**167.20**	**158.65**

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

25 The accounts have been prepared without accounting for any incentive entitlements under U.P. Sugar Incentive Promotion Policy, 2004 as the scheme has been subsequently withdrawn by the State Government. The Company has filed writ petition before Hon'ble Allahabad High Court (Lucknow Bench) for enforcement of the scheme and settlement of incentive claims. As per the erstwhile incentive policy, the company is eligible for capital subsidy of ₹89.89 crores i.e. @10% of the investments made (already vetted ₹50.80 crores) and revenue subsidy for reimbursement of taxes and other charges aggregating to ₹60.50 crores upto the prescibed period of ten years for incentive.

26 During the year, the company earned net gain of ₹19.63 crores (net of expenses of ₹2.06 crores) on sale of 144582 numbers of Renewal Energy Certificates (RECs). These RECs were generated due to environmental concerns and allotted to the company as per Regulation on REC, notified by Central Electricity Regulatory Commission. The earning of these RECs are not an off shoot of business but an off shoot of environmental concerns and hence, the net gain from such sale has been held to be a capital receipt and not an income forming part of the operations of the company by the courts. The courts have further held that the net earning on the sale of these RECs does not fall within the definition of income under the Income Tax Act, 1961 and hence could not be taxed under the normal provisions of taxation as well as under the provisions of section 115JB of the Act. In view of these legal pronouncements, the net earnings on such sale amounting to ₹19.63 crores, credited to the profit and loss statement as other Income, has been concurrently added to the "Capital Reserve" by reduction from "Net Profit carried to the Surplus/Deficit" treating it as a capital receipt.

27 In the opinion of the Board, current assets and loans and advances have realisable value in the ordinary course of business at least equal to the value at which they are stated in the balance sheet. The Board is also of opinion that the diminution in the value of investments in Dhampur International Pte Ltd., wholly owned subsidiary, is on account of accoumulated losses, in temporary in nature.

28 - Expenditure on Corporate Social Responibilities (CSR) Activities:

The various heads under which the CSR expenditure was incurred during the year is detailed as follows: (₹ in crores)

S. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2016-2017	2015-2016
a)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livlihood enhancement projects	0.00	0.36
b)	Clause (vii)	Promoting rural sports, nationally recognised sports, paralympic sports and Olympic sports	0.00	0.03
Total			0.00	0.39

29 During the period from 8th November, 2016 to 30th December, 2016, the Company transacted in Specified Bank Notes (SBN) or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 30th March, 2017. The details of the same is as below in absolute rupees (₹)

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	26074500	6082803	32157457
(+) Permitted receipts	6934000	18246963	25180963
(-) Permitted payments	0	14325345	14325345
(-) Amount deposited in Banks	33008500	2152650	35161150
Closing cash in hand as on 30-12-2016	0	7851925	7851925

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

30 Employees Benefits :

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

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

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

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

(₹ in crores)

Particulars		2016-2017	2015-2016
A)	**Change in Obligation over the year ended 31.03.2017**		
	Present value of defined obligation as on 01.04.2016	22.70	21.58
	Current Service Cost	1.44	1.23
	Interest Cost	1.82	1.81
	Actuarial Gains/Losses	3.55	(1.30)
	Benefits Paid	(2.02)	(0.87)
	Present value of defined obligation as on 31.03.2017	27.49	22.45
B)	**Expenses recognised during the year ended 31.03.2017**		
	Current Service Cost	1.44	1.23
	Interest Cost	1.82	1.81
	Actuarial Gains/Losses	3.55	(1.30)
	Current Service Cost & Actuarial losses in respect of seprated employees	(0.56)	0.89
	Total	6.25	2.63
C)	**Principal Actuarial Assumptions :**		
	Mortality Table	IALM (2006-08)	IALM (2006-08)
	Discount Rate (per Annum)	7.50%	8.00%
	Rate of Escalation in Salary (per Annum)	5.00%	5.50%

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

(iii) **Defined Contribution Plan :**

a) Details of contribution to defined contribution plan to Regional Provident Commissioner and the Central Provident Fund recognised as expense during the period are as under :

(₹ in crores)

Particulars	2016-2017	2015-2016
Employer's Contribution to Provident Fund :	2.65	2.94
Employer's Contribution to Pension Fund :	3.27	2.73

b) The Company's Contribution to defined contribution plan to the irrecoverable trust, set up by the Company aggregating to ₹3.91 Crore (PY. ₹3.11 Crore) has been recognised in statement of profit and loss account.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

30 Employees Benefits : *(contd.)*

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

(₹ in crores)

Particulars	2016-2017	2015-2016
A) Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation at beginning of the year	54.91	51.82
Current Service Cost	1.84	1.39
Adjustment in defined benefit obligation in opening balance	0.06	-
Interest Cost	4.40	4.15
Employee Contribution	4.02	3.29
Actuarial (Gain)/loss	0.33	0.70
Benefits paid	5.83	6.44
Closing defined benefit obligation at end of the year	59.73	54.91
B) Change in Plan Assets:		
Opening fair value of Plan Assets as at beginning of the year	55.64	52.98
Adjustment in fair value of plan assets in opening balance	0.45	-
Expected Return on Plan Assets	4.94	4.66
Contributions	5.86	4.68
Benefits Paid	5.83	6.44
Actuarial Gain/(Loss) on plan Assets	0.03	(0.24)
Closing fair value of plan assets as at end of the year	61.09	55.64
C) Reconciliation of present value of the obligation and fair value of the plan assets:		
Present Value of Funded obligation at end of the year	59.73	54.91
Fair Value of Plan assets atend of the year	61.09	55.64
Deficit/(Surplus)	(1.36)	(0.73)
Net Asset not recognised in Balance Sheet	(1.36)	(0.73)
D) Net Cost recognised in the profit and loss account:		
Current Service Cost	1.84	1.39
Interest Cost	4.40	4.15
Expected return on plan assets	4.94	4.66
Interest shortfall reversed	0.54	0.51
Total costs of defined benefit plans included in Note No 22 "Payments to and provisions for employees"	1.84	1.39
E) Principal Actuarial Assumptions:		
(i) Economic Assumptions		
(a) Expected statutory interest rate	8.65%	8.80%
(b) Expected short fall in interest earnings on the fund	0.05%	0.05%
(ii) Demographic Assumptions		
(a) Mortality	IALM (2006-08)	IALM (2006-08)
(b) Disability	None	None
(c) Withdrawal Rate (Age related)		
Up to 30 Years	3.00%	3.00%
Between 31 - 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%
(d) Normal Retirement Age (in Years)	60	60

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

30 Employees Benefits : *(contd.)*

(₹ in crores)

Particulars	Gratuity (Non Funded)				
	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of obligation as at the end of the year	27.49	22.70	22.45	21.56	19.73
Fair value of plan assets as at the end of the year	0.00	0.00	0.00	0.00	0.00
Net asset/(liability) recognized in the balance sheet	27.49	22.70	22.45	21.56	19.73
Net acturial (gain)/loss recognized	(3.58)	1.27	1.27	0.45	0.02

(₹ in crores)

Particulars	Provident Fund (Non funded)				
	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of obligation as at the end of the year	59.73	54.91	51.83	NA	NA
Fair value of plan assets as at the end of the year	61.09	55.64	52.98	NA	NA
Net asset/(liability) recognized in the balance sheet	1.36	0.73	1.15	NA	NA
Net acturial (gain)/loss recognized	1.36	0.73	1.15	NA	NA

31 Segment Reporting:

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

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and are not allocate to segment on reasonable basis have been disclosed as "Unallocable".

b) Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

c) Since the company's activities/operations are primarily within country and considering the nature of products. Its risk and returs are same as such there is only on geographial segment

(₹ in crores)

Particulars	Sugar	Chemicals	Power	Others	Total
1. Segment Revenue (Including Excise Duty)					
a) External Sales	2,035.90	402.02	196.37	81.44	2,715.73
Previous year	(1,473.33)	(407.54)	(218.67)	(225.50)	(2,325.04)
b) Inter Segment Sales	326.33	3.23	250.83	51.20	631.59
Previous year	(341.32)	(5.48)	(260.21)	(157.28)	(764.29)
c) Total Revenue	2,362.23	405.25	447.20	132.64	3,347.32
Previous year	(1,814.65)	(413.02)	(478.88)	(382.78)	(3,089.33)
2. Segment Results					
(Profit(+)/Loss(-) before tax and interest from each segment)	276.91	69.36	190.49	(10.63)	526.13
Previous year	(-40.15)	(64.66)	(188.77)	(8.06)	205.22
Less : Finance costs					167.20
Previous year					158.65

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

31 Segment Reporting: *(contd.)*

(₹ in crores)

Particulars	Sugar	Chemicals	Power	Others	Total
Less/ Add :Other Unallocable Expense/Income					
Net off Unallocable Income/Expenses					42.94
Previous year					(15.18)
Net Profit(+)/Loss(-) Before Tax					315.99
Previous year					(31.39)
Less: Tax expense (Net)					(78.31)
Previous year					(5.51)
Net Profit after Tax (Before Adjustment of Mnority Interest)					237.68
Previous year					(25.88)
Share of Profit/Loss to Minority					-0.63
Previous year					0.00
Pre-Acquisition profit of the subsidiary company					-0.35
Previous year					0.00
Net Profit after Tax (after adjustment of Minority Interest)					236.70
Previous year					25.88
3. Other Information					
a) Segment Assets	2,416.47	335.44	607.62	30.22	3,389.75
Previous year	(2,106.47)	(339.85)	(674.15)	(24.34)	(3,144.81)
Unallocable Corporate Assets					15.61
Previous year					(50.69)
Total Assets					3,405.36
Previous year					(3,195.50)
b) Segment Liabilities	429.71	22.36	6.98	13.28	472.33
Previous year	(782.93)	(11.63)	(3.83)	(16.55)	(814.94)
Unallocable Corporate Liabilities					1,991.57
Previous year					(1,669.87)
Total Liabilities					2,463.90
Previous year					(2,484.81)
c) Capital Expenditure	25.71	19.05	0.45	1.38	46.59
Previous year	(21.96)	(22.13)	(5.20)	(0.68)	(49.97)
d) Depreciation	30.20	9.40	14.05	0.62	54.27
Previous year	(31.61)	(8.74)	(14.18)	(0.61)	(55.14)
e) Non Cash Expenditure other than Depreciation	13.27	2.12	-	3.64	19.03
Previous year	(0.34)	#	-	#	(0.34)

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

32 - Earnings per Share (EPS) :

Particulars		Year ended 31.03.2017		Year ended 31.03.2016	
i)	Net Profit/ Loss(-) after Extra Ordinary Items & Provision for Taxes				
	(Used as numerator for calculating EPS)	₹ in crores	236.70	₹ in crores	(14.54)
ii)	Weighted average No.of Equity Shares outstanding during the period:				
	(Used as denominator for calculating E.P.S.)				
	- for Basic EPS	No.	65000857	No.	57223154
	- for Diluted EPS	No.	65000857	No.	58723154
iii)	Earning per Share before and after Extra Ordinary Items				
	- Basic	₹	36.42	₹	(2.54)
	- Diluted	₹	36.42	₹	(2.48)
	(Equity Share of Face value of ₹10 each)				

33 Related Party Disclosures:

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

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

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

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

1 Shudh Edible Products Limited
2 India Green Fuel Private Limited

iii) Key Management Personnel and their relatives

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

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

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

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

5 Mr. Arhant Jain, Executive President (Finance) & Company secretary
Mrs. Brij Bala Jain (Mother), Mr. Arvind Jain (Brother), Mrs. Anita Jain (Wife), Mr. Anubhav Jain (Son), Mr. Ashish Jain (Son), Mrs. Ankita Jain (Daughter in law), Mrs. Shruti Jain (Daughter in law), Arhant Jain (HUF), Anubhav Jain (HUF), Ashish Jain (HUF), Arvind Jain (HUF).

6 Mr. Sandeep Kumar Sharma, Chief Operating Officer
Mrs. Poonam Sharma (Wife), Mr. Rahul Sharma (Son), Ms. Sona Sharma (Daughter)
Sandeep Kumar Sharma (HUF)

7 Mr. Priya Brat, Director
Mrs. Shakuntala Brat (Wife), Ms. Anu Mahendru (Daughter)

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

9 A.K. Goel, H.U.F.

10 Gaurav Goel, H.U.F

11 Gautam Goel, H.U.F

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

33 Related Party Disclosures: *(contd.)*

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2017

(₹ in crores)

Sl.No.	Particulars	2016-2017	2015-2016
Transactions during year ended 31.03.2016			
1	**Loans/advances given**	**0.00**	**0.00**
	Dhampur Global Pte Ltd.	0.00	0.08
2	**Reciepts towards Loan /Advances given**	**0.00**	**0.00**
3	**Loans taken**	**1.91**	**1.51**
	Goel Investment Limited	#	0.50
	Saraswati Properties Limited	0.01	-
	Shudh Edible Products Limited	0.85	-
	Ujjwal Rural Services Limited	#	-
	Mr. V.K. Goel	0.14	-
	Mr. Gautam Goel	0.60	0.26
	Mr. Gaurav Goel	0.31	0.75
4	**Loans repaid**	**2.42**	**1.84**
	Dhampur Global Pte Ltd.	0.00	0.08
	Goel Investment Limited	0.51	0.31
	India Greenfuel Private Limited	-	0.01
	Saraswati Properties Limited	0.01	0.27
	Shudh Edible Products Limited	0.85	0.04
	Ujjwal Rural Services Limited	#	0.12
	Mr. V.K. Goel	0.14	-
	Mr. Gautam Goel	0.60	0.26
	Mr. Gaurav Goel	0.31	0.75
5	**Unsecured Deposits Taken (Fixed Deposit)**	**8.03**	**7.60**
	Mrs. Deepa Goel	0.32	0.13
	Mr. Ashok Kumar Goel	1.09	0.31
	Mrs Vinita Goel	1.38	1.27
	Mrs Priyanjali Goel	0.67	0.12
	Mrs Bindu Vashist Goel	0.08	0.33
	Mr. Arhant Jain	0.32	0.17
	Mrs. Brij Bala Jain	0.72	0.74
	Mr. Arvind Jain	0.03	-
	Mrs. Anita Jain	0.21	0.40
	Mr. Anubhav Jain	-	0.16
	Mr. Ashish Jain	0.75	0.62
	Mrs. Ankita Jain	0.19	0.28
	Mrs. Shruti Jain	0.81	0.69
	Arhant Jain (HUF)	0.17	0.41
	Ashish Jain (HUF)	0.01	0.12
	Anubhav Jain (HUF)	0.01	0.11
	Arvind Jain (HUF)	0.18	0.23
	Mr. Sandeep Sharma	#	-

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

33 Related Party Disclosures: *(contd.)*

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2017

(₹ in crores)

Sl.No.	Particulars	2016-2017	2015-2016
	Mrs. Poonam Sharma	0.11	0.12
	Ms. Sona Sharma	0.03	0.06
	Sandeep Sharma (HUF)	0.05	0.05
	Mr. Priya Brat	0.08	-
	Mrs. Shakuntala Brat	0.16	0.12
	V.K. Goel (HUF)	0.15	0.26
	A.K. Goel (HUF)	0.17	0.30
	Gaurav Goel (HUF)	0.17	0.30
	Gautam Goel (HUF)	0.17	0.30
6	**Unsecured Deposits Matured (Fixed Deposit)**	**5.88**	**6.77**
	Mrs. Deepa Goel	0.22	0.11
	Mr. Ashok Kumar Goel	0.88	0.22
	Mrs Vinita Goel	1.19	1.06
	Mrs Priyanjali Goel	0.54	0.09
	Mrs Bindu Vashist Goel	0.07	0.26
	Mr. Arhant Jain	0.13	0.11
	Mrs. Brij Bala Jain	0.71	0.68
	Mrs. Anita Jain	0.15	0.24
	Mr. Anubhav Jain	0.15	0.35
	Mr. Ashish Jain	0.31	0.87
	Mrs. Ankita Jain	0.14	0.23
	Mrs. Shruti Jain	0.39	0.75
	Arhant Jain (HUF)	0.15	0.33
	Ashish Jain (HUF)	-	0.08
	Anubhav Jain (HUF)	-	0.07
	Arvind Jain (HUF)	0.14	0.18
	Mr. Sandeep Sharma	0.01	-
	Mrs. Poonam Sharma	0.08	0.06
	Mr. Rahul Sharma	#	0.01
	Ms. Sona Sharma	0.03	0.06
	Sandeep Sharma (HUF)	0.05	0.04
	Mrs. Shakuntala Brat	-	0.03
	V.K. Goel (HUF)	0.12	0.21
	A.K. Goel (HUF)	0.14	0.24
	Gaurav Goel (HUF)	0.14	0.25
	Gautam Goel (HUF)	0.14	0.24
7	**Purchase of Fixed Assets**	**0.73**	**0.00**
	Eternity Impex Private Limited	0.73	-
8	**Subscription of Equity Shares on conversion of Warrants**	**0.00**	**3.71**
	Mr. Gaurav Goel	-	1.86
	Mr. Gautam Goel	-	1.85

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

33 Related Party Disclosures: *(contd.)*

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2017

(₹ in crores)

Sl.No.	Particulars	2016-2017	2015-2016
9	**Rent paid**	**3.83**	**3.60**
	Goel Investment Limited	0.12	0.12
	Saraswati Properties Limited	1.60	1.48
	Shudh Edible Products Limited	2.09	1.98
	Ujjwal Rural Services Limited	0.02	0.02
10	**Remuneration paid**	**22.93**	**3.75**
	Mr. Vijay Kumar Goel	7.26	0.89
	Mr. Ashok Kumar Goel	7.26	0.89
	Mr. Gaurav Goel	7.26	0.89
	Mr. Gautam Goel	0.80	0.75
	Mr. Arhant Jain	0.10	0.10
	Mr. Sandeep Sharma	0.15	0.15
	Mr. Arvind Jain	0.10	0.08
11	**Directors Perquisits (As per Income Tax Act)**	**0.53**	**0.51**
	Mr. Vijay Kumar Goel	0.28	0.13
	Mr. Ashok Kumar Goel	0.12	0.12
	Mr. Gaurav Goel	0.12	0.12
	Mr. Gautam Goel	#	0.13
	Mr. Sandeep Sharma	0.01	0.01
11	**Interest expense**	**1.37**	**1.08**
	Mrs. Deepa Goel	0.06	0.04
	Mr. Ashok Kumar Goel	0.16	0.13
	Mrs Vinita Goel	0.23	0.18
	Mrs Priyanjali Goel	0.09	0.08
	Mrs. Bindu Goel	0.05	0.05
	Mr. Arhant Jain	0.03	0.01
	Mrs. Brij Bala Jain	0.09	0.05
	Mr. Arvind Jain	#	-
	Mrs. Anita Jain	0.05	0.04
	Mr. Anubhav Jain	0.01	0.04
	Mr. Ashish Jain	0.09	0.07
	Mrs. Ankita Jain	0.04	0.03
	Mrs. Shruti Jain	0.10	0.07
	Arhant Jain (HUF)	0.05	0.04
	Ashish Jain (HUF)	0.01	0.01
	Anubhav Jain (HUF)	0.01	0.01
	Arvind Jain (HUF)	0.03	0.02
	Mr. Sandeep Sharma	#	#
	Mrs. Poonam Sharma	0.01	0.01
	Mr. Rahul Sharma	#	#
	Ms. Sona Sharma	#	-

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

33 Related Party Disclosures: *(contd.)*

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2017

(₹ in crores)

Sl.No.	Particulars	2016-2017	2015-2016
	Sandeep Sharma (HUF)	0.01	#
	Mrs. Shakuntala Brat	0.03	#
	V.K. Goel (HUF)	0.04	0.05
	A.K. Goel (HUF)	0.06	0.05
	Gaurav Goel (HUF)	0.06	0.05
	Gautam Goel (HUF)	0.06	0.05
Amount due to/ from Related Parties:			
1	**Deposits from Related Parties**	**12.28**	**10.11**
	Mrs. Deepa Goel	0.45	0.35
	Mr. Ashok Kumar Goel	1.39	1.18
	Mrs Vinita Goel	1.90	1.71
	Mrs Priyanjali Goel	0.79	0.66
	Mrs Bindu Vashist Goel	0.41	0.39
	Mr. Arhant Jain	0.32	0.13
	Mrs. Brij Bala Jain	0.72	0.71
	Mr. Arvind Jain	0.03	-
	Mrs. Anita Jain	0.46	0.40
	Mr. Anubhav Jain	0.01	0.17
	Mr. Ashish Jain	1.06	0.62
	Mrs. Ankita Jain	0.33	0.28
	Mrs. Shruti Jain	1.11	0.69
	Arhant Jain (HUF)	0.42	0.41
	Ashish Jain (HUF)	0.12	0.10
	Anubhav Jain (HUF)	0.12	0.09
	Arvind Jain (HUF)	0.26	0.23
	Mr. Sandeep Sharma	-	0.01
	Mrs. Poonam Sharma	0.11	0.08
	Mr. Rahul Sharma	-	#
	Ms. Sona Sharma	0.03	0.03
	Sandeep Sharma (HUF)	0.05	0.05
	Mr. Priya Brat	0.08	-
	Mrs. Shakuntala Brat	0.28	0.12
	V.K. Goel (HUF)	0.41	0.38
	A.K. Goel (HUF)	0.48	0.44
	Gaurav Goel (HUF)	0.47	0.44
	Gautam Goel (HUF)	0.47	0.44
2	**Unsecured Loans and Advances from related parties**	**0.08**	**0.58**
	Goel Investment Limited	0.06	0.56
	India Green Fuel Private Limited	0.02	0.02

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

33 Related Party Disclosures: *(contd.)*

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2017

(₹ in crores)

Sl.No.	Particulars	2016-2017	2015-2016
3	**Payables**	**0.41**	**1.03**
	Saraswati Properties Limited	0.12	0.31
	Shudh Edible Products Limited	0.08	0.01
	Ujjwal Rural Services Limited	0.02	0.01
	Mr. Ashok Kumar Goel	0.02	0.09
	Mr. Gaurav Goel	0.04	0.18
	Mr. Gautam Goel	0.12	0.33
	Mr. Vijay Kumar Goel	0.01	0.10
4	**Security Deposits**	**2.65**	**2.19**
	Goel Investment Limited	0.50	0.50
	Saraswati Properties Limited	0.90	0.65
	Shudh Edible Products Limited	1.20	0.99
	Ujjwal Rural Services Limited	0.05	0.05

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

(a) Sundry creditors include a sum aggregating ₹4.28 Crores (₹5.22 Crores) due to micro and small enterprises is on account of principal only.

(b) The amount of interest paid by the company in terms of Section 16, alongwith the amount of payments made to the micro and small enterprise beyond the appointed date during the period - ₹Nil.

(c) The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act. - ₹Nil.

(d) The amount of interest accrued and remaining unpaid - ₹Nil.

(e) The amount of further interest remaining due and payable even in succeeding years - ₹Nil.

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

35 Operating Lease

I **Operating Lease Obligation:** - The company has taken various premises on operating lease for lease period of 1 year to 3 years from the date of lease. The lease period may be further extended as per mutual decision of the parties. In all the leases,there is escalation clause for increase in rentals yearly or alternative year. Details of future minimum lease payments under non cancellable operating lease are as follows:

(₹ in crores)

Particulars	2016-2017	2015-2016
(A) Future Minimum Lease Payment		
Not later than one year	4.50	3.85
Later than one year but not later than five year	0.00	4.50
Later than five year	0.00	0.00
(B) Lease payments recognized in the statement of Profit & Loss during the year		
Minimum Lease Payment	3.85	3.66

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

35 Operating Lease *(contd.)*

II **Operating Lease Recognized:** - The company has given various premises on operating lease for lease period of 1 year to 15 years from the date of lease.The lease period may be further extended as per mutual decision of the parties.In all the leases,there is escalation clause for increase in rentals yearly or alternative year or after 5 years. Details of future minimum lease rentals to be received under non cancellable operating lease are as follows:

(₹ in crores)

Particulars	2016-2017	2015-2016
(A) Future Minimum Lease Payment		
Not later than one year	0.94	0.95
Later than one year but not later than five year	0.03	0.19
Later than five year	0.01	0.01
(B) Lease payments recognized in the statement of Profit & Loss during the year		
Minimum Lease Payment	0.95	0.78

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

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

Name of the Entity	Net assets		Share in profit or (loss)	
	As a % of Consolidated net assets	₹ in crores	As a % of Consolidated profit or (loss)	₹ in crores
Parent Company:	100.54%	944.86	102.62%	243.04
Foreign Subsidiaries				
1 Dhampur Internationl Pte. Ltd.	(-0.71)%	(6.68)	(-2.66)%	(6.31)
(wholly owned subsidiary)				
Indian Subsidiaries				
1 EHAAT Limited	(-0.02)%	(0.15)	(-0.11)%	(0.25)
(wholly owned subsidiary)				
2 DETS Limited	(0.19)%	1.75	(0.15)%	0.36
(51% of equity share holding)				

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

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

I Contingent Liabilities (₹ in crores)

Particulars		As at 31st March, 2017	As at 31st March, 2016
i)	Demands being disputed by the Company:		
a)	Excise duty and Service Tax demands	42.89	44.51
b)	Trade Tax and Entry Tax demands	44.82	49.34
c)	Other demands	11.57	8.08
d)	Estimated amount of interest on above	111.63	112.87
ii)	Claims against the company not acknowledged as debts :		
a)	Statutory liability being disputed by authorities	7.05	0.36
b)	Income Tax demand on processing of TDS Returns	0.06	0.25
c)	Other Liabilities	4.68	26.17
d)	In respect of some pending cases of employees under labour laws	Amount not ascertainable	Amount not ascertainable

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

The decision taken by the government of Uttar Pradesh to waive liability on interest payable by the sugar industry on delayed payment of cane price for the sugar seasons 2012-13, 2013-14 and 2014-15 is remanded back for reconsideration by honourable Allahabad High Court. The Govt. of U.P. has preferred an appeal against the direction of High Court before Supreme Court. The sugar industry and the company believes that UP Government will not reverse its decision for waiver of interest and will also waive interest for sugar season 2015-16

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

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

II Commitments

A Estimated amount of contracts remaining to be executed on capital account and not provided for ₹54.31 Crores (P.Y. - ₹12.78 Crores).

B Corporate guarantee given by the Company - ₹75 Crore (P.Y ₹325 Crore)

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

For Mittal Gupta & Co.

B. L. Gupta
Partner
Chartered Accountants

Place : New Delhi
Dated : 25.05.2017

For and on behalf of the Board of Directors

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Gautam Goel
Managing Director

M.P.Mehrotra
Director

A. K. Gupta
Director

Nalin Gupta
Chief Finance Officer

Aparna Goel
Company Secretary

Notes

Notes

Corporate Information

Board of Directors

Shri V. K. Goel, *Chairman*

Shri A. K. Goel, *Vice Chairman*

Shri Gaurav Goel, *Managing Director*

Shri Gautam Goel, *Managing Director*

Shri Sandeep Kumar Sharma, *Whole time Director*

Shri A. K. Gupta, *Independent Director*

Shri M. P. Mehrotra, *Independent Director*

Shri Priya Brat, *Independent Director*

Shri Harish Saluja, *Independent Director*

Shri Rahul Bedi, *Independent Director*

Smt. Nandita Chaturvedi, *Independent Director*

Shri A. K. Wahi, *Nominee Director, – Punjab National Bank*

Chief Financial Officer

Shri Nalin K. Gupta

Company Secretary

Ms. Aparna Goel

Registrar and Share Transfer Agent

M/s Alankit Assignments Limited
Alankit House, 1E/13 Jhandewalan Extension,
New Delhi – 110055

Auditors

Statutory Auditors
Mittal Gupta & Company
Chartered Accountants, Kanpur

Branch Auditors
M/s S. S. Kothari Mehta & Company,
Chartered Accountants, New Delhi

Internal Auditors
M/s D. C. Chhajed & Associates,
Chartered Accountants, New Delhi

Cost Auditors
Shri S. R. Kapur, Cost Auditors,
Khatauli (Muzaffarnagar)

Secretarial Auditors
GSK & Associates, Company Secretaries, Kanpur

Bankers

Punjab National Bank

Bank of Baroda

Central Bank of India

Prathma Bank

UCO Bank

UP Co-operative & District Co-operative Banks

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

Corporate office
241, Okhla Industrial Estate,
Phase – III
New Delhi – 110020

Branch Office
1/125, Vijay Khand
Gomti Nagar,
Lucknow – 226010

Website: www.dhampur.com | Corporate Identification Number (CIN): L15249UP1933PLC000511

Works

Dhampur, District Bijnor (UP) • Asmoli, District Sambhal (UP) • Mansurpur, District Muzaffarnagar (UP)

Rajpura, District Sambhal (UP) • Meerganj, District Bareilly (UP)

A TRISYS PRODUCT
info@trisyscom.com


dhampur