Dalmia
Bharat Sugar

newthink! cement! sugar! refractories! power!

ND/SY/ 3505 **September 5, 2017**

Bombay Stock Exchange Limited
New Trading Ring,
Rotunda Building, P J Towers, Dalal Street, Fort Mumbai-400001
Scrip Code: 500097

National Stock Exchange of India Limited
"Exchange Plaza", Plot No. C-1, Block G
Bandra – Kurla Complex, Bandra (East),
Mumbai – 400 051
Symbol: DALMIASUG

Sub: Disclosure pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find attached the Annual Report of the Company approved and adopted by the shareholders in the Annual General Meeting of the Company held at Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu on August 31, 2017.

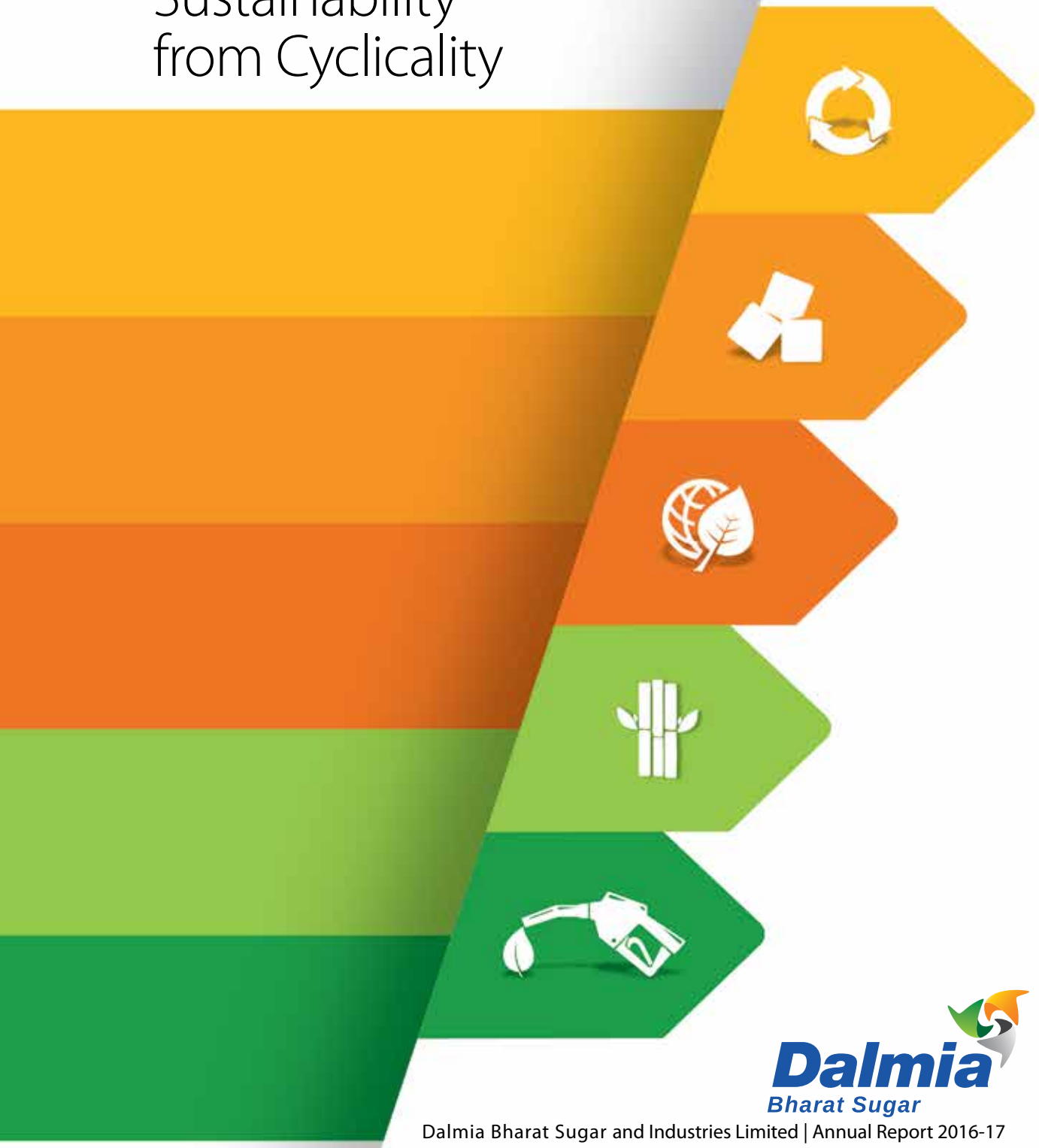
Thanking you,

Yours faithfully,
For **Dalmia Bharat Sugar and Industries Limited**

Isha Kalra
Company Secretary
Membership No. : A24748

Encl: As above

Sustainability from Cyclicality



Dalmia Bharat Sugar

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 our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. 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.






Contents

08 Corporate identity **10** Managing Director's overview **19** Safety, health and environment **22** Corporate Social Responsibility **24** Financial and operational highlights **26** Management discussion and analysis **41** Directors' Report **67** Report on Corporate Governance **80** Standalone financial statement **117** Consolidated financial statement

Turnover
₹1697
crore

EBITDA
₹375
crore

PAT
₹182
crore

Sustainability from Cyclicality

India's sugar sector has been traditionally cyclical.

However, during the last five years, the unprecedented cyclical down-trend was marked by the extended sugar industry slowdown on the one hand coupled with intensive decline in operating performance on the other.

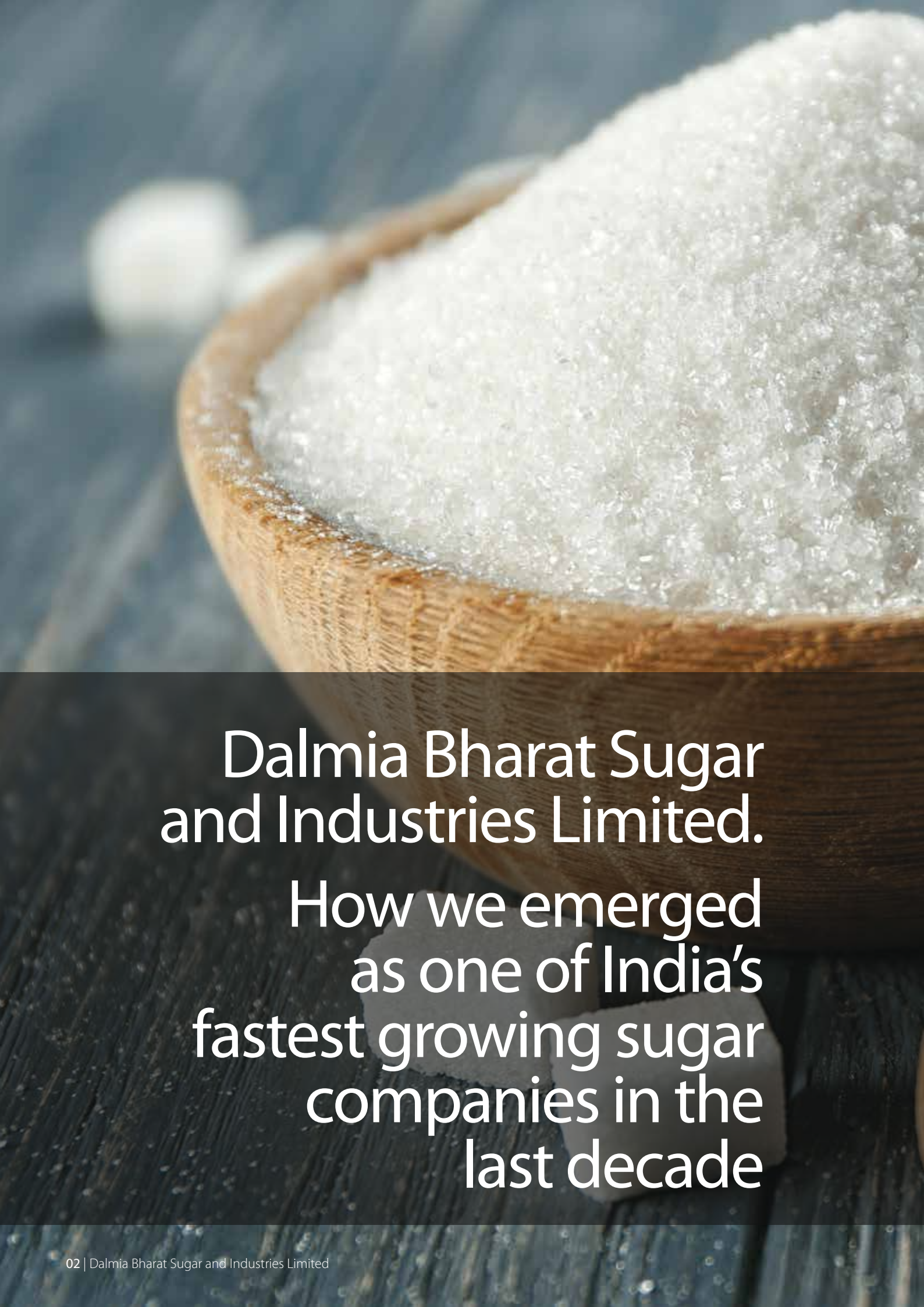
Dalmia Bharat Sugar and Industries Limited responded to this challenging sectoral reality with proactive preparedness.

Enhanced capacities. Widened product portfolio. Moderated costs. Diversified geographical presence.

The result is that even as the sector passed through its most challenging trough, Dalmia Bharat Sugar emerged as India's fastest growing sugar company.

And all because we narrowed our focus down to four words.

Extracting sustainability from cyclicality.



Dalmia Bharat Sugar and Industries Limited.

How we emerged as one of India's fastest growing sugar companies in the last decade

We commissioned new plants even as the industry froze investments

3	5	1	2
Number of sugar plants, 2011-12	Number of sugar plants, 2016-17	Number of state of operations 2011-12	Number of states of operations 2016-17

We grew capacities proactively for the long-term since FY 12

22,500	32,500
Installed crushing capacity, 2011-12 (TCD)	Installed crushing capacity, 2016-17 (TCD)
80	140
Distillery capacity, 2011-12 (KLPD)	Distillery capacity, 2016-17 (KLPD)
79	102
Co-generation capacity, 2011-12 (MW)	Co-generation capacity, 2016-17 (MW)



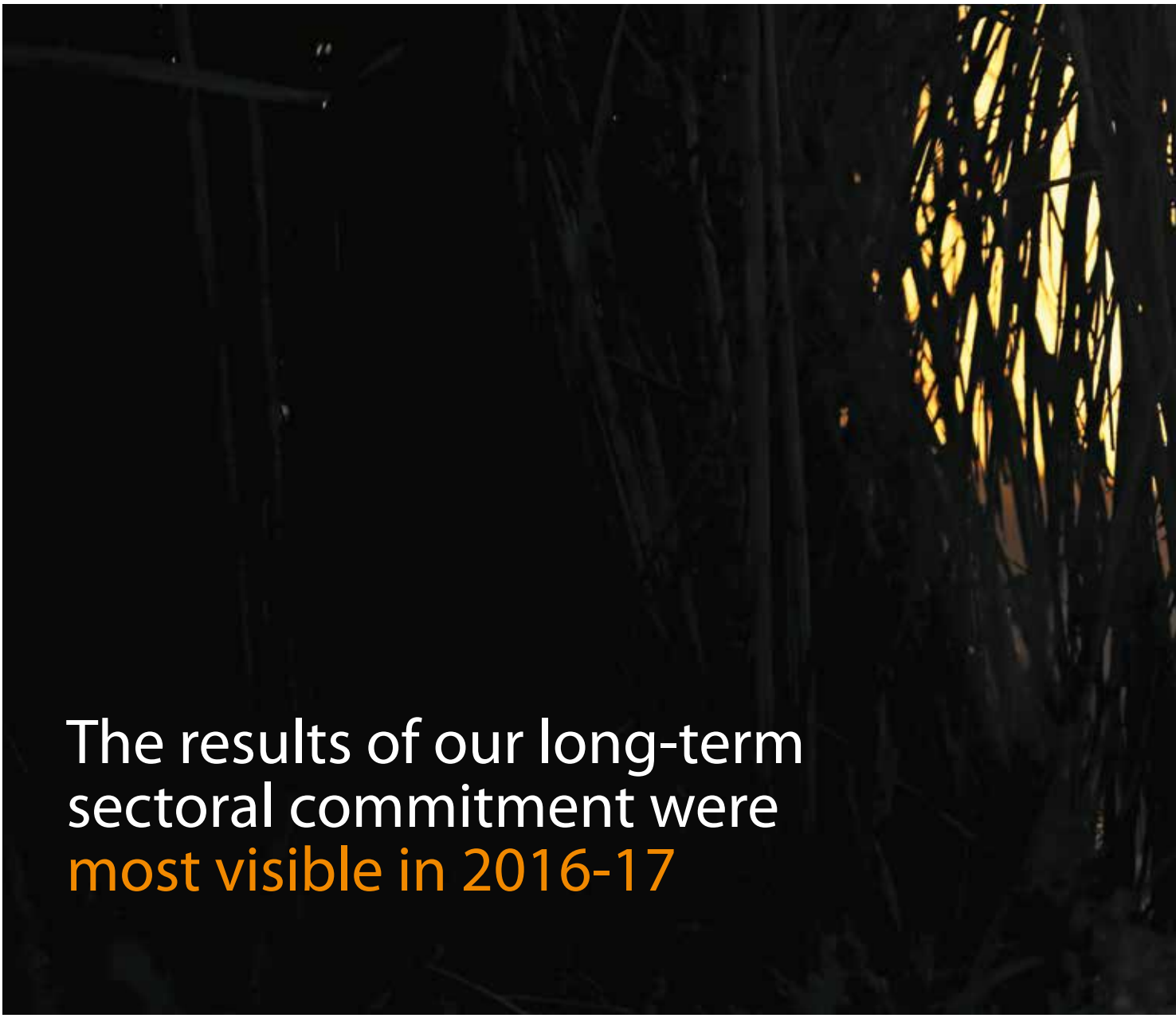


The payoff

742	1,697
Revenues, 2011-12 (₹ crore)	Revenues, 2016-17 (₹ crore)
118	340
Revenues from downstream products, 2011-12 (₹ crore)	Revenues from downstream products, 2016-17 (₹ crore)

Sugar recovery improvement

9.1%	11.6%
Consolidated recovery 2011-12	Consolidated recovery 2016-17



The results of our long-term sectoral commitment were most visible in 2016-17

45%

Increase in turnover when compared to the previous year

66%

Increase in EBITDA when compared to the previous year



3.2x

Improvement in our gearing

We strengthened our gearing (Total Debt to EBITDA) from 4.6x in FY 2015-16 to 3.2x in FY 2016-17

3.5x

Improvement in interest coverage ratio

We strengthened our interest coverage ratio from 1.5x in FY 2015-16 to 3.5x in FY 2016-17

21%

Contribution to revenue from non-sugar operations

We enjoyed 21% of revenues from non-sugar operations in FY 2016-17

We grew our way through the slowdown because we consistently followed the principles of contrarian investing



Most sugar companies selected to work in the State of their origin

***DBSIL** extended from Uttar Pradesh to Maharashtra*



Most companies would have commissioned greenfield manufacturing assets in the usual industry tenure

***DBSIL** commissioned two new sugar plants in the shortest commissioning tenures, followed by back-to-back capacity expansions*



Most sugar companies froze asset and business investments

***DBSIL** proceeded to invest more than ₹1,200 crore in its business in the ten years ending 2016-17*



Many players in the Uttar Pradesh sugar industry were affected by large cane arrears

***DBSIL** cleared all farmer payments before they became due*



Many players in India's sugar industry nursed large long-term debt

***DBSIL** repaid a substantial amount of long-term debt and strengthened its gearing in 2016-17*

Dalmia Bharat Sugar and Industries Limited.

One of the few instances of an Indian company with multi-state sugar manufacturing operations.

One of the few Indian sugar companies to have reported significant growth trajectory in the last few years.

One of select Uttar Pradesh sugar companies to have achieved a high proportion of early maturing cane coverage across its command areas.

One of few Uttar Pradesh sugar companies with no cane arrears and declining debt on its books.

OPERATIONS

The Company has a total cane crushing capacity of 32,500 TCD and is among the top ten largest sugar manufacturers in the nation. The Company's operations are also diversified with a distillery capacity of 140 KLPD and renewable energy capacity of 119 MW including wind power plant of 16.5 MW.

CUSTOMERS

The Company is engaged in making wholesale and institutional sales, marked by long-standing relationships with institutional buyers comprising globally-respected brands and wholesale trade channel partners. The Company has also been supplying sugar to the nation's defence sector for the last three years. It won tenders to supply sugar to the Public Distribution System across various States.

PRODUCTS

The Company's core manufacture comprises sugar; the Company processes by-products like bagasse, molasses to generate power and manufacture ethanol and organic manure form distillery.

PRESENCE

The Company is headquartered in New Delhi with a presence in two States:

- **Uttar Pradesh:** Ramgarh, Jawaharpur and Nigohi
- **Maharashtra:** Kolhapur and Ninaidevi

SYSTEMS

The Company invested in Occupational Health and Safety Management (OHSAS), Environment Management System (EMS) and Food, Safety and Quality (FSQ) certifications.



Installed capacities

Unit	Sugar (TCD)	Distillery (KLPD)	Co-generation (MW)
Ramgarh	7,500	0	25
Jawaharpur	7,500	80	27
Nigohi	7,500	0	27
Uttar Pradesh	**22,500**	**80**	**79**
Kolhapur	7,500	60	23
Ninaidevi	2,500	0	0
Maharashtra	**10,000**	**60**	**23**
Total	**32500**	**140**	**102**

** 16.5 MW wind farm energy excluded from co-generation*

What we achieved in 2016-17

Parameter	Uttar Pradesh	Maharashtra	Total
Crushing capacity (TCD)	22500	10000	32500
Cane crushed (lacs MT) in 2016-17	24.61	6.86	31.47
Recovery (%)	11.3%	12.6%	11.6%

Our consolidated financials

Particulars	Unit	FY2017	FY2016	FY2015	FY2014	FY2013
Total operating income	₹ crore	1686	1,166	1,150	1,192	998
Operating profit (EBITDA)	₹ crore	375	227	113	108	150
Cash profit	₹ crore	238	172	52	52	91
Profit before tax (PBT)	₹ crore	237	47	0.3	2.6	19.0
Profit after tax (PAT)	₹ crore	182	58	1.5	3.1	18.4
Share capital	₹ crore	16.19	16.19	16.19	16.19	16.19
Reserve and surplus	₹ crore	679	496	444	446	443
Loan funds	₹ crore	505	747	577	589	374
Net block	₹ crore	775	759	774	781	652
Net current assets[#]	₹ crore	382	453	231	227	123
Operating profit margin	%	22	19	10	9	15
EPS (fully diluted)	₹	22.51	7.22	0.18	0.38	2.27
Cash EPS (fully diluted)	₹	29.38	21.22	6.43	6.47	11.26

[#] Including current maturities of long-term debts



Managing Director's overview

The sugar industry is known for its cyclical nature. There are prominent periods of up-cycles and down-cycles. At Dalmia Bharat Sugar, our philosophy is to build sustainability out of this cyclicality.

Dear Shareholders

The need for counter-cyclicliaty is that when the industry went into a down-trend, our company performed better than the sectoral average.

Even as we are among the youngest sugar manufacturing companies in India in a multi-decade organised sector, we are pleased to have emerged among the ten largest sugar companies in the country (installed capacity of 32,500 TCD) and arguably the fastest growing large sugar company in India.

We were committed to achieve visible scale in the shortest time after reaching critical mass based on the conviction that scale would lead to a better presence and sustainable operations.

We recognised that the danger lay in assuming excessive debt in our desire to expand. We arrived at a balance between our desired risk appetite and need to expand; even during the most challenging of markets, we leveraged our Group standing to negotiate an attractively low coupon rate that made it possible to generate a reasonable interest cover even during the weakest sectoral phase and a handsome cover during the rebound.

We invested in cutting-edge technologies with the objective that we would be able to beat the incidence of thin margins during the bottom-end of the sectoral cycle with superior efficiencies generated from within; besides, we would be able to stagger the impact of periodic plant maintenance through asset integrity, making it possible to recoup the small premium that we would pay for the plant through increased earnings.

We spread our risks across products and geographies. We recognised that the best way to beat a slowdown in the sugar sector was through maximising contribution of non-sugar products, which explains why the Company invested in co-generation and a distillery in our various manufacturing facilities. We derived 21% of our revenues from non-sugar products in 2016-17.

Dalmia Bharat Sugar's installed capacity (in TCD)

32,500



THE COMPANY WITNESSED CONTINUOUS IMPROVEMENT IN YIELDS AND RECOVERIES FOR THE LAST THREE YEARS

The Company implemented this product diversification in its units across both States in which it operates.

When we went into business, we were an Uttar Pradesh-focused company and continued to remain singularly for more than 15 years. In 2012-13, the Company extended its footprint to Maharashtra, possibly the only time in the last number of decades that an Uttar Pradesh company was extending into another State to manufacture sugar. We did so with the sole objective to spread our risks as the basis of our sustainability: this would make it possible to counter the various pressures that we may have faced in one State with an upside in the other, strengthening our performance curve.

We focused on planting a better cane quality to generate superior results. By the 2016-17 sugar season, most of our aggregate command areas had been invested with early maturing cane varieties. The result of our focus and efforts towards planting superior quality cane has led to increase in yields and recoveries over the years.

I am pleased to state that the upside of this long-term strategy was visible during 2016-17.

Even as Maharashtra reported its second successive year of drought which moderated the State's cane output, all our cane payments happened on time, translating into higher farmer satisfaction, deepening their relationship with the Company. Our efforts towards cane development activities and farmer engagement continued in Maharashtra.



At Dalmia Bharat Sugar, we believe that the prevailing prosperity warrants a capital allocation responsibility. The Company moderated its debt by ₹242 crore and closed the year with a total long-term debt of ₹505 crore. This helped us improve our long-term debt-equity ratio from 1.46 in 2015-16 to 0.73 in 2016-17 and total debt to EBITDA from 4.58 in 2015-16 to 3.20 in 2016-17. We utilised a stronger Balance Sheet to source debt cheaper by 200 bps and graduated to the mobilisation of working capital funds through commercial paper, amongst the few such instances in India's sugar industry.

Besides, we selectively reinforced our capacity through de-bottlenecking. We are in the process of enhancing our Nigohi and Jawaharpur plant capacity by 1000 TCD and 500 TCD respectively, which will be funded completely through accruals.

Managing challenges

I do not wish to give shareholders the impression that we encountered no challenges or reverses during the year under review.

The Company's record revenues and profits were achieved despite the sub-optimal operating performance of its Maharashtra operations, which utilised only about 50% of the crushing capacities following a lower throughput of cane availability on account of the drought. Besides, the decline in cane availability increased competition for cane in the State. Dalmia distinguished itself on this count on account of timely cane payments and enduring farmer relationships, which made it possible for the Company to generate a higher throughput than competing or peer companies in the State.

Dalmia Bharat Sugar's reduction in long-term debt, 2016-17 (in ₹ crore)

242

Looking ahead

At Dalmia Bharat Sugar, we are optimistic of the prospects of the country's sugar industry for some good reasons. We believe that sugar is one of the quickest trickle-down proxies of prosperity in India; any increase in discretionary incomes will translate into a direct or indirect sugar consumption, which indicates that we are at the bottom-end of a long-term consumption growth for the commodity. Besides, we believe that nominal sectoral investment has been made in the last decade, which indicates the absence of any spare capacity or operating leverage within the system. Should demand increase significantly and manufacturers be inclined to increase output, the increase will not be immediate as the process of cane development warrants patient investments where returns take a few years to become visible.

At Dalmia Bharat Sugar, we are attractively placed to capitalise on this prospect starting with the FY 2017-18 sugar season. We believe that India will see an appreciable increase in sugar production in 2017-18, which would be close to the country's consumption. In view of this, sugar prices are expected to remain firm through the coming months.

Our Maharashtra operations are expected to return to normal in 2017-18, even as our Uttar Pradesh operations continue to capitalise on robust cane management and a higher sugar output. Our distillery operations will continue to generate steady revenues and profits; we believe that a Government emphasis on minimising vehicle emissions will strengthen ethanol off take.

With a new government in Uttar Pradesh, we believe that the scenario will translate into policy alignment that benefits the farmer, miller and consumer, reflected in the proposed implementation of the Rangarajan Committee recommendations based on the successful Maharashtra experience.

I would like to conclude on a positive note. Our principal objective in 2017-18 will be to maximise asset sweating, invest only selectively in capital expenditure, enhance operational efficiency and improve our recoveries.

Even as we have reported the best year in our existence until now - highest crush, highest EBITDA margin and highest turnover – the challenge will be to demonstrate that the best is yet to come.

At Dalmia Bharat Sugar, our biggest competitor then is not the market or peer sugar companies. It is us.

Gautam Dalmia
Managing Director

WE BELIEVE THAT SUGAR IS ONE OF THE QUICKEST TRICKLE-DOWN PROXIES OF PROSPERITY IN INDIA; ANY INCREASE IN DISCRETIONARY INCOMES WILL TRANSLATE INTO A DIRECT OR INDIRECT SUGAR CONSUMPTION.

How we manage cane
in our command areas drives our sustainability

Overview

At Dalmia Bharat Sugar, we recognise that the core of our competence lies in farmers' fields.

This is influenced by how farmers raise cane, the kind of seeds they use, the cane management practices they employ, the speed with which they deliver cane to the factory for onward crushing – these factors play a bigger role in influencing the profitability of our company than perhaps any other strategic influence.

There is a deep recognition at our company then that the farmer's field is an extension of the Company's shop-floor; when the kind of attention that we provide to our in-factory operations is extended to our command areas, the gains are substantial and sustainable.

At Dalmia Bharat Sugar, our cane management extends across three critical aspects related to cane management – the kind of cane seed that goes into the soil, the way we assist farmers during the cane-growing process and the speed with which the cane is delivered to our factories for onward crushing. As a detail-focused company, we created separate teams to focus on each of these aspects, strengthening standards and creating a holistic culture of cane management excellence.

Seed management

During the last few years, the Company worked closely with cane research institutes to map emerging new cane varieties with robust growth and yield performance. the Company experimented with the use of their seeds in its demonstration plots. The Company graduated farmers from the use of legacy seed varieties to modern equivalents – gradually to begin with, until they developed the confidence to shift a substantial part of their farms to the advanced varieties.



This substantial increase in farm productivity within a compressed frame of time helped transform farmer incomes, prompting additional cane planting.

The Company introduced an early maturing cane variety called CO 238, which strengthened average farm yields from around 405 quintals per hectare in FY 14 to 497 quintals per hectare in FY 2016-17 and recovery from 10.5% in FY 14 to 11.6% in FY 2016-17. This substantial increase in farm productivity within a compressed frame of time helped transform farmer incomes and destinies, prompting additional cane planting. The increased throughput, in turn, strengthened the Company's access to raw material and consequent increase in capacity utilisation.

This variety has been accepted in the fields at a much faster rate as it combines high cane yield and better juice quality, preferred by farmers and the sugar industry. Since 2009-10, the area under CO 238 has been increasing at a faster rate in all five major sugarcane growing states, viz. Punjab, Haryana, Uttarakhand, UP and Bihar. The variety has helped reduce the losses of sugar mills to some extent.

The Company's cane procurement in Uttar Pradesh (where this early maturing variety was extensively propagated) increased by 14% from 22 lac quintals in 2015-16 to 25 lac quintals in 2016-17. The 14% increase in cane procurement from the Company's command areas in Uttar Pradesh compared favourably with the increase in cane output in India during the same period.



At Dalmia Bharat Sugar, we believe that in a segment where the crop exposure to the elements for 12 months of the planting period can have extensive implications for onward yield and sugar recovery, eternal vigilance is critical.

The Company strengthened its ratoon (part of cane stem replanted to propagate a second growth round) management and continued to work on the introduction of at least five or six seed varieties.

The Company encouraged trench planting that consumes less water, fertiliser and effort.

The Company facilitated meetings between farmers and agriculture scientists to enhance awareness on modern planting methods that raised awareness related to soil health.

Cane health

At Dalmia Bharat Sugar, we believe that in a segment where the crop exposure to the elements for 12 months of the planting period can have extensive implications for onward yield and sugar recovery, eternal vigilance is critical.

The Company has dedicated teams across its factories to engage periodically with every single farmer within its command areas. These teams are entrusted with the responsibility to visit farms, inspect cane health, gather local information from among farmers and report their findings to their core team for onward response. The team, in turn, responds with speed on the need to make modifications related to the use of farm inputs (pesticides or fertilisers) with the objective to sustain robust cane growth.

Supply chain management

Supply chain management plays a critical role in sugar manufacture especially when each factory needs to work with more than 25,000 to 35,000 farmers and whatever cane that has been raised across 12 months needs to be crushed in the space of five months. This priority makes it imperative for the harvest of cane to be planned with precision – which farmer to cut what quantity of cane from which section of the farm on what day and delivered when to the factory gate – so that there is never an excess of cane to be crushed at the factory and never too little.

Over the years, Dalmia Bharat Sugar invested in a combination of technology and human intervention to strengthen its supply chain. The Company introduced mobile apps empowering farmers to access the status of cane delivery, transportation, and payment status on their phones. It also intends to introduce drone technology to accurately map the extent of cane planting in its command areas (following regulatory permission). Besides, the Company strengthened its extensively-documented Standard Operating Procedures, which minimised process variations and enhanced systemic integrity.





How we are generating sustainability from cyclicality

Sustainability from cyclicality

Overarching culture

Cultural approach

Financial

Strategic

Operational

OVERARCHING CULTURE

Vision

Reality: The fortunes of most sugar companies in India are cyclical

Response: DBSIL is positioned to emerge as a relatively non-cyclical company (sustainable) in a cyclical sector

Passion

Reality: Most sugar companies are conventional in a conventional sector

Response: DBSIL is positioned as an unconventional company in a conventional sector

Outperformance

Reality: Most companies in India's sugar sector will be largely aligned with the sectoral realities of the day

Response: DBSIL is positioned as a sectoral outlier, outperforming the country's broad sugar industry through troughs and crests

Innovation

Reality: The sector is marked by a predictable response to prevailing needs, challenges and realities

Response: DBSIL has consistently sought to innovate and seek a better way of doing things

CULTURAL APPROACH

Futuristic

Reality: The sector is largely focused on the use of conventional knowledge

Response: DBSIL is a futuristic company that has selected to introduce a modern way in conducting legacy practices.

Governance

Reality: The sector has traditionally been marked by moderate governance practices

Response: DBSIL invested extensively in governance (values, systems and accountability).

FINANCIAL STRENGTH

Financial leverage
Reality: There is a premium in enhancing financial viability in the sugar industry

Response: DBSIL repaid ₹242 crore of long-term debt from ₹747 crore in FY 2015-16 to ₹505 crore in FY 2016-17

Profitability
Reality: There is a premium in enhancing margins higher than the sectoral average

Response: DBSIL reported an EBITDA margin of 22% in 2016-17, one of the highest in India's sugar industry

STRATEGIC DIRECTION

Acquisitions
Reality: The growth of companies in this sector has been driven by organic means

Response: DBSIL fast-tracked acquisitions; 30% of its 2016-17 revenues were derived from acquired assets

Size balancing
Reality: A number of sugar companies have a capacity skew that makes it imperative to buy or sell by-products

Response: DBSIL has balanced its capacities (sugar, distillery and co-generation) across plants, maximising the cane utilisation-to-revenue ratio

Geographic diversification
Reality: A number of sugar companies select to specialise in the State of their origin

Response: DBSIL extended its presence from Uttar Pradesh to Maharashtra, and is possibly the only listed company to have its presence in these two states.

Aggressive investing
Reality: Most sugar companies have been modest sectoral investors

Response: DBSIL has been an aggressive investor with the objective to accelerate capacity

Conservative
Reality: Most sugar companies nurse stressed Balance Sheets

Response: DBSIL has accelerated investments without leveraging its Balance Sheet.

Downturn investing
Reality: Most sugar companies have invested in the business during sector upturns

Response: DBSIL invested ₹530 crore between 2011 and 2017, a period marked by an extended sectoral slowdown

Environment focus
Reality: The sector made moderate investments in environment assets and technologies

Response: DBSIL invested adequately in environment-respecting plants, processes and practices; carbon footprint was minimised.

Multi-locational presence
Reality: The success of sugar companies is influenced by the right location.

Response: DBSIL is diversified across locations within states (regions marked by weak mills, deep cane growing tradition, supply chain linkages, under-exploited cane growing potential and abundant water access).

Integration focus
Reality: A number of sugar mills are standalone.

Response: DBSIL invested in sugar, co-generation and distillery operations. Non-sugar revenues grew from 16% in 2011-12 to 21% in 2016-17.

OPERATIONAL SUCCESS

Operating efficiency
Reality: Sugar companies are challenged by the need to increase operational efficiency.

Response: DBSIL reported one of the highest recoveries across its three mills in Uttar Pradesh and two mills in Maharashtra.

Quality orientation
Reality: There is a challenge to consistently produce the highest sugar quality.

Response: DBSIL's superior sugar quality – M31, L30 and S30 – strengthened the Company's brand and realisations

Cane management
Reality: Sugar companies are challenged by the need to generate a higher cane productivity

Response: DBSIL's cane management maximised cane recoveries in both states (among the highest in Uttar Pradesh).

Cost leadership
Reality: There is a challenge to generate cost savings in a competitive business

Response: DBSIL strengthened cost leadership; manufacturing costs (ex-interest, depreciation and tax) as a proportion of revenues declined from 88% in 2011-12 to 77% in 2016-17.

Safety, health and environment



The Indian sugar industry is increasingly seeking organisational sustainability from sectoral cyclicality.

Dalmia Bharat Sugar is no different; the Company focuses on generating relatively counter-cyclical growth in a cyclical sector.

At Dalmia Bharat Sugar, we believe that relative counter cyclicality should be manifested in a higher sugar recovery than the geographic up-trend average and a relatively lower crushing decline than the corresponding down-trend sectoral average.

It provides financiers (debt and equity) with visibility, leading to additional funding and helps attract efficient professionals who make implementation of projects possible. Sustainable organisations always make a responsible use of natural resources in maintaining the ecological balance. The result is that sustainability is indispensable to corporate success at Dalmia Bharat Group; the Group has expanded its businesses in the last decade by using less finite resources (fossil fuels, core raw materials, power and water), enhancing industry respect.

Dalmia Bharat Sugar invested proactively in plants, practices and processes designed to reconcile profits with environmental protection. We generate value through the transformation of raw material into usable products; we provide employment and livelihoods to suppliers, contractors, distributors and service providers; we strengthen the Indian economy through the timely payment of our statutory dues; we strengthen society by investing in infrastructure and healthcare projects.

At the Company, our environment responsibility is showcased in the utilisation of by-products generated from sugar manufacture: bagasse to generate green electricity, molasses to produce ethanol (automotive fuel blend) and press mud to make organic manure.

ENVIRONMENT CONSCIOUSNESS

Environmental rules and regulations are becoming stricter and adherence to these are essential. Our business model ensures that valuable resources are consumed in moderation and waste is effectively managed. Dalmia Bharat Sugar complied with all the environmental rules and regulatory norms mandated by the government at all times.

The Company strengthened its environment commitment through the following interventions:

- Zero liquid discharge scheme was successfully implemented at Kolhapur unit
- Juice evaporators of Falling Film Type were installed in the Maharashtra units to affect designed steam consumption around 32.5% cane
- Mechanical circulators and continuous type vacuum pans for boiling of intermediate massecuites helped achieve lower steam consumption
- The Uttar Pradesh units reported lowest effluent generation coupled with safe disposal.

In the coming year, one of the Company's agendas is soil conservation. Dalmia Bharat Sugar has been working with several environmental institutes to enhance soil conservation methods and preserve soil health.



Juice evaporators of Falling Film Type were installed in the Maharashtra units to affect designed steam consumption around 32.5% cane

EFFECTIVE RESOURCE MAXIMISATION

Resource efficiency is central to our sustainability agenda. Our priority to maximise the generation of end products from a given resource quantity. Over the years, the Company has invested towards the enhancement of efficiencies across the business – from the procurement of raw material to end product marketing .Prudent investments in training and technology have improved capacity utilisation and reduced the Company's vulnerability to sectoral cyclicality.

Water: About 70% of the weight of the sugarcane plant is water. This results in potentially higher effluent generation during sugar manufacture. At Dalmia Bharat Sugar, we re-cycle and re-use by increasing water quantities in sugar and distillery operations as well as in domestic consumption. The Company has installed a water re-circulation system to moderate fresh water intake. As a result of these initiatives the Company's Kolhapur distillery has become a zero discharge unit, possessing a state-of-the-art water recycling plant.

The Company is also aggressively promoting DRIP irrigation. This was earlier practiced in about 30 hectares of the total land. In 2016-17, the total area that used Drip irrigation was expanded to 150 hectares. In the coming year (2017-18) plans are on to extend this to 500 hectares.

Energy: The Company addressed its energy requirements through captive generation (agro-waste accounts for 95% of direct



energy needs). Around 71% of the 102 megawatt co-generation throughput at our sugar mills was exported to power distribution companies in Uttar Pradesh and Maharashtra, generating attractive revenues. The switch to green power through the bagasse by-product resulted in a cleaner power source, reducing carbon emissions and generating additional income. All existing lighting in the plants will be converted to LED to consume less power.

Emissions: All three co-generation projects at Jawaharpur, Nigohi and Ramgarh were registered under Clean Development Mechanism (CDM) of United Nations Framework Convention on Climate Change (UNFCCC). The use of bagasse-based co-generation has helped meet energy requirements, reducing dependence on fossil fuels and related greenhouse gas emissions. The Company has planted saplings to serve as carbon sinks.

Waste management: The Company optimised resource use through investments in molasses fermentation distilleries, bagasse related co-generation and a facility where press-mud is converted to usable compost to generate large revenues. The Company's optimal waste management programme uses bio-composting for press mud disposal, substituting imported potash. The bio-composting facility in Jawaharpur produces ~ 30,000 MT organic manure per annum, utilising the in-house availability of press mud from captive sugar factories. The Company has also set up a Zero- Waste Society where waste material is segregated and disposed as per biosafety standards.

SAFETY

Dalmia Bharat Sugar invested in a robust safety management system inclusive of a policy framework and monitoring activities. This system comprised three of five OHSAS 18001 certified units, well beyond ordinary regulatory reporting purposes

Our locational safety committee comprised cross-functional teams (engineering, production, environment, power plant etc.). The committee meets each quarter for appraisal and follows the concept that 'Clean and Green' is more profitable. A Safety Week is celebrated to enhance awareness on safety issues and best practices. Health checks for plant personnel are conducted periodically. An equipped dispensary in the colony extended better health services to residents. Mock drills were regularly conducted at the units; employees are educated in fire-fighting. All our units are equipped with fire safety measures (water, dry chemicals, CO_2, sand, dolomite, foam etc.).

Corporate Social Responsibility



The Company aimed to accelerate social, economic and environmental progress in the communities neighbouring our plants in Uttar Pradesh and Maharashtra. We are engaged in environment preservation activities like soil, water, energy conservation, and the prevention of climate change. We also train individuals in life skills thereby achieving social welfare and development.

Our vision is 'Creating Sustainable Shared values for inclusive growth of Business and Society". True to that spirit, our CSR's vision is that "Every household has a sustainable livelihood in our environment".

Community development, our sustenance and growth is enmeshed and organically dependent to that of society. Through the Dalmia Bharat Foundation, we reported a positive impact across more than 50,000 people. Proactive across our 4 plant locations, the Foundation is adding value to 30 villages. The Company focused on:

- Soil and water conservation
- Energy conservation & climate change mitigation
- Livelihood skill training
- Social development

Following are our CSR programs in the context and provisions of Section 135 of the Indian Companies Act, 2013.

CSR PROGRAMMES AND OUTREACH

Soil and water conservation

Depleting water table is a challenging reality across India. In some neighbouring areas, the water table declined to more than 200 feet, enhancing water scarcity for agriculture and household consumption. Dalmia Bharat Sugar's soil and water conservation initiatives are helping optimise water utilisation. Our water conservation structures are new in these locations. We constructed five village ponds which additionally harvest 25,000 m3. Our soil and water conservation programmes reached 3,700 beneficiaries.

Energy conservation and climate change mitigation

Energy availability is a major concern in Indian villages, with majority of the populations dependent on depleting fuel wood and erratic grid supply. Dalmia Bharat Sugar is attempting to promote energy-efficient and sustainable community solutions. The Company's energy conservation programmes have benefited 3800 people and moderated 321 tons of Co2 through the promotion of fuel-efficient cook stoves and solar home lighting products. The Company converted more than 54 kitchens to fuel-efficient cook stoves, which had a direct impact on air pollution and women's health. Some 717 households were lit up using solar home lighting products like solar study lamps and solar lanterns.

Livelihood Skill Training: Capacity building through vocational training

Unemployment amongst the youth in the neighbouring communities is high. About 1000 people are direct beneficiaries of our livelihood programmes in four locations. More than 700 members, in 63 Self Help Groups have been fostered by us. In our skill development centres being set up in partnership with Institute of Physically Handicapped, Govt. more than 100 differently-abled people were trained in cutting and tailoring. In another initiative 85 women were provided advanced training on the craft of making Moonj Products. 50 of these women came together to make 500 Moonj baskets and earned ₹50,000.

Social development: Addressing health & sanitation, education, rural infrastructure development and social campaigns

The villages neighbouring to our plants have poor basic infrastructure affecting daily life and development in villages. The Company is helping build community infrastructure by constructing 125 low-cost toilets under the Swachh Bharat Abhiyan. The Company addressed basic and primary health needs of the local population by organising 18 special medical camps benefiting 2,500 beneficiaries; it conducted 25 general eye check-up camps benefiting 2,000 beneficiaries. Under Pulse Polio Campaign, 11 immunisation drives were carried out touching 7,500 children.

Some 5 anganwadis and schools were supported with teaching-learning material and infrastructure support. To address drinking water needs of villagers, 20 hand-pumps were installed, benefiting 300 households. To improve the nutritional status of the population, 808 kitchen gardens were promoted. Events like national and international days as well as socially important days were observed.

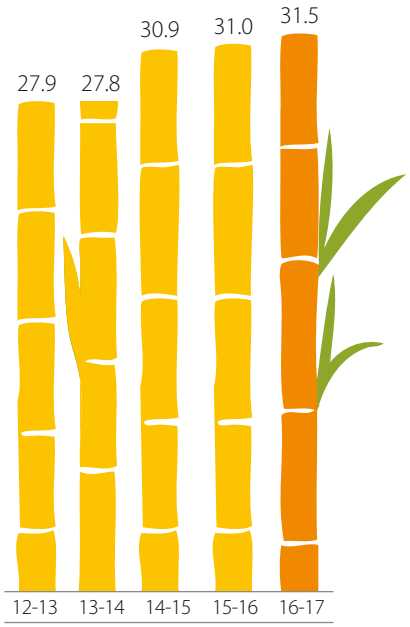
Number of children immunised during the drives organised by the Company

7,500

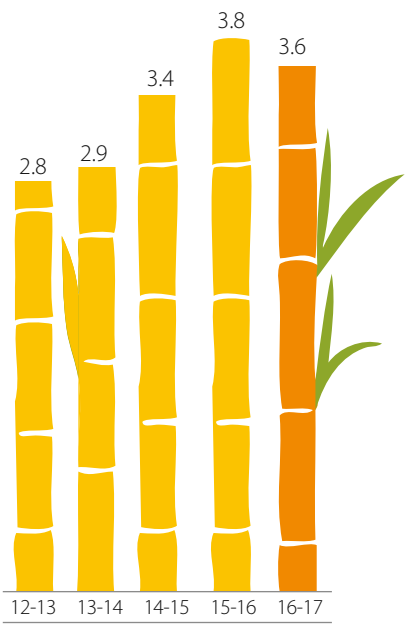


Financial and operational highlights

OPERATIONAL



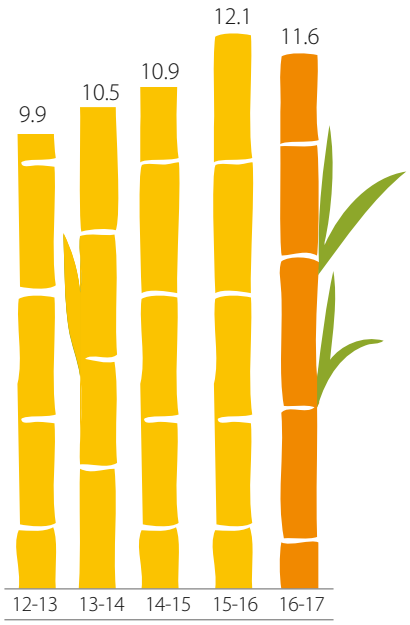
Sugarcane crushed (Lac tons)



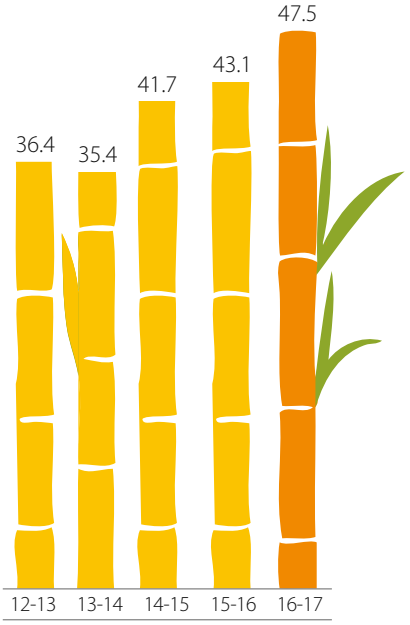
Sugar produced (Lac tons)



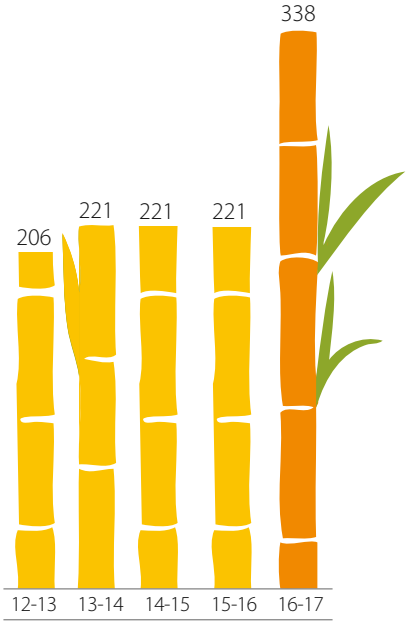
Sales volumes (Lac tons)



Average recovery (%)

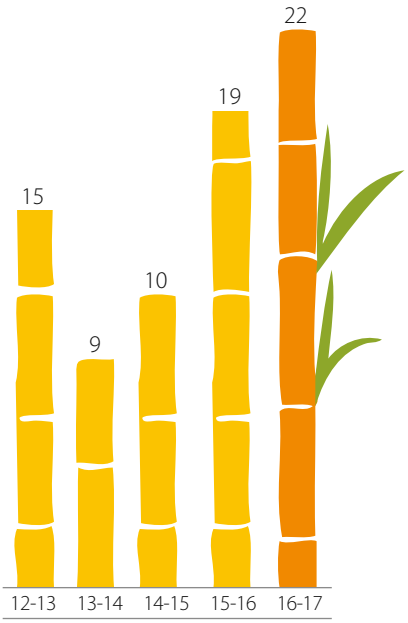


Power generated (crore units)

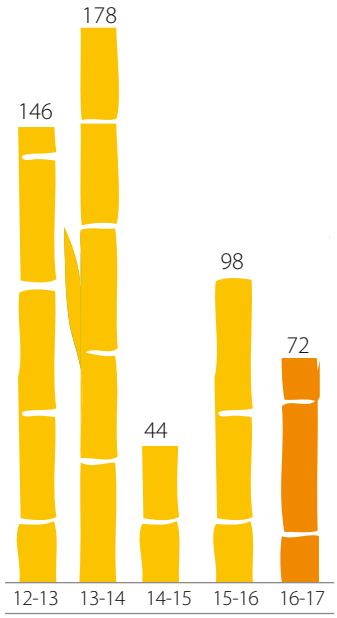


Ethanol/RS/ENA produced (Lac litres)

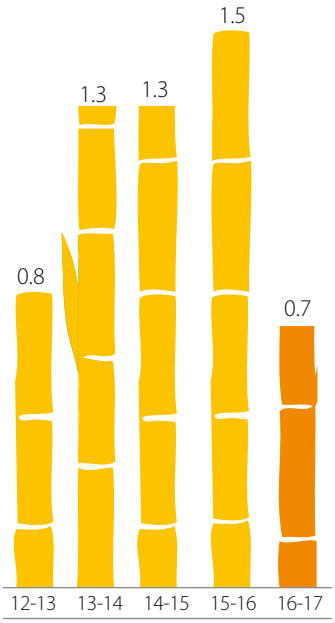
FINANCIAL



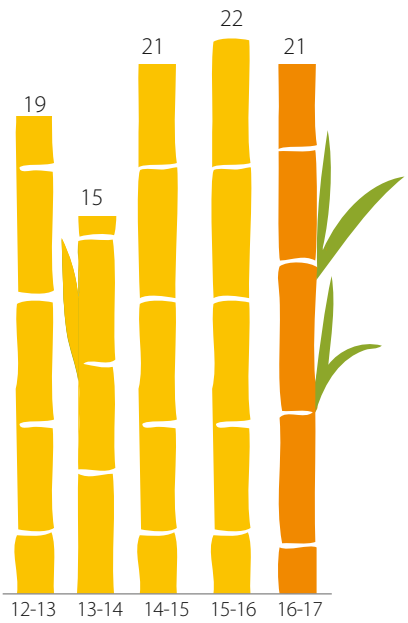
EBITDA margin (%)



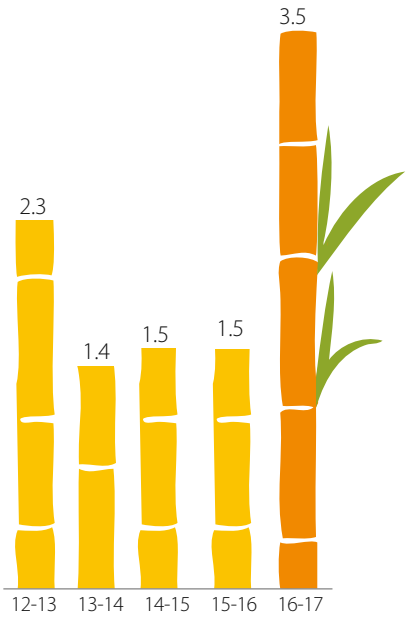
Capital invested (₹ crore)



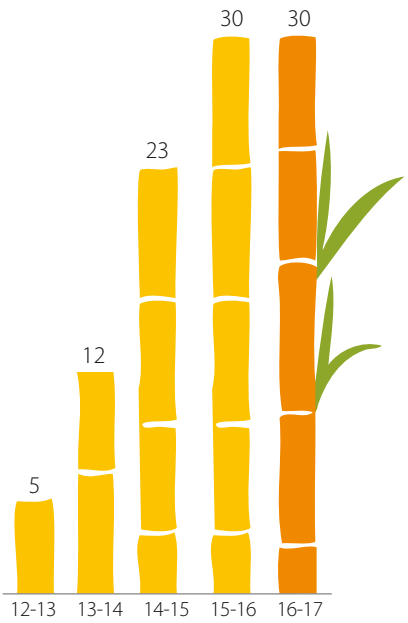
Debt-equity ratio



Downstream product revenues as % of overall revenues



Interest cover (x)



Non-Uttar Pradesh revenues as % of overall revenues

Management discussion and analysis



Indian economic overview

The Indian economy is the fastest growing economy (7.1%), expecting to surpass China (6.5%) in 2016-17. Indian economic growth moderated marginally in 2016-17 compared to 2015-16 (7.9%) on account of a weaker third and fourth quarter arising from currency demonetisation, which affected consumer off take and created a cash crunch within the economic system. However, the demonetisation impact has been be abbreviated and the country expects to return to attractive growth from 2017-18.

India's economic outlook for 2017-18 depends primarily on the following factors:

- **Demonetisation:** Though this caused short-term cash disruption, this initiative is expected to strengthen the nation's long-term fundamentals through a reduction in the size of the parallel economy and widening of the tax base that could potentially moderate taxes and enhance disposable incomes.
- **GST roll-out:** The GST implementation in 2017 is intended to bring India under a single indirect taxation system for the first time. The bill is expected to eliminate the cascading effects of taxes on production and distribution and the conflicting regimes of different taxes levied by Central and State Governments.
- **Global trends:** WTO has predicted that global trade growth rate in 2017 could range between 1.8% and 3.1%, compared to the earlier projection of 3.6%. The biggest uncertainty that India faces could be changes taking place during Donald Trump's US Presidential tenure, resulting in shielding the American economy from foreign goods and services.
- **Commodity prices:** India benefited from the commodity meltdown of the last two years. This situation could reverse in 2017; World Bank predicted a modest recovery for most commodities in 2017. With energy prices likely to increase by 16%, metals by 16% and minerals by 4.1% and agricultural prices by 1.4%, the economic implication could be significant.

(Source: Livemint, Firstpost)



For the next season of 2017-18, sugar production is expected to rise in response to improved weather conditions following El Nino that caused decreased production in some areas. Following a sugar deficit in the 2016-17 season, the season of 2017-18 is expected to witness a surplus.

Indian economy's growth rate during FY2016-17

7.1%

Global sugar industry overview

The global sugar economy is dominated by the top five leading sugar producers that are Brazil, India, European Union, China and Thailand. The global sugar output in the sugar season 2016-17 is estimated at 166 million metric tonnes while consumption is expected at 172 million metric tonnes (raw value) as per ISO.

Steady increase of consumption and cyclical patterns of production are expected to cause low sugar inventory levels in 2017-18. The El Nino resulted in downturn in Asian production and has affected large swathes of South and Southeast Asia, including Thailand and India. This could moderate global sugar inventory to its lowest level in seven years.

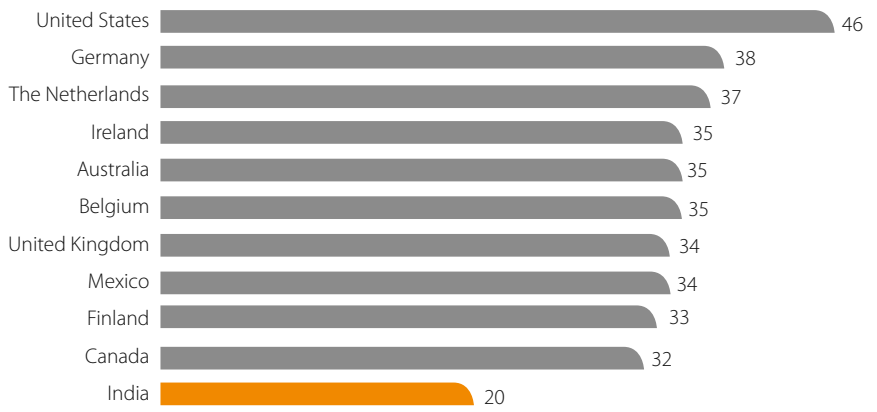
For the next season of 2017-18, sugar production is expected to rise in response to improved weather conditions following El Nino that caused decreased production in some areas. Following a sugar deficit in the 2016-17 season, the season of 2017-18 is expected to witness a surplus.

World Sugar Production (MnT)

Particulars	2012/13	2013/14	2014/15	2015/16	2016/17(E)
Opening stock	67	78	84	86	81
Production	184	171	171	166	168
Increase in Production (%)	5	(7)	0	(3)	1
Surplus/Deficit	11	6	2	(5)	(6)
Consumption	173	165	169	171	174
Closing Stock	78	84	86	81	75
Months of Closing Stock	5	6	6	6	5
Raw Sugar Prices cts/lbs	18	17	13	19	17
Stock/Consumption Ratio	44	51	51	48	44

Source: *International Sugar Organisation*

Per capita sugar consumption, 2016 (kilograms) *(Source: Statista)*





Indian sugar industry growth drivers

India sits on an attractive sugar consumption opportunity for a number of reasons.

The commodity is a part of the Indian tradition, used across the years through festive and cultural occasions. Even in the face of this cultural integration, India's per capita consumption is still lower than a number of countries as per the chart above. This indicates a vast room for consumption growth as disposable incomes rise.

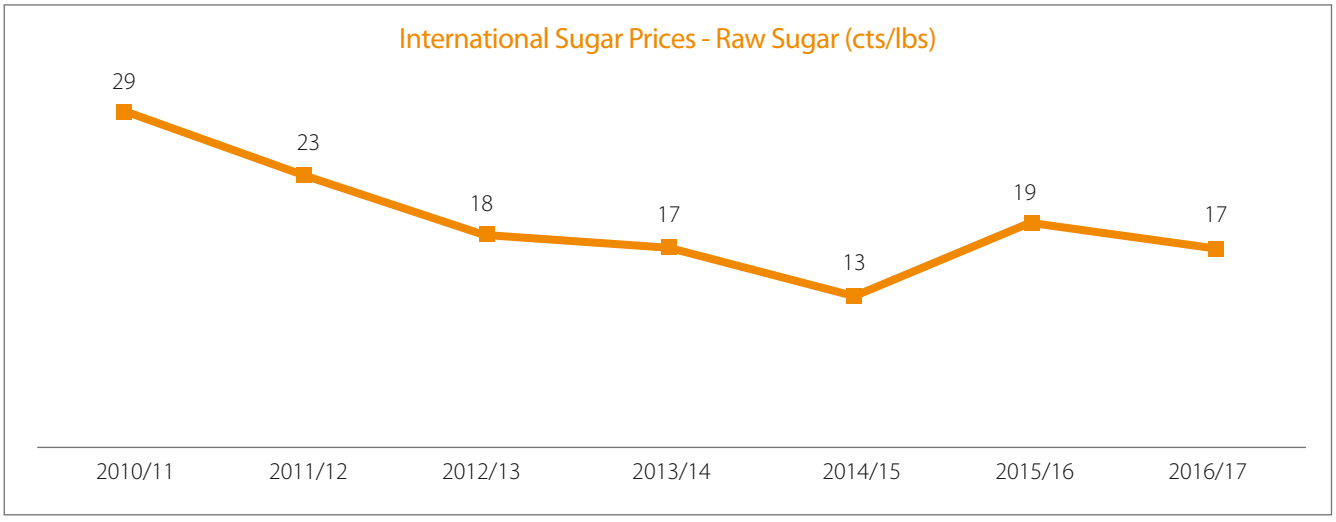
The prospects of sustained sugar consumption growth are derived from the following realities:

- India's confectionery market is projected to grow to USD 2.2bn by 2018, up from USD 1.3bn in 2013.
- India is likely to emerge as one of the four largest chocolate consuming markets during 2015 to 2020.
- India's per capita soft drink consumption is 1/20th of the US, 1/10th of Kuwait, 1/8th of Thailand and Philippines, and a third of Malaysia, indicating a vast opportunity.
- India's soft drinks market is expected to grow at a CAGR of 15.8% by volume and 17.5% by value - from 12,081.0 million litres (₹524.3 billion) in 2015 to 25,131.0 million litres (₹1,176.3 billion) by 2020.

(Source: Business Standard, Hindu Business Line, Euromonitor Report)

Global sugar prices

Raw sugar prices, which had surged to more than a four-year high in 2016 are set to normalise by 2017. This moderation would occur as a result of the record output that is expected from the cane growing regions of Brazil, which will shift the global supply deficit into positive territory as predicted by Reuters. The supply deficit is expected to be nullified in the upcoming 2017/18 crop year (October 2017-September 2018). *(Source: Wallstanalyst, Reuters)*



Source- International Sugar Organisation

Indian sugar industry overview

Indian mills are expected to produce 20.3 million tonnes of sugar in the sugar season 2016-17 according to ISMA estimates. This is the lowest produce in the last seven years and approximately 19% lower than the 25.1 million tonnes produced in the previous season.

The main reason for this rise in price is the drought that affected Maharashtra and Karnataka in February 2017.

The country's 2017-18 sugar output is expected to normalise, the industry's apex body predicting higher cane planting and moisture security. The initial estimates of sugar production for the 2017-18 season is at 25 million tonnes. *(Source: Livemint)*

Government initiatives

Much of the turnaround in India's sugar industry is the result of a number of Central Government policy interventions taken from 2014 onwards. These initiatives helped strengthen the Indian sugar industry, handicapped by vast cane payment arrears to farmers.

Some of the corrective policy interventions comprised:

- As a departure from traditional practice, the government of India announced a minimum mandatory export of 12% of sugar produced by each mill. Though it resulted in loss per metric tons in mills, the consequent impact was positive on account of an increase in domestic sugar prices.
- Production subsidy grant by government is subject to the fulfilment of requisite conditions.
- The Central Government's ethanol blending target increased from 5% to 10%; suppliers to OMCs enjoyed excise duty waiver in 2015-16 acting as an incentive to improve cash flows of sugar mills. *(Source: Business Standard, Ministry of Consumer Affairs, Food & Public Distribution)*

India's sugar industry Balance Sheet

(Lac tonnes)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17 (E)
Opening Stock as on 1st October	66	93	75	91	78
Production during the Season	251	244	283	251	203
Imports	7	1	0	0	5
Total Availability	324	338	358	342	285
Off-take:					
I) Internal Consumption	228	242	256	248	242
ii) Exports	3	21	11	17	0
Total Off take	231	263	267	265	242
Closing Stock as on 30th September	93	75	91	78	44
Stock as % of Off take	41%	31%	36%	31%	18%
Sugar Prices ₹/Kg (Ex-Mill)	31	30	23	32	35
International Sugar Prices ₹/ Kg CNF Indian Port	32	34	28	33	34

(Source: ISMA)

Sugar supply-demand dynamics in Brazil

Brazil has achieved a greater energy security due to its focus on developing a competitive sugarcane industry and making ethanol a key ingredient of its energy mix. Brazil has replaced almost 42 percent of its gasoline needs with its alternate fuel - sugarcane ethanol. To use Brazil as a case study, one needs to focus on two key factors:

- Sugarcane ethanol. Brazil is the world's largest sugarcane ethanol producer and a pioneer in using ethanol as a motor fuel. All gasoline sold in Brazil includes a blend of 18 to 27.5 percent ethanol.
- Flex fuel vehicles. The country first began using ethanol in vehicles as early as the 1920s, and this trend gained urgency during the oil shock of the 1970s. However, sugarcane ethanol's popularity really took off in 2003 with the introduction of flex fuel vehicles that run on either gasoline or pure ethanol. 90 percent of new cars sold today in Brazil are flex fuel due to consumer demand, and now these vehicles make up about 70% of the country's entire light vehicle fleet – a remarkable accomplishment in less than fifteen years.

Since 2003, the combination of sugarcane ethanol and flex fuel vehicles has reduced Brazil's emissions of carbon dioxide by more than 350 million tonnes, which is equivalent to planting and maintaining 2.5 billion trees for 20 years.
(Source: Sugarcane.org)

Sugar cane prices

The Cabinet Committee on Economic Affairs, which is chaired by the nation's Prime Minister, approved the Fair Remunerative Price (FRP) of sugarcane at ₹255 per quintal (qt) for sugar season 2017-18 linked to a basic recovery rate of 9.5% subject to a premium of ₹2.68 per qtl for every 0.1% point increase in recovery above that level. This approved price represents an increase of 10.9% over the FRP of sugar season 2016-17. This increase in the FRP is a clear indication of the Government's pro-farmer initiatives, keeping in mind the interests of sugarcane farmers and the importance of the sugar industry.

This recommended FRP was arrived at through careful deliberations of various factors such as:

- Cost of production
- Overall demand-supply situation
- Domestic and international prices
- Inter-crop price parity
- Terms of trade prices of primary by-products
- Likely impact of FRP on general price level and resource use efficiency.

(Source: DNA India)

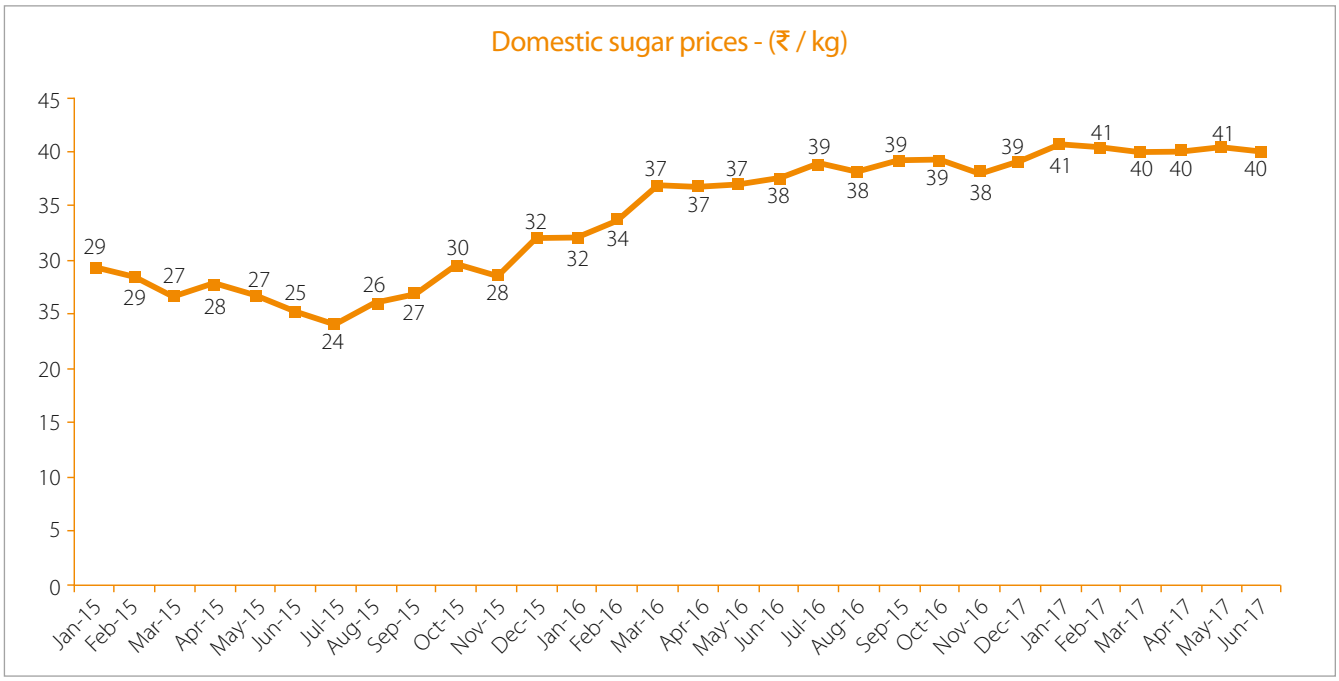
Ethanol production

India imports nearly 80% of its annual crude petroleum requirement, which is approximately 200 million tons, impacting the country's foreign exchange reserves in a big way. The potential foreign exchange savings due the to blending of ethanol for the ethanol supply year 2015-16 was approximately USD 353 Million. The blending of ethanol with automotive fuel could moderate India's oil imports (accounts for the country's largest foreign exchange expenditure). The Central Government aims to halve India's energy imports by 2030. As a means to this end, it has decided to increase ethanol blending with automotive fuel, encourage ethanol manufacture and enhance ethanol manufacturing viability.

Under the Government's ethanol blending program, Oil Marketing Companies (OMCs) sell ethanol blended petrol with the percentage of ethanol up to 10 percent. The price fixed for ethanol for the ethanol supply year 2016-17 was ₹39 per litre. Additionally, Excise Duty, VAT/GST and transportation charges (as decided by OMCs) will be paid by the OMCs. OMCs had floated a ethanol tender in 2016-17 of 2.809 million KL out of which 0.8 million KL was finalised and to be supplied till November 2017.

Sectoral optimism

- Given the impact of fossil fuels on the environment and human health, focus has been increasing on renewable energy sources and cleaner non-hydrocarbon automotive fuels such as ethanol.
- India is a net importer of petroleum products and there is a growing need to stop India's massive spending on imports and develop alternative fuels.
- The transport sector contributes 15% to green house gas emissions in India and is easier accepting of cleaner fuels like ethanol.
- Boosting the nation's ethanol production will not only lead to a lowering of import costs but also boost the rural development and agriculture sector while creating additional employment opportunities.



Source: NCDEX

State review

Our Uttar Pradesh business

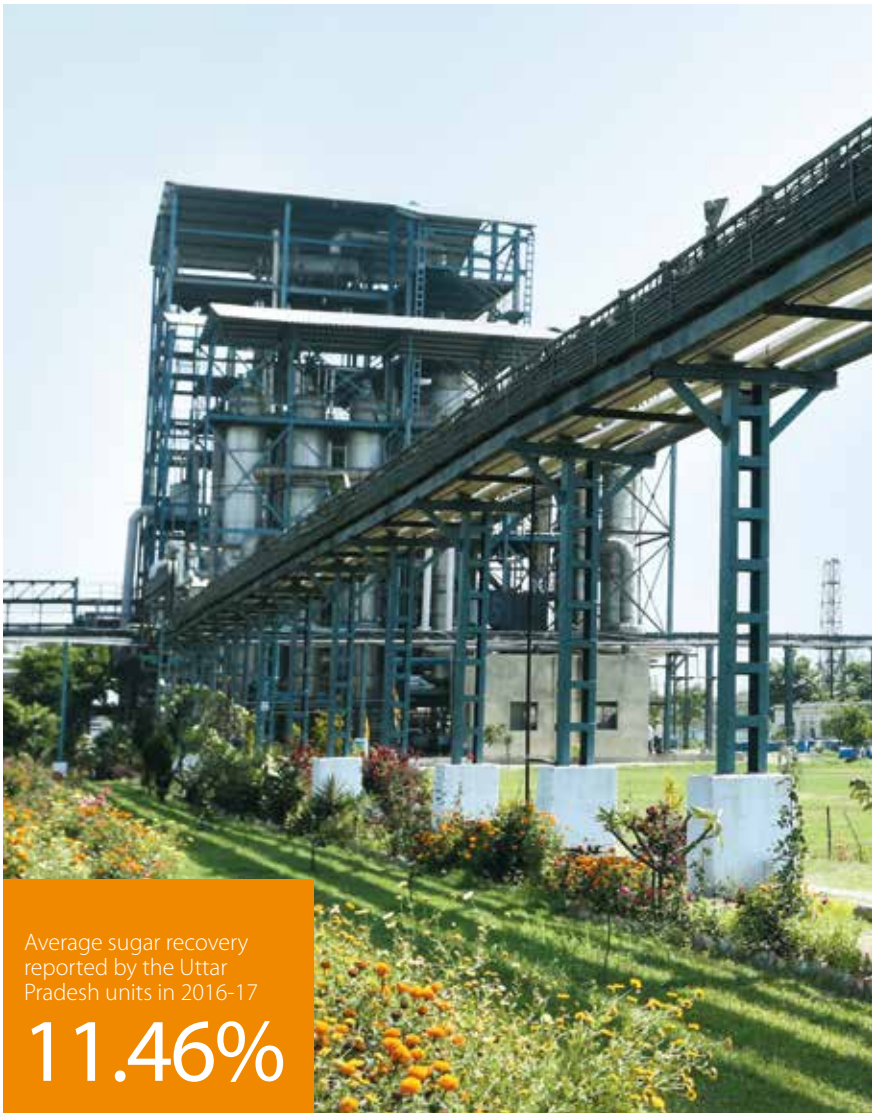
Union Minister of State Shri Piyush Goyal gave away National Energy Conservation Awards – 2016 to industrial units and other establishments on the 26th National Energy Conservation Day 2016. Dalmia Sugar's Nigohi unit was awarded the second prize.

Overview

The Company's first Uttar Pradesh plant was established in 1994. The Company invested in cane crushing and downstream by-product processing and now possesses a mix of capacities (sugar, ethanol and co-generation). The Company had a capacity of 2,500 TCD at inception at one location in UP. Since then, the Company has diversified to three locations in Uttar Pradesh with a total capacity of 22,500 TCD. Dalmia Bharat Sugar is one of the ten largest sugar manufacturing groups in India today.

Cane management

The Company has always been involved in cane development initiatives and mutually-beneficial engagements with farmers to help them grow high yielding seed varieties. These initiatives also educate farmers about innovative farming techniques translating into higher quantity of crushed cane, increased sugar recovery and lower varietal rejects. The Company has Kisan Sewa Kendras in the vicinity of sugar mills to educate farmers in contemporary farming practices, which have helped improve crop yields. These institutions also distribute subsidised fertilisers, pesticides and farm equipment to farmers. Another initiative taken by the Company was the introduction of Unnati, which is a comprehensive cane development programme in the catchment areas of its U.P.-based sugar units. The principal features of the project comprised the cultivation of early high-yield cane varieties, customised use of desired nutrients on the basis of scientific soil testing and varietal shift in cane mix. All these initiatives are helping farmers consistently grow more cane by optimising resources (land, water, seed, nutrients and crop protection inputs).



Average sugar recovery reported by the Uttar Pradesh units in 2016-17

11.46%

Highlights, 2016-17

- Highest cane crushed in UP units during season 2016-17 across all its three units (27.5 Lac MT).
- Average sugar recovery of 11.46% which was the second highest among peers.
- Sugar production increased by 10% in FY 2016-17 from 254 KMT to 278 KMT whereas sales improved 18% to 260 KMT, moderating inventories.
- Average sugar net sales realisation increased 33% compared to the previous financial year, leading to a higher EBITDA and profit.
- There was a similar improvement in the co-generation and distillery businesses. Power generation increased 4% compared to the previous year, while distillery production increased 3%.

State review

Our Maharashtra business

Overview

Maharashtra possesses fertile land, which leads to superior cane growth and higher sugar recovery, the two principal reasons that attracted the Company to this state.

Challenges

Initially, establishing business in Maharashtra posed difficulties. Besides cultural differences, there were problems related to terrain inexperience, lack of comparable showcases of how a company from Uttar Pradesh could adapt to this state and a co-operative-led model of working (as opposed to private mill-driven environment in Uttar Pradesh).

Maharashtra's business expansion began with the acquisition of the Company's first plant in Kolhapur and operations commenced in 2012. The Company proactively enhanced its operational efficiency (highest recovery among the average across Maharashtra), increased capacity in three tranches leading to 2016-17 sugar season and balanced this with downstream product capacities.

The second acquisition transpired in Ninaidevi, where the Company acquired a plant that had been closed for seven years. The Company re-visited the dormant farmer relationships and began crushing in a short span of time. In 2015-16, 120,000 MT of cane was crushed in the first complete season across 100 days, with a recovery of 12.33%.

The Company increased its operational capacity from 5,000 TCD to 7,500 TCD effective from the 2016-17 sugar season at the Kolhapur unit and increased crushing capacity of its Ninaidevi unit from 1,750 TCD to 2,500 TCD in the same season, leading to a total capacity of 10,000 TCD in Maharashtra.

The Company's sugar operations were integrated with a distillery commissioned in Maharashtra, which increased distillery capacity to 140 KLPD. The co-generation capacity in Maharashtra is 23 MW.

Total sugar produced for the year was 86.21 KMT compared with 120 KMT in 2016 and cane crushed 6.86 Lacs MT compared with 9.22 Lacs MT in 2015-16. This decrease in production was caused mainly due to a drought-like situation in the state.

Apart from this, the co-generation throughput increased 18% to 15.77 crore units from 13.40 crore units in 2016; it was the first full year of the distillery business with a total production of 11,470 KL.

Highlights, 2016-17

- Kolhapur sugar unit was expanded to 7500 MT/day.
- Kolhapur distillery of 60KLPD capacity was commissioned with a slop-fired boiler and 1.8MW TG set.
- Ninaidevi Sakhar Karkhana unit in Ninaidevi was expanded to 100 TCH.
- Melt clarification process of white sugar manufacture was implemented.



Divisional analysis

Our sugar business



Overview

The sugar business is the Company's main source of profitability, which began in the mid-Nineties. The business contributed 80% of the total sales. The Company increased its foot print from Uttar Pradesh to Maharashtra. The expansion was fully integrated and aligned to move ahead in the curve. Since then the Company widened its presence across the nation and this business division reported a tremendous growth in sales as well as operating margins compared to the previous year.

Strengths

- The Company is among the ten largest sugar manufacturers in India and one of the fastest growing Indian sugar manufacturers over the last decade.
- The Company is unique and probably the only Uttar Pradesh (private sector-driven) manufacturer with operations in Maharashtra (co-operative sector driven), demonstrating its ability to address different sectoral environments leading to geographic de-risking.
- The heart of the Company's competitiveness lies in its ability to inspire farmers to plant increasing cane quantities.
- The Company is not just a large producer; it is one of the most efficient as well; its aggregate Uttar Pradesh recovery has been acknowledged as one of the highest among the sugar manufacturing groups in that state.

Achievements, 2016-17

- Highest net sales realisation, which grew 35% leading to a 47% growth in net sales at the Group level
- Generated 10% growth in sales of sugar from 3.2 lac tonnes in 2015-16 to 3.7 lac tonnes in 2016-17.
- Increased early maturing variety sugarcane from 63% to 80% across the Company's command areas in FY 2016-17, optimising Project Unnati.

Divisional analysis

Our Distillery business



Overview

The total distillery capacity of the Company was 140 KLPD - 80 KLPD in UP and 60 KLPD in Maharashtra. The Maharashtra capacity was commissioned in 2015-16 and 2016-17 represented its first year of operations.

Rationale for presence

In line with the governmental initiative of the mandatory blending of ethanol with automotive fuel to reduce emissions, the Company invested in a distillery to enhance value to its captively-generated molasses.

Achievements, 2016-17

- Increased production 38% from 24,550 KL in 2015-16 to 33,810 KL in 2016-17.
- Distillery sales almost doubled from 18,990 KL in 2015-16 to 36,130 KL in 2016-17.

Divisional analysis

Our Co-generation business



Overview

The Company commissioned a 79 MW capacity attached to its Jawaharpur, Nigohi and Ramgarh plants in 2007-08 and entered the co-generation business. The commissioning of a 23 MW co-generation plant in Kolhapur raised the total co-generation capacity of the Company to 102 MW.

The total co-generation capacity of the group now stands at 119 MW, including a wind power plant.

Rationale for presence

The Company entered this business segment with the objective to enhance value to the bagasse generated as a by-product in sugar manufacture. The attractiveness of this business lies in the fact that the mode of generation is environment-friendly. The Company stood to 'export' a sizable portion (following captive consumption) to the state electricity grid and earnings were secured through long-term power purchase agreements with the state government (with periodic escalation clauses).

Strengths

- The Company possesses sufficient capacity to cater to 100% of its power requirement.
- The high-pressure boilers introduced at Kolhapur helped increase the power generation of the plant per MT of cane.

Achievements, 2016-17

- Increased power generation by approximately 10% - from 43 crore units in 2015-16 to 47.5 crore units in 2016-17.
- The total energy exported to the grid increased by approximately 9% from 31 crore units in 2015-16 to 33 crore units in 2016-17.

Analysis of financial statements

CONSOLIDATED PROFIT & LOSS ANALYSIS

The Company reported gross revenues worth ₹1,764.10 crore on a consolidated basis during 2016-17, compared to ₹1,209.43 crore during 2015-16.

Operating EBITDA on a consolidated basis stood at ₹375.32 crore for 2016-17 compared to ₹226.73 crore for 2015-16.

Depreciation and interest for the current year stood at ₹55.59 crore and ₹93.80 crore, respectively.

Operating EBITDA: Better sugar recovery resulted in a reduction in the cost of production. Improved realisations of sugar and value-added downstream products resulted in an operating EBITDA of ₹375.31 crore for the year under review compared to ₹226.73 Crore in the corresponding previous year.

Financial and interest expenses: Finance costs for the year stood at ₹93.80 crore compared to ₹87.49 crore for 2015-16. The increase was on account of an additional loan taken to facilitate the expansion of the Kolhapur facility and higher working capital funding during the year.

Other income: Other income for the current year stood at ₹10.98 crore.

Provision for tax: Tax expenses for 2016-17 including current and deferred tax amounted to ₹54.73 crore.

Net profit: Net profit for the year 2016-17 amounted to ₹182.18 crore, going up from ₹58.40 crore during 2015-16.

CONSOLIDATED BALANCE SHEET ANALYSIS

Capital structure: The Company's paid-up equity share capital stood at ₹16.19 crore as on March 31, 2017, comprising 8,09,39,303 equity shares of ₹2 each (fully-paid up).

Reserves and surplus: The Company's reserves and surplus for 2016-17 stood at ₹678.59 crore. Of this, surplus in profit and loss account amounted to ₹636.86 crore, revaluation reserve stood at ₹3.75 crore, capital reserve stood at ₹4.07 crore and other reserves stood at ₹33.92 crore.

Loan profile: The total borrowed funds of the Company stood at ₹1,239.17 crore (including current maturities of long-term debt classified under the head 'other current liabilities' worth ₹100.49 crore) as on 31st March 2017. There was a substantial reduction in terms of long-term loans on the Company's books (by ₹241.62 crore). Long-term borrowings stood at ₹505.41 crore as on 31st March 2017 compared to ₹747.04 crore as on 31st March 2016. The Company's long-term debt-equity ratio reduced to 0.75 as on 31st March 2017 from 1.46 as on 31st March 2016.

Total assets: The total asset base of the Company stood at ₹2,315.11 crore as on 31st March 2017. The Company's net fixed assets as proportion of its total assets stood at 33.5% at the end of the year.

Fixed assets: Fixed assets worth ₹775.06 crore mainly comprised plants, machinery, land and buildings. It also included a small sum amounting to ₹2.44 crore in the form of capital work-in-progress.

Investments: Out of the total investments of ₹169.89 crore, the Company had a major investment of ₹68.48 crore in the form of fixed income money market mutual funds.

Inventories: Total inventories stood at ₹1,020.68 crore as on 31st March 2017 and comprised finished stock of sugar and other products worth ₹972.50 crore and raw material, store and spares and work in progress worth ₹48.18 crore.

Sundry debtors: Sundry debtors for the year amounted to ₹110.52 crore of which just ₹0.69 crore were in the form of receivables more than six months old.

Loans and advances: Loans and advances comprised 10.7% of the Company's total assets. Loans and advances made by the Company stood at ₹148.92 crore as on 31st March 2017.

Cash and cash equivalents: The Company had cash and equivalents worth ₹205.19 crore as on 31 March 2017.

Current liabilities and provisions: Current liabilities and provisions stood at ₹381.20 crore (excluding short-term borrowings worth ₹733.76 crore), wherein trade payables stood at ₹161.44 crore, other current liabilities stood at ₹215.94 crore and provisions included ₹3.78 crore.

People management



During the fiscal gone by, the Company operated the Ninaidevi facility at its full capacity in Maharashtra and invested effort in integrating the plant with the 'Dalmia' way of life (guidelines, values and processes).

The Company has over the years emerged as one of the fastest-growing sugar companies in India on the back of its ability to put its workforce above everything and its single-minded commitment to nation-building.

In line with this, the Company focuses on honing skills of employees coupled with a career progression plan. The result: the Company's people retention rate was 95% during the year under review. The Company's operating philosophy is encapsulated in two words: 'new think', indicating a new way of doing things.

During the fiscal gone by, the Company operated the Ninaidevi facility in Maharashtra at its full capacity and invested in syncing the plant with the 'Dalmia' way of life (guidelines, values and processes). The 'Dalmia way' epitomises excellence, innovation and trust with a keen emphasis on sustainable development.

The Company undertook a number of decisive initiatives in the realms of energy efficiency and green technology during 2016-17. The Company highlighted the 'timeless values', which form the backbone of the organisation via the Group-wide launch of a commemorative book during 2016-17.

The Company's 'timeless values' comprise the following:

- **Integrity:** This represents the Company's ability to do what is right and not what is easy - even when no one is watching.
- **Trust and respect:** Respect is earned and trust is gained and together they remind the Company of its unique worth.
- **Humility:** This represents Company's ability to not to think less about itself, but to think about itself less.
- **Commitment:** This represents the Company's confidence in the adage that where there is a will, there is a way.

The Company's aim is to nurture relationships, foster a family-oriented work environment and to deliver happiness to its people by focusing on their wellness and well-being. The Company's values programme itinerary for 2016-17 addressed the three aspects of life described as 'WIN' which stands for 'work', 'inspire', and 'nourish'.

- **Work the body:** Improve the health, vitality and vigour of the Company's employees
- **Inspire the mind:** Hone leadership skills of each of the Company's employees
- **Nourish the soul:** Ensure the spiritual elevation of the Company's employees

Based on these tenets, the Company developed programmes that focused on achieving physical, intellectual and spiritual wellness and in the process raise workforce performance levels.

Business partnership: As a strategic business partner, the HR department came up with a strategy document, which revolved around business sustenance and growth. Throughout the year, HR activities linked directly to these areas were undertaken.

During 2016-17, the HR department focused on operational digitisation and automation. Several skill development exercises were carried out under the aegis of the Dalmia Training Institute as per the guidelines issued by the Government of India.

During 2016-17, the HR department focused on operational digitisation and automation starting from acquisition to off-boarding. Several skill development exercises were carried out under the aegis of the Dalmia Training Institute as per the guidelines issued by the Government of India.

Nalanda: The leadership, learning and change division of Dalmia Sugar conducted an advanced leadership training programme and several behavioural development programmes in a bid to ensure seamless career progression of its employees. A lot of time was spent on talent acquisition so as to ensure that the right person was assigned the right role. A survey conducted across the Group showed that 89% of the Company's employees were passionate about their work. The Star Programme, which focused on creating new leaders, recorded a 77% improvement among those who attended the course, vindicating the inherent efficacy of the project.

Business continuity plan: The Company's business continuity plan revolves around identification of CTBs (personnel critical to business departments) and the deployment of CPPs (career progression plans) for these CTBs.

High performance organisation: Nalanda addressed the needs of the workforce by meticulously scheduling interventions and devising monthly training calendars. This allowed the Company to move from a manufacturing-centric to a more customer-centric approach. However, these changes need to be ushered in terms of talent profiles, organisational structure and HR guidelines and the Company's HR team (Nalanda) has been entrusted with this responsibility.

The Company sustained an open and cordial employee relationship; it encouraged value-based talent enhancement programmes. In line with this, an initiative called Roshni was embarked upon, which aims to encourage employee-community engagement through various NGOs that the Company is engaged with.

Information management

The Company progressively invested in a best-in-class information management platform to enhance organisational responsiveness, reduce time-to-market, optimise costs and deliver sustainable solutions.

In the past year, the Company integrated its information management system and stabilised its SAP ERP platform. The MIS, with granular detail, was made available to decision-makers to enforce control and achieve financial objectives. The HR department went paperless. The Company's infrastructural framework was bolstered and the organisation-wide network was consolidated to enhance bandwidth and cost-efficiency. Print and facilities management services were outsourced to a core IT player in order to moderate costs, improve response times and liberate internal resources.

The Company enhanced communication and collaboration across the business and between teams using a Google-based platform. The roll-out of an analytics initiative indicated that business managers had real-time access to KPIs related to sales, finance, supply chain and plant operations. This ensured a timely resolution of pending issues and efficient allocation of resources at the Company's disposal.

DBSIL has always been a frontrunner when it comes to the adoption of latest technologies. Case in point: GPS and mobility-based interventions were extensively used in cane management, transact with harvesters and transporters and monitor raw material and finished product movements. The field force management operations were completely automated and all information pertaining to attendance, journey plans, and other activities were reported via text, audio and video messages.

Risk management

Government policy risk

Implication

Unfavourable governmental policies can affect industry prospects.

Risk mitigation

The Central Government has been taking active steps to revitalise the Indian sugar industry. Over the last few years, these initiatives comprised the progressive deregulation of the sector, the informal linking of sugar realisations to cane costs, provision of soft loans and quicker responsiveness to industry challenges. There is also minimal State Government interference in the free market, helping smooth cane cost increases and moderating industry cyclicality.

Price volatility risk

Implication

Adverse sugar, ethanol and power realisation fluctuations (demand and prices) can impact revenues and profits

Risk mitigation

The Company enjoys economies-of-scale (cane crushing capacity of 32,500 tonnes per day). The Company employs forward contracts, hedging on exchanges and other strategies to moderate the impact of price movements. The long-term power purchase agreements protect the viability of the co-generation business. The Company derived 21% of its revenues from the non-sugar business in 2016-17, an adequate insulation from an excessive dependence on the sugar business.

Geographic risk

Implication

The Company could be affected if there is a decline in cane output and recovery in the state or region of its presence.

Risk mitigation

The Company has selected to be present in two states – Uttar Pradesh and Maharashtra. This presence de-risks the Company from a weakness in any particular geography. The performance of the Company during the year under review is proof: even as Maharashtra suffered one of the most challenging years in a long time, the Company reported outstanding results in its Uttar Pradesh operations, reporting a 210.4% increased in profit after tax over the previous financial year.

Perception risk

Implication

There is a growing perception that sugar is not conducive to health; the imposition of a sugar tax could affect the off take of sugar-intensive products and affect demand.

Risk mitigation

The widening application of sugar as a preservative in the manufacture of a number of branded and packaged products should increase the consumption of sugar. Besides, the per capita consumption of sugar in India is lower than the international average and as personal incomes rise, the Company foresees an increase in sugar consumption. Also, the Company mitigated this risk by increasing exposure to by-products leading to a sustainable source of revenues for the Company.

Oversupply risk

Implication

There is a danger that with sugar production expected to rebound in 2017-18, realisations could plateau or even decline, affecting the viability of sugar companies.

Risk mitigation

A probable rebound in sugar output in 2017-18 could restore the country's normal sugar pipeline, which could stabilise realisations on the one hand and increase the Company's sugar throughput. The Company believes that a combination of the two – output and realisations – could result in enhanced value for the Company (assuming a concomitant increase in operating efficiencies).

Raw material risk

Implication

Inability to procure adequate cane (quantity and quality) can affect a company's viability.

Risk mitigation

The Company has selected to commission sugar manufacturing facilities in cane-rich geographies. The Company works closely with cane-growers, providing them with adequate training to enhance yields. In Uttar Pradesh, the Company encouraged farmers to use an improved clonal cane variety that substantially enhanced output, which in turn increased the Company's capacity utilisation levels and boosted the viability of its by-product processing businesses. It may be relevant to indicate that the Company has consistently enhanced its cane crushing capacity during the past decade ending 2016-17.

Working capital risk

Implication

The business is working capital-intensive; any increase in this intensity (arising out of weaker financials) or higher working capital (debt) cost could reduced margins and viability.

Risk mitigation

The Company manufactures a superior sugar quality, which moves quicker during weak industry cycles and enhances realisations during sectoral rebounds. The Company's high efficiency has translated into superior margins and profits, resulting in superior credit rating. This superior rating and Group reputation attracted a strong bankers' consortium and a declining cost of working capital. The Company follows a bottomline-based strategy: it may select to hold inventories longer if the corresponding realisations are likely to be higher than the holding costs. Subsequently, the average cost of debt fell from 8.82% to 7.65% during 2016-17.

Directors' Report

Dear Members,

Your Directors have pleasure in submitting their sixty fifth report on the audited financial statements of the Company for the year ended March 31, 2017.

Financial Highlights

(₹ crore)

	FY – 2016-17	FY – 2015-16
Net Sales*	**1686.00**	**1166.40**
Profit before interest, depreciation and tax	**387.52**	**248.34**
Less: Interest and Financial Charges	93.79	87.49
Profit before depreciation and tax	293.73	160.85
Less: Depreciation	55.58	113.39
Profit before tax	**238.15**	**47.46**
Less:- Provision for current tax	50.85	10.17
MAT credit received	(31.18)	(10.17)
Provision for deferred tax	35.06	(10.99)
Profit after tax	**183.42**	**58.45**
Add: Surplus brought forward	453.56	408.96
Balance available for appropriation	**636.98**	**467.41**
Appropriations:		
Dividend Distribution Tax	-	0.99
Dividend	-	4.86
General Reserve	-	8.00
Balance carried forward	636.98	453.56
	636.98	**467.41**

** Net Sales includes other operating income also.*

Operations and Business Performance

The Company has achieved the highest ever profits during the financial year 2016-17 largely on account of buoyancy of Sugar segment due to firming up of the sugar prices.

During the year under review the gross revenue of the Company for the financial year 2016-17 has increased by 45.86% which is ₹1764.10 Crore as compared to ₹1209.42 Crore in the previous financial year and the profit before tax for the financial year 2016-17 has increased by 401.79% which is ₹238.15 Crore as compared to ₹47.46 Crore in the previous financial year.

Please refer to the chapter on Management Discussion and Analysis for a detailed analysis of the performance of the Company during the financial year 2016-17. In addition, working results for key businesses have been provided as an annexure to this report vide Annexure – 1.

The Company continues to be engaged in the same business during the financial year 2016-17. There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

Transfer to Reserves

The Company proposes to retain its entire earnings in the profit and loss account and proposes not to transfer any amount to the General Reserve.

Dividend

Your Directors have recommended a dividend of ₹2/- (100%) per equity share of ₹2/- each for the current financial year ended on March 31, 2017 as against dividend of ₹0.60/- (30%) per equity share of ₹2/- each paid during the immediately preceding financial year.

Credit rating

During the financial year 2016-17, ICRA has upgraded the rating for long term facilities of the Company to A+ which signifies the adequate degree of safety regarding timely servicing of financial obligations. ICRA has also upgraded the rating for short term facilities of the Company to A1+ which is the highest rating in the rating scale of ICRA, signifying very strong degree of safety regarding timely payment of financial obligations.

Board of Directors, its Committees and their Meetings

During the financial year 2016-17, five (5) Board meetings were held. Reference is invited to the Corporate Governance Report, which forms part of this Report, for the details of Board of Directors, its committees and their meetings.

Directors and Key Managerial Personnel

Shri T. Venkatesan, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. He has furnished requisite declaration to the effect that he is not disqualified from being re-appointed as a Director of the Company.

The Key Managerial Personnel, namely, Shri Gautam Dalmia, Managing Director and Shri Anil Kataria, Chief Financial Officer continue to hold their respective offices during the current financial year. Due to the sad demise of Shri K.V. Mohan the position of the Company Secretary in the Company got vacant. Smt. Isha Kalra, was appointed as the Company Secretary of the Company in his place with effect from October 27, 2016 and continue to hold her office.

The independent Directors namely, Shri J.S. Baijal, Shri M. Raghupathy and Shri P. Kannan have given their respective declaration of independence under Section 149 of the Companies Act, 2013. A meeting of the Independent Directors excluding all Non-Independent Directors and Members of the management of the Company was held as mandated by provisions of Rule VIII of Schedule IV of the Companies Act, 2013 wherein they inter-alia reviewed the performance of the Chairman, Non-Independent Directors and the Board as a whole.

The details of familiarisation programs for Independent Directors of the Company can be accessed at https://www.dalmiasugar.com/upload/policies/Familarisation-Programme-for-Independent-Directors_2016-17.pdf.

The Nomination and Remuneration Policy of the Company on Director's appointment and remuneration is attached as Annexure- 2 and forms part of this Report.

Your Board of Directors have conducted a formal evaluation of its own performance and the performance of its Committees and that of individual Directors in accordance with norms laid down in the Nomination and Remuneration Policy of the Company and SEBI Guidance Note on Board Evaluation.

Directors' Responsibility Statement

In terms of the provisions of Section 134(3)(c) of the Companies Act, 2013 your Directors state that:

(a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same;

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

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

(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 were operating effectively; and

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

Particulars of Remuneration of Directors', Key Managerial Personnel and Employees'

The particulars of remuneration to Directors and Key Managerial Personnel and other particulars in terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-3 of this Report.

A statement sharing the names and other particulars of the employee drawing remuneration in excess of the limits set out in Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure-3A of this Report.

Employees' Stock Option Scheme

The Company has not granted any employee stock options.

Subsidiaries

The report on the financial position of the Company's Subsidiaries, Himshikhar Investment Limited, Dalmia Solar Power Limited and Dalmia Sugar Ventures Limited, for the year ended March 31, 2017 is attached in Form AOC -1 and forms part of this report as Annexure-4.

The detailed Annual Reports of these subsidiaries are not being enclosed with this Annual Report. Any Member desiring to

inspect the detailed Annual Reports of any of the aforementioned subsidiaries may inspect the same at the Registered Office of the Company and that of the subsidiaries concerned. In event a member desires to obtain a copy of the Annual Report of any of the aforementioned subsidiaries, he may write to the Registered Office of the Company specifying the name of the subsidiary whose Annual Report is required. The Company shall supply a copy of such Annual Report to such Member. The Annual Report of the aforementioned subsidiaries are available at the Company's website www.dalmiasugar.com.

During the said financial year no company ceased to be a subsidiary of the Company or its subsidiary. The Company has no Associates and Joint Ventures.

The policy for determining material subsidiaries may be accessed on the Company's website at http://www.dalmiasugar.com/upload/policies/DBSIL-Material-Subisdiary-Policy.pdf.

Consolidated Financial Statements

As required under section 129(3) of the Companies Act, 2013 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard - 21, this Annual Report also includes Consolidated Financial Statements for the financial year ended March 31, 2017.

Corporate Governance Report

Your Directors believe that corporate governance is an ethically driven business process that is committed to values aimed at enhancing the growth for the Company. Your Company's corporate governance practices are driven by effective and strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision making. The Company's corporate governance practices have been detailed in the Corporate Governance Report and same is attached together with the Auditors' certificate thereon and forms part of this Report.

Extract of Annual Return

The extract of the annual return is attached in Form MGT-9 giving inter-alia details of shareholding pattern, indebtedness, and managerial remuneration and forms part of this Report as Annexure-5.

Corporate Social Responsibility

Your Directors have constituted a Corporate Social Responsibility Committee responsible to identify, monitor and review corporate social responsibility activities of the Company and provide strategic direction for implementation of the corporate social responsibility policy of the Company. The corporate social responsibility policy may be accessed at http://www.dalmiasugar.com/upload/policies/DBSIL-CSR-POLICY.pdf. The prime objective of the policy is to make CSR a key business process for sustainable development of the society.

Annual report on corporate social responsibility activities is attached as Annexure-6 and forms part of this Report.

Pursuant to the said policy, the Company has made expenses aggregating to ₹0.45 Crore towards Corporate Social Responsibility during the financial year 2016-17 covering education, health & sanitation, skill development, rural infrastructure development, rural sports, environment conservation, etc. which is more than 2% of average net profits of the Company made during three immediately preceding financial years.

Related Party Policy and Transactions

The Company has formulated a related party transactions policy and the same may be accessed on the Company's website at http://www.dalmiasugar.com/upload/policies/DBSIL-Related-Party-Policy.pdf.

During the year under review there was no material contracts or arrangements entered into by the Company with the related parties referred to in section 188(1) of the Companies Act, 2013. Hence, Form AOC-2 is not being attached to this Report.

Risk Management Policy

Your Board of Directors has formed a Risk Management Committee to frame and monitor the Risk Management Plan of the Company. The Committee is responsible for identifying critical risks, framing Risk Management plan and reviewing effectiveness of implementation of the same on ongoing basis.

Whistle Blower Policy and Vigil Mechanism

The Company has in place the whistle blower mechanism for directors, employees and other stakeholders with a view to provide for adequate safeguards against victimisation of stakeholders and provide for direct access to the Chairperson of the Audit Committee in appropriate cases.

The policy can be accessed at the website of the Company at http://www.dalmiasugar.com/upload/policies/DBSIL-Whistle-Blower-Policy-Vigil-Mechanism.pdf.

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 the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

No such complaints have been received by the said Committee during the financial year 2016-17.

Investment, Loans and Guarantees

The particulars of investments made by the Company and details of loans given and guarantees given by the Company are furnished in Note Nos. 13, 16, 20 and 45 of the Standalone Financial Statements of the Company.

Adequacy of internal financial controls

The Company has in place adequate internal financial controls with reference to the financial statements. The said financial controls have been tested and no reportable material weakness in the design and operations were observed.

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

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in Annexure – 7 and the same forms part of this Report.

Auditors

Statutory Auditors

S.S. Kothari Mehta & Co., Chartered Accountants the Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting. In view of the completion of two terms of 5 consecutive years each, the Board has recommended the name of NSBP & Co., Chartered Accountants, for appointment as a Statutory Auditors for the period of 5 years from the conclusion of ensuing Annual General Meeting till the conclusion of next sixth Annual General Meeting.

The Company has obtained from them a certificate to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the section 141 of the Companies Act, 2013.

Cost Auditor

HMVN & Associates, Cost Accountants, were appointed as the Cost Auditors of the Company to conduct Cost Audit for the year ended March 31, 2016, and they have submitted the Cost Audit Report for the said year on August 23, 2016.

HMVN & Associates, Cost Accountants, New Delhi, was re-appointed as the Cost Auditors to conduct cost audit for the year ended March 31, 2017 and they will be submitting their report in due course of time.

Your Directors had decided to reappoint HMVN & Associates, Cost Accountants, New Delhi, as the Cost Auditors to conduct cost audit for the year ended March 31, 2018 and the remuneration payable to them for conduct of Cost Audit will be coming up for approval before the Shareholders at the ensuing Annual General Meeting.

Secretarial Auditor and Report Thereon

The Board of Directors of the Company appointed Harish Khurana & Associates, Practising Company Secretaries, as the Secretarial Auditor to conduct the Secretarial Audit in terms of section 204 of the Companies Act, 2013. The Report of the Secretarial Audit is attached in Form MR – 3 and forms part of this report as Annexure-8.

Comments on Auditors' Observations

The Reports submitted by the Secretarial Auditor and Statutory Auditor of the Company are self explanatory and do not contain any qualification, reservation or adverse remark or disclaimer.

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act.

Public Deposits

The Company has not accepted any deposits from public during the year under review.

Orders Passed By Regulators

No significant and material orders have been passed by the regulators or courts or tribunals impacting the status of the Company.

Health, Safety and Environment

Health and Safety of employees and clean environment receive utmost priority at all locations of your Company. It has already implemented EHS System and provided safe working environment at its plants and mines. Use of personal protective equipment by employees have become compulsory and training programs on Health, Safety and Occupational Health are being conducted on a continuous basis. Our endeavour is to make all our plants safe and keep all its employees healthy. Your Company has a philosophy that 'Clean & Green' is more profitable.

Industrial Relations

The industrial relations during the year under review remained harmonious and cordial.

Acknowledgement

Your Directors wish to place on record their appreciation for the assistance and cooperation received from the financial institutions, banks, government authorities, customers, vendors and stakeholders during the year under review. The Directors also wish to place their deep appreciation for the committed services by all the employees of the Company.

For and on behalf of the Board

Place: New Delhi
Dated: May 5, 2017

(J.S. Baijal)
Chairman
DIN: 00049565

Annexure - 1

WORKING RESULTS

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Sugar Division ('000 MT)			
Cane Crushed	3,147	3,097	3,093
Sugar Production	365	375	338
Sugar Sales	308	317	287
Molasses Production	140	141	147
Magnesite Division ('000 MT)			
Refractory Product Production	7	9	17
Refractory Product Sale & Self Consumption	6	10	15
Electronic Division ('000 MT)			
Chip Capacitor Production	31	202	110
Chip Capacitor Sales	33	202	110
Chip Resistor Production	-	-	-
Chip Resistor Sales	-	-	-
Wind Farm			
Installed Capacity (MW)	17	16.5	16.5
Production (Million Units)	28	19.8	25
Plant Load Factor	20.0%	13.0%	17.2%
Govan Travels			
Business Handled (₹ In Crore)	19	24.3	23.1
Co-Generation			
Installed Capacity (MW)	102	102	102
Production (Million Units)	475	431	417

Annexure - 2

NOMINATION AND REMUNERATION POLICY

1) **Objective:** This Policy is laid down to comply with the provisions of section 178 of the Companies Act, 2013 read along with the Rules made thereunder, and the amended Clause 49(IV) of the Listing Agreement.

2) **Definitions:**
   a. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
   b. "Board" means the Board of Directors of the Company.
   c. "Directors" means the Directors of the Company as may be appointed from time to time.
   d. "Independent Director" means a Director who has been appointed as such and who satisfies the criteria and conditions laid down in S.149(6) of the Companies Act, 2013
   e. "Key Managerial Personnel" (KMP) means the following persons as defined in S.2(51) of the Companies Act, 2013 and (i) Managing Director or Manger or Chief Executive Officer; (ii) Company Secretary; (iii) Whole-time Director; (iv) Chief Financial Officer; and (iv) such other officer as may be prescribed.
   f. "Senior Management Persons" (SMP) means the following persons, as defined in Explanation to S.178(8) of the Companies Act, 2013, being personnel of the Company who are members of its core management team, excluding Board of Directors, comprising all members of management, one level below the executive directors including all functional heads.

3) **Constitution of the Committee and matters relating there to:**
   (a) Constitution:
      (i) The Committee shall consist of minimum 3 Non-Executive Directors, majority of them being Independent Director.
      (ii) Minimum two members shall constitute a quorum for the meeting.
      (iii) Constitution and membership of the Committee shall be disclosed in the Annual Report of the Company.
      (iv) The Chairman of the Committee shall be an Independent Director.
      (v) The Chairman of the Company may be nominated as a member of the Committee but shall not be its Chairman.
      (vi) The Chairman of the Nomination and Remuneration Committee is required to be present at the Annual General Meeting or he may nominate some other member to answer the shareholders' queries.

   (b) Frequency of Meetings:
   The meeting of the Committee shall be held at such regular intervals as may be required.

   (c) Secretary:
   The Company Secretary of the Company shall act as the Secretary of the Committee.

   (d) Procedure to be followed in meetings of the Committee:
      (i) A member of the Committee is not entitled to be present when his or her own remuneration is being discussed at the meeting or when his or her own performance is being evaluated.
      (ii) All matters shall be decided by a majority of votes cast by the members present and such decision shall for all purposes be treated as the decision of the Committee. In case of equality of votes, the Chairman shall have the casting vote.
      (iii) Head HR or a representative nominated by him shall be present at all meetings of the Committee to provide clarifications, if any, sought by the Committee.
      (iv) The Committee is also entitled to engage professionals to assist it in the performance of its duties and such costs shall be borne by the Company.
      (v) Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

4) **Role of the Committee:**

The Committee shall :-

(a) Formulate the criteria for determining qualifications, positive attributes and independence of a director. [S.178(3), Clause 49(IV)(B) of Listing Agreement]

(b) Recommend to the Board, a Policy relating to Remuneration of Directors, KMPs, and other employees. [S.178(3)]. This Policy has to be disclosed in the Board's Report [S.178(4)]. As per S.178(4), while formulating this policy, Committee has to ensure that:-
   (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required,
   (ii) Relationship of remuneration to performance is clear, and meets appropriate performance bench marks,

(iii) Remuneration to Directors, KMPs, and SM, involves a balance between fixed and incentive pay, reflecting short and long term performance objectives, appropriate for the Company.

(c) Carry out evaluation of every Director's performance. [S.178(2)]

(d) Devise a policy on Board Diversity. [Clause 49(IV)(B)(3) of Listing Agreement]

(e) Identify persons who are qualified to become Directors, and who may be appointed as KMPs / SMPs in accordance with the criteria laid down in this policy. [S.178(2)]

(f) Recommend to the Board the appointment and removal of KMPs and SMPs, in accordance with the criteria laid down. [S.178(2)]

5) Policy on Remuneration:

(a) Directors (including MDs and WTDs):

(i) It would have to be within the ceiling as may be prescribed by law from time to time.

(ii) It would have to be with such approvals as may be prescribed by law.

(iii) In case of MDs / WTDs, it shall involve a balance between fixed and incentive pay, reflecting short term and long term performance objectives.

(iv) In case of non WTDs, total remuneration payable in accordance with law, be distributed amongst themselves, keeping in view (a) Responsibilities (e.g Chairmanship / Membership of important committees), (b) Tenure on the Board, (c) Devoting of time outside Board meetings, for Company's work etc, as may be decided by the Board.

(b) KMPs and other employees:

(i) It would be based on TCTC concept. Within this TCTC, it could be made flexible, as per the needs of employees, in a fair and transparent manner.

(ii) It would be based on Annual Compensation Surveys, followed by industry benchmarks, position benchmarks, performance benchmarks, comparative, and percentile position analysis.

(iii) It would be in compliance with laws and regulations.

6) Policy on Board Diversity

The Board would comprise of persons having diverse qualifications, experience and exposure in any area including but not limited to finance, accounts, human relations, marketing, selling, administrative, engineering, economic, legal, tax and manufacturing functions.

7) Criteria for determining qualifications, positive attributes and independence of Directors:

(a) Criteria for determining independence would be as laid down in S.149(6) of the Act.

(b) No academic qualification is envisaged, but should be able to contribute positively to the deliberations at Board Meetings.

8) Criteria for identifying persons for appointment as SMPs: -

(a) Should fulfill the Job Description, for the relevant position, as may be in force from time to time.

(b) Should clear the Dalmia BEI (Behavioural Evaluation Interview)

9) Evaluation of every Director's performance (Suggested Criteria):

(a) % attendance at Board Meetings.

(b) Participation in discussions

(c) Preparedness for Board Meetings, by reading of the relevant papers.

(d) Contribution in terms of improving Business performance.

(e) Proactive availability for Company's business, besides Board meetings.

10) General:

(a) The persons selected for the positions of KMPs and SMPs should have the desired qualifications, expertise and experience for the position he/she is considered for appointment. The Committee shall has the discretion to decide whether the qualifications, expertise and experience possessed by a person is sufficient for the concerned position.

(b) The Committee shall approve the selection of candidates to the position of Key Managerial Personnel and Senior Management persons as given by the HR Department and recommend to the Board, his or her appointment.

(c) The Committee shall not recommend the appointment of or continuation of appointment of any person to the above positions who have attained the age of seventy five years. In the event it is decided by the Committee to breach the above age limit, the Committee shall make such recommendation subject to approval of shareholders by way of a Special Resolution. [Sec 196(3(a) and proviso thereto)

(d) Term/Tenure of appointment of Directors:

(i) Managing Director/Manager/Whole-time Director:

The term of appointment or re-appointment of any

person as a Managing Director/Whole-time Director or Manager shall not exceed five years at a time. The re-appointment shall not be made earlier than one year before the expiry of the current term of appointment. [Sec 196(3)]

(ii) Independent Directors:
An Independent Director shall hold office for a term upto five consecutive years and can be reappointed on passing of a Special Resolution by the Shareholders of the Company for a further term of five years. [sec 149(10)]

No Independent Director shall hold office for more than two consecutive terms. An Independent Director who has completed the two consecutive terms of appointment of five years each, can however be appointed as an Independent Director after the expiry of three years of his ceasing to become an Independent Director provided he otherwise qualifies for being appointed as an Independent Director. [sec 149(11)]

At the time of appointment of an Independent Director it should be ensured that he is not an Independent Director of more than seven listed companies. If however, the Independent Director is serving as a Whole-time Director of a listed company, then it should be ensured that he is not an Independent Director of more than three listed companies. [Clause 49(ii)(B)(2) of Listing Agreement]

(iii) Key Managerial Personnel/Persons in Senior Management persons:
The term of appointment to the above positions, except that of Managing Director, Manager or Whole time Director, shall be determined by the Nomination and Remuneration Committee at its own discretion and may vary from position to position.

(e) Evaluation of Key Managerial Personnel and person in Senior Management persons:
The Committee shall carry out evaluation of performance of every Director preferably at regular yearly intervals. For this purpose, the Board may engage the services of a professional for advising it on the process of evaluation, etc, and the cost of such professional shall be borne by the Company.

The Committee shall go through the recommendations of the evaluations by the HR Department of the persons holding Key Managerial Personnel (excluding the Managing Director and Whole time Director) and Senior Management persons and approve the same with or without modifications.

(f) Removal:
The Committee may recommend to the Board with reasons recorded in writing the removal of a Director, Key Managerial Personnel or a Senior Management person for reasons of misconduct or negligence of duties.

A Director can be removed from his office if the shareholders pass an ordinary resolution pursuant to the provisions of section 169 of the Companies Act, 2013.

A Director shall also be required to continue to qualify as a Director in terms of section 164 of the Act and is not liable to vacate his office in terms of section 167 of the Act.

(g) Retirement:
The Director, Key Managerial Personnel and Senior Management Persons shall retire as per the provisions of the Act and the policy of the Company. Subject to the provisions of Clause 4(B), the Board will, however, have the discretion to retain the Director, Key Managerial Personnel and Senior Management Persons in the same position, including remuneration or otherwise even after his attaining the age of retirement in the interest of the Company.

(h) The Remuneration policy will be disclosed in the Annual Report of the Company.

(i) This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Personnel and Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board.

(j) Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors. However, any such amendment shall be annexed to this Policy and put on the website of the Company for ready reference of all concerned persons and placed before the Nomination and Remuneration Committee.

Annexure - 3

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2016-17 are as under:

Name of the Director, Chief Financial Officer and Company Secretary and Designation	Remuneration of for the F.Y. 2016-17 ₹ crores	Ratio of remuneration each Director to median remuneration* of employees	% increase in the remuneration in the F.Y. 2016-17
Shri J. S. Baijal Chairman Non-Executive Independent	0.25	11.31	19.05
Shri Jai H. Dalmia Managing Director **	0.56	25.36	3.70
Shri Gautam Dalmia Managing Director and Chief Executive Officer**	0.69	31.24	885.71
Shri T. Venkatesan Non-Executive	0.02	0.91	(33.33)
Shri M. Raghupathy Non-Executive Independent	0.23	10.41	15
Shri B.B. Mehta Non-Executive	0.03	1.36	(25)
Shri Panchapakesan Kannan Non-Executive Independent	0.19	8.60	18.75
Smt. Himmi Gupta Non-Executive	0.03	1.36	0
Shri Anil Kataria Chief Financial Officer	0.87	N.A.	8.75
Late Shri K.V. Mohan Company Secretary***	0.92	N.A.	-
Ms. Isha Kalra Company Secretary****	0.04	N.A.	-

Note: * The median remuneration of employees of the Company during the financial year 2016-17 was ₹2,20,854/-.

** In addition to above mentioned remuneration, the Board of Directors have approved the payment of commission of ₹8 crore to Shri Jai Hari Dalmia and ₹9 crore to Shri Gautam Dalmia for the financial year 2016-17, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

*** Shri K.V. Mohan ceased to be the Company Secretary effective September 27, 2016 due to his sad demise. The remuneration indicated in the above table includes all retrial benefits.

**** Ms. Isha Kalra was appointed as the Company Secretary with effect from October 27, 2016.

2. The percentage increase in the median remuneration of employees in the financial year was 4.01%.

3. The number of permanent employees on the rolls of the Company at the end of the financial year 2016-17 was 2370.

4. The average percentage increase in the salaries of employees other than the managerial personnel was about 11.70% during the financial year 2016-17 and the percentage increase in the remuneration (excluding commission) of managerial personnel during the said financial year was about 104.92%. The said increase is due to the increase in the profits of the Company and contribution made by the managerial personnel for achieving the same.

5. It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and Senior Management is as per the Nomination & Remuneration Policy of the Company.

Annexure - 3A

Statement of Particulars of Employees pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2016-17

S. No	Name	Age	Designation	Qualifications	Experience (years)	Date of Commencement of Employment	Last Employment held	Remuneration received (₹ in Crore)	Whether related to a Director
A.	Employed throughout the year								
1	Shri Anil Kataria	57	Chief Financial Officer	B.Com, FCA & FCS	32	06/04/2009	Escorts Group	0.87	No
2	Shri Chander Pal	49	Assistant Executive Director	Diploma-Materials Management	30	20/08/2007	Century Metals & Recycling Pvt. Ltd.	0.50	No
3	Shri Gautam Dalmia	49	Managing Director	B.SC, M.S. in Electrical Engineering	25	16/01/2007	None	0.69	Yes
4	Shri Gopendra Singh	49	Assistant Executive Director	PGDM	25	11/09/2006	Veetee Fine Foods Ltd,Graintec India	0.64	No
5	Shri Jai Hari Dalmia	71	Vice Chairman & Managing Director	B.E. (ELEC.), M.S. in Electrical Engineering	47	01/04/2007	Orissa Cement Limited	0.56	Yes
6	Shri J K Gupta	68	Advisor	ANSI-Sugar Tech	45	01/04/2008	Bajaj Hindustan Ltd.	0.61	No
7	Shri K P Singh	64	Executive Director	B.SC. (Hons) - Agriculture	39	12/11/1999	DCM Shriram Industries Limited	0.80	No
8	Shri Kuldeep Kumar	48	Assistant Executive Director	MBA-Operations	27	17/07/2015	Mawana Sugar Works	0.53	No
9	Shri Naresh Paliwal	60	Deputy Executive Director	B.Com, FCA	31	24/06/2010	Oudh Sugar Mills Limited	0.86	No
B.	Employed for the part of the year								
10	Late Shri K V Mohan	66	Company Secretary	B.A , FCA & FCS	41	01/04/1976	Shri Nataraj Ceramic & Chemicals Industries Ltd.	0.92	No

Notes:

1. Shri Jai Hari Dalmia and Shri Gautam Dalmia are relatives.
2. None of the above employees held 2% or above of the equity share capital of the Company as on March 31, 2017 either himself and /or alongwith his spouse and dependent childern.
3. In addition to above mentioned remuneration, the Board of Directors have approved the payment of commission of ₹8 crore to Shri Jai Hari Dalmia and ₹9 crore to Shri Gautam Dalmia for the financial year 2016-17, subject to the approval of the shareholders at the forthcoming Annual General Meeting.
4. Renumeration shown above, inter alia, includes value of perquistes, all other allowances and all retiral benefits (excluding gratuity).
5. Shri K.V. Mohan ceased to be the Company Secretary effective September 27, 2016 due to his sad demise. His remuneration indicated in the above table includes all retrial benefits.
6. Shri Jai Hari Dalmia and Shri Gautam Dalmia are employed as Managerial Personnel on a fixed term basis.

Annexure - 4

FORM AOC-I

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

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part A: Subsidiaries

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

SL. No.	Name of the subsidiary	1 HIMSHIKHAR INVESTMENT LIMITED	2 DALMIA SUGAR VENTURES LIMITED	3 DALMIA SOLAR POWER LIMITED
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company (31 March of every year)	Same as Holding Company (31 March of every year)	Same as Holding Company (31 March of every year)
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable
3	Share capital	0.45	0.05	0.05
4	Reserves & surplus	4.93	(0.06)	(0.51)
5	Total assets	84.40	0.00	0.23
6	Total Liabilities	79.01	0.01	0.69
7	Investments	84.13	Nil	Nil
8	Turnover	0.29	Nil	Nil
9	Profit before taxation	(0.86)	0.00	(0.28)
10	Provision for taxation	Nil	Nil	Nil
11	Profit after taxation	(0.87)	0.00	(0.28)
12	Proposed Dividend	Nil	Nil	Nil
13	% of shareholding	100%	100%	100%

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part B : Associates and Joint Ventures: Not Applicable

Isha Kalra
Company Secretary
Membership No: A24748

Anil Kataria
Chief Financial Officer
PAN: AALPK4889N

J.S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Place: New Delhi
Date: May 5, 2017

Annexure - 5

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

on the financial year ended on 31-3-2017

[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:-	L26942TN1951PLC000640
ii)	Registration Date	1-11-1951
iii)	Name of the Company	DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED
iv)	Category/ Sub- Category of the Company	Public Limited Company
v)	Address of the Registered office and Contact Details	Dalmiapuram-621651, Distt. Tiruchirapalli, Tamil Nadu Ph No. – 04329-235132 Fax No. – 04329-235111
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District - Nanakramguda Hyderabad 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.No	Name and Description of main products/services	NIC Code of the Product/ Service	% of total turnover of the Company
1	Sugar	1072	75.40
2	Power	3510	15.81

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of Shares Held	Applicable Section
1	Dalmia Sugar Ventures Limited	U24233DL2007PLC166943	SUBSIDIARY	100	2 (87)
2	Dalmia Solar Power Limited	U40102TN2005PLC057328	SUBSIDIARY	100	2 (87)
3	Himshikhar Investment Limited	U67190TN1997PLC038989	SUBSIDIARY	100	2 (87)

IV. SHAREHOLDING 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	3405460	0	3405460	4.21	1033785	0	1033785	1.28	(2.93)
b) Central Govt./ State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp	57141997	0	57141997	70.59	59513672	0	59513672	73.52	2.93
d). Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other… Trusts	86665	0	86665	0.11	86665	0	86665	0.11	0
Sub-total (A) (1):-	**60634122**	**0**	**60634122**	**74.91**	**60634122**	**0**	**60634122**	**74.91**	**0**

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) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other…	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**60634122**	**0**	**60634122**	**74.91**	**60634122**	**0**	**60634122**	**74.91**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	605500	2500	608000	0.75	0	2500	2500	0	(0.75)
b) Banks/FI	2472465	21326	2493791	3.08	1692511	21326	1713837	2.12	(0.96)
c) Central Govt./ State Govt(s)	59200	68955	128155	0.16	59200	68955	128155	0.16	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) FIIs	0	0	0	0	0	0	0	0	0
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
h) Other (specify) Foreign Portfolio Investors	832900	0	832900	1.03	835358	0	835358	1.03	1.03
Sub- total (B)(I):-	**3970065**	**92781**	**4062846**	**5.02**	**2587069**	**92781**	**2679850**	**3.31**	**(1.71)**
2. Non Institutions									
a) Bodies Corp.	3293683	217702	3511385	4.33	2459577	29399	2488976	3.08	(1.25)
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹2 Lakh	6157305	2659887	8817192	10.89	8957272	2542642	11499914	14.21	3.32
ii. Individual Shareholders holding nominal share capital in excess of ₹2 Lakh	2790948	0	2790948	3.45	3025074	0	3025074	3.74	0.29
c) Other (specify)									
Clearing Member	902688	0	902688	1.12	175495	0	175495	0.22	(0.90)
Directors and Their Relatives	6260	0	6260	0.01	7260	0	7260	0.01	0.00
Foreign Nationals	0	17325	17325	0.02	0	17325	17325	0.02	0.00
Non Resident Indians	84424	58376	142800	0.18	267818	58376	326194	0.40	0.22
Trusts	32817	20920	53737	0.07	61273	20920	82193	0.10	0.03
NBFC Registered with RBI	0	0	0	0	2900	0	2900	0.00	0.00
Sub- total (B)(2):-	**13268125**	**2974210**	**16242335**	**20.07**	**14956669**	**2668662**	**17625331**	**21.78**	**1.71**
Total Public Shareholding(B)=(B)(1)+(B)(2)	**17238190**	**3066991**	**20305181**	**25.09**	**17543738**	**2761443**	**20305181**	**25.09**	**0**
C. Shares Held By Custodian For GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**77872312**	**3066991**	**80939303**	**100.00**	**78177860**	**2761443**	**80939303**	**100**	**0**

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	
1	Shri Jai Hari Dalmia	1635010	2.02	NIL	240000	0.30	NIL	(1.72)
2	Smt. Kavita Dalmia	376670	0.47	NIL	5	0.00	NIL	(0.47)
3	Shri Gautam Dalmia	751990	0.93	NIL	151990	0.19	NIL	(0.74)
4	Smt. Anupama Dalmia	11250	0.01	NIL	11250	0.01	NIL	0.00
5	Ku. Vaidehi Dalmia	37180	0.05	NIL	37180	0.05	NIL	0.00
6	Ku. Sukeshi Dalmia	37180	0.05	NIL	37180	0.05	NIL	0.00
7	Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF)	315175	0.39	NIL	315175	0. 39	NIL	0.00
8	Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)	241005	0.30	NIL	241005	0.30	NIL	0.00
9	Mayuka Investment Limited	15736537	19.44	NIL	0	0.00	NIL	(19.44)
10	Shree Nirman Limited	130	0.00	NIL	5	0.00	NIL	0.00
11	Sita Investment Company Limited	5876800	7.26	NIL	0	0.00	NIL	(7.26)
12	Alirox Abrasives Limited	120360	0.15	NIL	120360	0.15	NIL	0.00
13	Dalmia Bharat Limited	14829764	18.32	NIL	14829764	18.32	NIL	0.00
14	Himgiri Commercial Limited	738265	0.91	NIL	5	0.00	NIL	(0.91)
15	Valley Agro Industries Limited	3500	0.00	NIL	5	0.00	0.00	0.00
16	Ankita Pratisthan Limited	5829070	7.20	NIL	0	0.00	NIL	(7.20)
17	Rama Investment Company Private Limited	2644985	3.27	NIL	0	0.00	NIL	(3.27)
18	Keshav Power Limited	1268241	1.57	NIL	5	0	NIL	(1.57)
19	Kavita Trading & Investment Co. Pvt. Ltd.	300570	0.37	NIL	0	0.00	NIL	(0.37)
20	Puneet Trading and Investment Co. Pvt. Ltd.	9792775	12.10	NIL	0	0.00	NIL	(12.10)
21	Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust	86665	0.11	NIL	86665	0.11	NIL	0.00
22	Dalmia Refractories Limited	1000	0.00	NIL	1000	0.00	NIL	0.00
23	Vanika Commercial and Holdings Private Limited	0	0	NIL	8687305	10.73	NIL	10.73
24	Samagama Holdings and Commercial Private Limited	0	0	NIL	35875223	44.32	NIL	44.32
	Total	**60634122**	**74.91**	**NIL**	**60634122**	**74.91**	**NIL**	**0.00**

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

Sl. No	Name of the Promoter	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
1	Shri Jai H. Dalmia	Opening Balance	01/04/2016	1635010	2.02	1635010	2.02
		Disposed off - Interse Transfer	15/03/2017	(1395010)	(1.72)	240000	0.30
		Closing Balance	31/03/2017			240000	0.30
2	Shri Gautam Dalmia	Opening Balance	01/04/2016	751990	0.93	751990	0.93
		Disposed off - Interse Transfer	15/03/2017	(600000)	(0.75)	151990	0.19
		Closing Balance	31/03/2017			151990	0.19

Sl. No	Name of the Promoter	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
3	Smt. Kavita Dalmia	Opening Balance	01/04/2016	376670	0.47	376670	0.47
		Disposed off - Interse Transfer	15/03/2017	(376665)	(0.47)	5	0
		Closing Balance	31/03/2017			5	0
4	Mayuka Investment Limited	Opening Balance	01/04/2016	15736537	19.44	15736537	19.44
		Disposed off - Interse Transfer	15/03/2017	(15736537)	(19.44)	0	0
		Closing Balance	31/03/2017			0	0
5	Shree Nirman Limited	Opening Balance	01/04/2016	130	0	130	0
		Disposed off - Interse Transfer	15/03/2017	(125)	0	5	0
		Closing Balance	31/03/2017			5	0
6	Sita Investment Company Limited	Opening Balance	01/04/2016	5876800	7.26	5876800	7.26
		Acquired - Interse	15/03/2017	1771675	2.19	7648475	9.45
		Disposed off - Interse Transfer	23/03/2017	(7648475)	(9.45)	0	0
		Closing Balance	31/03/2017			0	0
7	Keshav Power Limited	Opening Balance	01/04/2016	1268241	1.57	1268241	1.57
		Acquired - Interse Transfer	3/03/2017	2644985	3.27	3913226	4.84
		Disposed off - Interse Transfer	15/03/2017	(3913221)	(4.84)	5	0
		Closing Balance	31/03/2017			5	0
8	Himgiri Commercial Limited	Opening Balance	01/04/2016	738265	0.91	738265	0.91
		Acquired - Interse Transfer	3/03/2017	278070	0.34	1016335	1.25
		Acquired - Interse Transfer	15/03/2017	22500	0.03	1038835	1.28
		Disposed off - Interse Transfer	23/3/2017	(1038830)	(1.28)	5	0
		Closing Balance	31/03/2017			5	0
9	Valley Agro Industries Limited	Opening Balance	01/04/2016	3500	0	3500	0
		Disposed off - Interse Transfer	15/03/2017	(3495)	0	5	0
		Closing Balance	31/03/2017			5	0
10	Ankita Pratisthan Limited	Opening Balance	01/04/2016	5829070	7.20	5829070	7.20
		Disposed off - Interse Transfer	15/03/2017	(5829070)	(7.20)	0	0
		Closing Balance	31/03/2017			0	0
11	Rama Investment Company Private Limited	Opening Balance	01/04/2016	2644985	3.27	2644985	3.27
		Disposed off - Interse Transfer	3/03/2017	(2644985)	(3.27)	0	0
		Closing Balance	31/03/2017			0	0
12	Kavita Trading & Investment Co. Pvt. Ltd.	Opening Balance	01/04/2016	300570	0.37	300570	0.37
		Disposed off - Interse Transfer	3/03/2017	(278070)	(0.34)	22500	0.03
		Disposed off - Interse Transfer	15/3/2017	(22500)	(0.03)	0	0
		Closing Balance	31/03/2017			0	0
13	Puneet Trading and Investment Co. Pvt. Ltd.	Opening Balance	01/04/2016	9792775	12.10	9792775	12.10
		Disposed off - Interse Transfer	15/03/2017	(9792775)	(12.10)	0	0
		Closing Balance	31/03/2017			0	0
14	Vanika Commercial and Holdings Private Limited	Opening Balance	01/04/2016	0	0	0	0
		Acquired - Interse Transfer	23/03/2017	8687305	10.73	8687305	10.73
		Closing Balance	31/03/2017			8687305	10.73
15	Samagama Holdings and Commercial Private Limited	Opening Balance	01/04/2016	0	0	0	0
		Acquired - Interse Transfer	15/03/2017	35875223	44.32	35875223	44.32
		Closing Balance	31/03/2017			35875223	44.32

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
1	Life Insurance Corporation Of India	Opening Balance	1/04/2016	1259685	1.56	1259685	1.56
		Closing Balance	31/03/2017			1259685	1.56
2	Morgan Stanley Asia (Singapore) PTE	Opening Balance	1/04/2016	832900	1.03	832900	1.03
		Sale	29/04/2016	(1919)	0.00	830981	1.03
		Sale	06/05/2016	(59981)	(0.07)	771000	0.95
		Purchase	29/07/2016	805	0.00	771805	0.95
		Sale	16/09/2016	(6443)	(0.01)	765362	0.95
		Sale	23/09/2016	(1492)	0.00	763870	0.94
		Sale	03/02/2017	(149900)	(0.19)	613970	0.76
		Closing Balance	31/03/2017			613970	0.76
3	Ankit Jain	Opening Balance	1/04/2016	558850	0.69	558850	0.69
		Closing Balance	31/03/2017			558850	0.69
4	Harsh Jain	Opening Balance	1/04/2016	450000	0.56	450000	0.56
		Closing Balance	31/03/2017			450000	0.56
5	Dynamic Equities Pvt Ltd	Opening Balance	1/04/2016	446030	0.55	446030	0.55
		Sale	08/04/2016	(32800)	(0.04)	413230	0.51
		Purchase	15/04/2016	4000	0.00	417230	0.52
		Sale	22/04/2016	(4700)	(0.01)	412530	0.51
		Purchase	29/04/2016	2000	0.00	414530	0.51
		Purchase	13/05/2016	1000	0.00	415530	0.51
		Purchase	20/05/2016	13724	0.02	429254	0.53
		Sale	27/05/2016	(8824)	(0.01)	420430	0.52
		Sale	03/06/2016	(5400)	(0.01)	415030	0.51
		Purchase	10/06/2016	13450	0.02	428480	0.53
		Sale	17/06/2016	(15930)	(0.02)	412550	0.51
		Purchase	24/06/2016	1530	0.00	414080	0.51
		Purchase	30/06/2016	1098	0.00	415178	0.51
		Sale	01/07/2016	(2100)	0.00	413078	0.51
		Sale	08/07/2016	(3499)	0.00	409579	0.51
		Purchase	15/07/2016	4001	0.00	413580	0.51
		Sale	22/07/2016	(900)	0.00	412680	0.51
		Sale	29/07/2016	(1650)	0.00	411030	0.51
		Purchase	05/08/2016	2595	0.00	413625	0.51
		Purchase	12/08/2016	12719	0.02	426344	0.53
		Sale	19/08/2016	(2708)	0.00	423636	0.52
		Sale	26/08/2016	(1825)	0.00	421811	0.52
		Sale	02/09/2016	(8539)	(0.01)	413272	0.51
		Sale	09/09/2016	(42)	0.00	413230	0.51
		Purchase	16/09/2016	12075	0.01	425305	0.53
		Purchase	23/09/2016	3150	0.00	428455	0.53
		Sale	30/09/2016	(4825)	(0.01)	423630	0.52
		Sale	07/10/2016	(10140)	(0.01)	413490	0.51

Sl. No	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
		Sale	14/10/2016	(1910)	0.00	411580	0.51
		Sale	28/10/2016	(1850)	0.00	409730	0.51
		Purchase	04/11/2016	3364	0.00	413094	0.51
		Purchase	11/11/2016	975	0.00	414069	0.51
		Sale	18/11/2016	(4000)	0.00	410069	0.51
		Sale	25/11/2016	(539)	0.00	409530	0.51
		Purchase	02/12/2016	9025	0.01	418555	0.52
		Sale	09/12/2016	(7505)	(0.01)	411050	0.51
		Sale	16/12/2016	(500)	0.00	410550	0.51
		Sale	23/12/2016	(1020)	0.00	409530	0.51
		Purchase	30/12/2016	1600	0.00	411130	0.51
		Sale	06/01/2017	(1600)	0.00	409530	0.51
		Closing Balance	31/03/2017			409530	0.51
6	Anil Kumar Goel	Opening Balance	1/04/2016	130000	0.16	130000	0.16
		Sale	01/04/2016	(10000)	(0.01)	120000	0.15
		Sale	17/06/2016	(10000)	(0.01)	110000	0.14
		Sale	08/07/2016	(10000)	(0.01)	100000	0.12
		Purchase	23/09/2016	6388	0.01	106388	0.13
		Purchase	30/09/2016	23612	0.03	130000	0.16
		Purchase	07/10/2016	20000	0.02	150000	0.19
		Purchase	21/10/2016	27300	0.03	177300	0.22
		Purchase	28/10/2016	20700	0.03	198000	0.24
		Purchase	04/11/2016	18723	0.02	216723	0.27
		Purchase	11/11/2016	77277	0.10	294000	0.36
		Purchase	18/11/2016	23162	0.03	317162	0.39
		Purchase	25/11/2016	2838	0.00	320000	0.40
		Purchase	20/01/2017	75000	0.09	395000	0.49
		Purchase	27/01/2017	5000	0.01	400000	0.49
		Closing Balance	31/03/2017			400000	0.49
7	Hemanth Dhandapani	Opening Balance	1/04/2016	376436	0.47	376436	0.47
			31/03/2017			376436	0.47
8	Gaurav Jain	Opening Balance	1/04/2016	463350	0.57	463350	0.57
		Sale	03/02/2017	(185340)	(0.23)	278010	0.34
		Closing Balance	31/03/2017			278010	0.34
9	General Insurance Corporation Of India	Opening Balance	1/04/2016	341561	0.42	341561	0.42
		Sale	08/07/2016	(41561)	(0.05)	300000	0.37
		Sale	22/07/2016	(23000)	(0.03)	277000	0.34
		Sale	29/07/2016	(27000)	(0.03)	250000	0.31
		Sale	05/08/2016	(25000)	(0.03)	225000	0.28
		Closing Balance	31/03/2017			225000	0.28
10	Custodian Of Enemy Property For India	Opening Balance	1/04/2016	0	0.00	0	0.00
		Purchase	31/03/2017	188303	0.23	188303	0.23
		Closing Balance	31/03/2017		0.23	188303	0.23

v) Shareholdings of Directors and Key Managerial Personnel:

Sl. No	Name of the Director / KMP	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
1	Shri Jai H. Dalmia	Opening Balance	01/04/2016	1635010	2.02	1635010	2.02
		Disposed off - Interse Transfer	15/03/2017	(1395010)	(1.72)	240000	0.30
			31/03/2017			240000	0.30
2	Shri Gautam Dalmia	Opening Balance	01/04/2016	751990	0.93	751990	0.93
		Disposed off - Interse Transfer	15/03/2017	(600000)	(0.74)	151990	0.19
			31/03/2017			151990	0.19
3	Shri P Kannan	Opening Balance	01/04/2016	2730	0	2730	0
			31/03/2017			2730	0
4	Shri T. Venkatesan	Opening Balance	01/04/2016		0	0	0
			20/04/2016	1000	0	1000	0
			31/03/2017			1000	0
5	Shri K.V. Mohan*	Opening Balance	01/04/2016	1310	0	1310	0
						1310	0
6	Smt. Isha Kalra*	Opening Balance	01/04/2016	0	0	0	0
			04/04/2016	130	0	130	0
			31/03/2017			130	0

**Shri K.V. Mohan, ceased to be the Company Secretary of the Company due to his sad demise on September 27, 2016.*

** Smt. Isha Kalra was appointed as the Company Secretary of Company with effect from October 27, 2016.*

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i. Principal amount	1137.69	-	-	1137.69
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.82	-	-	0.82
Total (i+ii+iii)	**1138.51**	**-**	**-**	**1138.51**
Change in Indebtedness during the Financial Year				
• Addition	1,89.26	675.00	-	864.26
• Reduction	762.78	-	-	762.78
Net Change	**(5,73.52)**	**675.00**	**-**	**101.48**
Indebtedness at the end of the Financial Year				
i. Principal amount	564.17	675.00	-	1239.17
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	1.67	-	-	1.67
Total (i+ii+iii)	**565.84**	**675.00**	**-**	**1240.84**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ crores

S. No	Particulars of Remuneration	Name of the MD / WTD / Manager		Total Amount
		Shri Jai H. Dalmia (Managing Director)	Shri Gautam Dalmia (Managing Director & CEO)	
1.	Gross Salary			
	(a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	0.44	0.54	0.98
	(b) Value Of Perquisites u/s 17(2) Income Tax Act, 1961	0.06	0.08	0.14
	(c) Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	8.00*	9.00*	17.00
	- As % of profit	2.93%	3.30%	6.23%
	- Others, specify….			
5.	Others,	-	-	-
	Total (A)	8.50	9.62	18.12
	Ceiling as per the Act	27.12 crore		

**The said commission was approved by the Board of Directors for the financial year 2016-17, subject to the approval of the shareholders at the forthcoming Annual General Meeting.*

B. Remuneration to the Directors:

₹ crores

S. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Shri J.S. Baijal	Shri M. Raghupathy	Shri P. Kannan	
	1. Independent Directors				
	• Fee for attending Board / Committee Meeting	0.07	0.05	0.05	0.17
	• Commission	0.18	0.18	0.14	0.50
	• Others, please specify				
	Total (1)	**0.25**	**0.23**	**0.19**	**0.67**
		Shri T. Venkatesan	Shri B.B. Mehta	Smt. Himmi Gupta	Total Amount
	2. Other Non-Executive Directors				
	• Fee for attending Board / Committee Meeting	0.02	0.03	0.03	0.08
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify				
	Total (2)	**0.02**	**0.03**	**0.03**	**0.08**
	Total (B)= (1+2)	**0.27**	**0.26**	**0.22**	**0.75**
	Total Managerial Remuneration(A+B)				**18.87**
	Overall Ceiling as per the Act	29.83 crore			

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

₹ crores

S. No	Particulars of Remuneration	Key Managerial Personnel			Total
		K.V. Mohan (Company Secretary)*	Isha Kalra (Company Secretary)**	Anil Kataria (CFO)	
1.	Gross Salary				
	(a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	0.84	0.04	0.74	1.62
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	0.03	-	0.03	0.06
	(c) Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- As % of profit	-	-	-	-
	- Others, specify….	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	**0.87**	**0.04**	**0.77**	**1.68**

**Shri K.V. Mohan ceased to be the Company Secretary effective September 27, 2016 due to his sad demise. The remuneration indicated in the above table includes all retrial benefits.*

*** Smt. Isha Kalra was appointed as the Company Secretary of Company with effect from October 27, 2016.*

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Annexure - 6

ANNUAL REPORT ON CSR ACTIVITIES

for the financial year 2016-17

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

CORPORATE SOCIAL RESPONSIBILITY

Dalmia Bharat Sugar and Industries Limited is a part of Dalmia Bharat Group which was founded in 1935 and has been following the concept of giving back and sharing with the under privileged sections of the society for more than seven decades. The CSR of the Company is based on the principal of Gandhian Trusteeship. For over seven decades the company has addressed the issues of health and sanitation, education, rural infrastructure, women empowerment and other social development issues.

The prime objective of our CSR Policy is to hasten social, economic and environmental progress. We remain focussed on generating systematic and sustainable improvement for local communities surrounding our plants and project sites.

In the recent years company has realigned its CSR to focus on issues material to the Company and its stakeholders. The approach is to make significant and sustainable difference through our programmes in the lives of beneficiaries by working in partnership with our stakeholders. Stakeholder engagements and baseline studies highlighted the issues of erratic power supply, unemployment amongst rural youths and basic rural infrastructure needs in our neighbouring community. The Company realized that these issues were more material to their Group's businesses as well as to the communities around their facilities. Dalmia Bharat Group thus planned their CSR programmes in sectors of Energy conservation and climate change mitigation; Skill development & livelihood Training and Social Development and started aiming at creation of shared values for all stakeholders.

Our CSR Policy can be accessed on https://www.dalmiasugar.com/upload/policies/DBSIL-CSR-POLICY.pdf

Presently, Dalmia Bharat Sugar and Industries Limited is working in two states of Uttar Pradesh and Maharashtra, across 30 villages in 3 districts.

PROGRAMME OUTREACH DURING FY 2016-17

Our Key Focus Areas

1. **Soil & Water Conservation:** Water conservation and management

   (Schedule VII / Item No IV).

   Depleting water table is a problem being faced across India. In our neighbouring communities, the water table is lower than 500 feet creating scarcity of water for agriculture and household use. We are thus working with the communities to develop water harvesting structures like check dams, village and farm ponds, to increase the water level in the area and also help in soil conservation. We have also promoted improved agriculture techniques like drip irrigation to help farmers grow two crops with 60 percent less water consumption and increased income.

   Activities undertaken:

   - 5 Village Ponds constructed in Uttar Pradesh
   - 3 Village ponds benefitting 2500 villagers in Ramgarh
   - 2 Village Ponds benefitting 1200 villagers in Nigohi
   - 25,000 m3 of water Harvesting Capacity added

2. **Energy Conservation and Climate Change Mitigation:** Promoting energy conservation

   (Schedule VII / Item No IV)

   Energy is another major concern in Indian Villages, with majority of the populations dependent on depleting fuel wood and erratic electricity supply. We are thus trying to promote more energy efficient and sustainable solutions in our community. We promote fuel-efficient chulhas, bio gas plants, Solar lighting systems like lanterns, street lights, study lamps and home lighting systems. These solutions also help in reduction of CO_2 emissions.

   Activities undertaken:

   - 54 Fuel efficient cook stoves promoted
   - 717 Solar Lanterns and study Lamps were promoted
   - More than 3800 beneficiaries
   - 321 tons of CO_2 emissions reduction

3. **Livelihood Skill Training:** Capacity building through vocational training

   (Schedule VII / Item No II)

   Unemployment amongst the youth in the neighbouring communities is high. Aiming at long term benefits for the youths and their family, the Company has started many Skill Development programmes and provided training in areas like Para-military training, Driver Training, Computer Course, and many others. For women, the Company has enabled formation of many SHGs and helped them get loans and also provided them trainings on many livelihood alternatives.

   Activities undertaken:

   - 63 SHGs with around 700 members
   - 85 Women were trained to produce Moonj Craft Products
   - 50 women from 20 SHGs, along with other village women completed an order of 500 moonj craft products and earned profit of ₹50,000
   - 100 differently abled beneficiaries trained in Stitching and Tailoring in Jawaharpur; increased monthly income of ₹ 1,000

4. **Social Development:** Addressing health & sanitation, education, rural infrastructure development and social campaigns

   (Schedule VII / Item No I & X)

   The stakeholder engagement highlighted the issue of poor basic infrastructure which hinders the daily life as well as development of these villages. The Company is helping in building the basic infrastructure needs of the community like School Sanitation blocks, low cost toilets, community halls, school buildings etc. Health is another concern among the community and Company has pitched in by arranging General as well as Specialized Health Camps, providing medicines, Immunizations, Maternal and Child health Care.

   Activities undertaken:

   - 125 rural low cost toilets constructed
   - 18 special medical camps conducted
   - 25 general Eye check-up camps organized
   - 808 nutritional kitchen gardens promoted
   - 11 Polio and immunization drives
   - 20 Hand pumps were installed
   - 3 schools were supported with infrastructure
   - 2 Anganwadis supported with TLM
   - Branding & IEC work in program area villages
   - Women's day, Earth Hour etc. were observed at all locations

2. The Composition of the CSR Committee.

Composition of the CSR Committee of Dalmia Bharat Sugar and Industries Limited is:

1. Shri J.S. Baijal, Chairman, Independent Director
2. Shri B.B. Mehta, Member, Non-Executive Director
3. Shri Gautam Dalmia, Member, Executive Director
3. **Average net profit of the company for last three financial years** – ₹18.10 Crore
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)** – ₹0.36 Crore
5. **Details of CSR spent during the financial year:**

   (a) Total amount to be spent for the financial year- ₹0.36 Cr

   (b) Amount unspent, if any – Nil *

   * The Committee had approved the budget of ₹0.62 Crore for the financial year 2016-17 against which ₹0.45 Crore was spent during the financial year 2016-17.

   (c) Manner in which the amount spent during the financial year is detailed below.

S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Soil and Water Conservation (Village Ponds)	Schedule VII / item No IV Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur	22,00,000	13,67,828	13,67,828	Implementing agency - Dalmia Bharat Foundation
2	Energy Conservation (Bio Gas Plants, Fuel efficient Cookstoves, Solar products)	Schedule VII / item No IV Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur				
3	Education and Livelihood (Education in schools, Stithcing and Tailoring, Moonj Craft training, etc.)	Schedule VII / item No II Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled & livelihood enhancement project	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur	9,00,000	6,99,773	6,99,773	
4	Women Empowerment (SHG formation and Training)	Schedule VII / item No III Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur				
5	Health and Sanitation (Health Camps, Low Cost Toilets, Awareness Programs on health issues, school toilet units)	Schedule VII / item No I Eradicating extreme hunger and poverty and malnutrition, promoting health care including preventive health care promoting preventive health care and sanitation and making available drinking water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur	31,00,000	24,32,399	24,32,399	
6	Rural development (Infrastructure, Sports Events, Awareness programs on Social issues)	Schedule VII / item No X Rural development projects	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur				
	Total			**62,00,000**	**45,00,000**	**45,00,000**	

Remarks -

1. The above mentioned expenditures for the year 2016-17 are tentative figures, based out of un audited statement of expenses.
2. Item no. I & x mentioned in serial no 5 & 6 are covered under social development head of CSR.

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.
   Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

   The implementation and monitoring of Dalmia Bharat Sugar and Industries Limited CSR programmes is in compliance with the CSR objectives and policy of the Company.

Sd/-
Gautam Dalmia
Managing Director
DIN: 00009758

Sd/-
J.S. Baijal
Chairman of CSR Committee
DIN: 00049565

Place: New Delhi
Date: May 5, 2017

Annexure - 7

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO AND EARNINGS

a) A consolidated statement relating to your unit with respect of:

(A) Conservation of Energy:

I. The steps taken/impact on conservation of energy:-

a) More Falling Film Evaporators were installed during the year resulting in further reduction in Steam consumption % cane

b) More AC Variable Frequency Drives and high efficiency helical gearboxes were installed for mill drive.

c) Energy efficient mills were installed to achieve better milling efficiency and reduced power consumption per MT cane.

d) Continuous Vacuum Pans have been installed to reduced steam consumption in Pan boiling.

e) Installation of Automatic Batch type centrifugal with AC Variable Frequency Drives for reduced power consumption per MT sugar produced.

f) Multi pressure PLC based distillation plants was put in operation along with integrated evaporator system.

g) Commissioning of captive power plant with slop fired boiler and efficient TG set at Kolhapur distillery, which has resulted in surplus power available for export.

II. The steps taken by your unit for utilizing alternate sources of energy.
The company is primarily using the renewable source of energy. Also the company is planning to take measures to install solar heating & Lighting system in near future.

III. The capital investment on energy conservation equipments.
Company has invested around ₹4.00 Crore during the F.Y. 2016-17 to conserve the energy.

(B) Technology Absorption:

I. The efforts made towards technology absorption.

a. Centrifugal type solid and liquid separation through Decanters are used for filtration of muddy juice.

b. Distributed control system (DCS)': Operations of Cane Milling, Pan boiling, Co-Gen, Decanters, etc. are automated and controlled by these systems.

c. Air-cooled condensers: Surface condensers without use of water are environment friendly.

d. Drip irrigation schemes have been launched to conserve water and increase of productivity per hectare.

e. Water management: various schemes are implemented to conserve use of water for cane processing.

f. Almost ZERO water consumption in sugar cane processing has been achieved.

II. The benefits derived like product improvement, cost reduction, product development, import substitution, etc.
The Company as a result of the efforts made has achieved lower stoppage days, which has resulted in better crush rates and consistent improvement in the utility of sugar manufactured.

III. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

(a) Details of technology imported.

(b) Year of import.

(c) Whether the technology been fully absorbed.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

No technology has been imported for the last five years.

IV. Expenditure incurred on Research and Development
NIL

(C) Foreign Exchange Earnings and Outgo

i. Foreign Exchange earned in terms of actual inflows during the year
₹0.32 Crore

ii. Foreign Exchange outgo during the year in terms of actual outflows
₹0.03 Crore

Annexure - 8

SECRETARIAL AUDIT REPORT

(For the Financial Year ended March 31, 2017)

To,
The Members,
Dalmia Bharat Sugar and Industries Limited
Dalmiapuram, Tiruchirapalli Distt., Tamil Nadu

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dalmia Bharat Sugar and Industries Limited, (herein after 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, e-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 audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by Dalmia Bharat Sugar and Industries Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5) 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;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   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;
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   f) The Securities and Exchange Board of India (Registrars 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; and
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6) As per our discussion with the management and based on the compliance certificates placed before the Board by the respective head of the departments in respect of the following other Acts:
   - Electricity Act, 2003
   - Food Safety and Standards Act, 2006
   - Food Safety and Standards (Licensing and Registration of Food Business) Regulations, 2011
   - Essential Commodities Act, 1955
   - Industries (Development and Regulation) Act, 1951
   - Molasses Control Order, 1961
   - Sugar Cess Act, 1982 and Sugar Cess Rules, 1982
   - Employees State Insurance Act, 1948 and Employees State Insurance (General) Regulations, 1950
   - Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
   - Employee Provident Fund and Miscellaneous Provisions Act, 1952
   - The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
   - Contract Labour (Regulation and Abolition) Act, 1970
   - Employees Compensation Act, 1923
   - U. P. Industrial Disputes Act, 1947
   - Maternity Benefit Act, 1961
   - Minimum Wages Act, 1948
   - Payment of Gratuity Act, 1972
   - Payment of Wages Act, 1936
   - Industrial Employment (Standing Orders) Act, 1946
   - Factories Act, 1948
   - Energy Conservation Act, 2001

- Uttar Pradesh Labour Welfare Fund Act, 1965 and Uttar Pradesh Labour Welfare Fund Rules, 1972
- Uttar Pradesh Shops and Commercial Establishment Act, 1947 and Uttar Pradesh Shops and Commercial Establishment Rules, 1963

Compliances in respect of other laws as stated above was generally made during the year 2016-17.

7) Secretarial Standards I & II as issued by The Institute of Company Secretaries of India.

8) We have also examined compliance with the applicable Regulations of SEBI (LODR) Regulations, 2015 in connection with listing of its securities with Bombay Stock Exchange and National Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above; however one of the Statutory form was filed after 30 days but before 300 days with additional fee which can be taken as deemed compliance.

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. There were no changes in the composition of the Board of Directors during the period under review.

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 for all the meetings of the Board except one, which was held at shorter notice 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.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, however, we have been informed that there was no transaction reported under the provisions of FEMA relating to point no. 4 supra, during the year under report.

Signature:
Harish Khurana & Associates
Company Secretaries
FCS No. 4835
C P No. 3506

Place: Delhi
Date: May 5, 2017

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,
Dalmia Bharat Sugar and Industries Limited
Dalmiapuram, Tiruchirapalli Distt., Tamil Nadu

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

(1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

(4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither as assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:
Harish Khurana & Associates
Company Secretaries
FCS No. 4835
C P No. 3506

Place: Delhi
Date: May 5, 2017

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company firmly believes in and continues to practice good corporate governance. Corporate governance seeks to raise the standards of corporate management, strengthens the Board systems, significantly increase its effectiveness and ultimately serve the objective of maximising the shareholders' value. The philosophy of the Company is in consonance with the accepted principles of good governance.

The spirit of corporate governance has always remained imbibed in the Company's business philosophy. This philosophy is shaped by the values of transparency, professionalism and accountability. The Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making.

In India, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations) lists out the requirements relating to Corporate Governance vide Schedule V thereof.

This chapter along with the chapter on Management Discussion and Analysis reports on the Company's compliance with SEBI (LODR) Regulations.

Board of Directors

Composition of the Board

As on March 31, 2017 the Company's Board comprised eight members — two Executive Directors, and six Non-executive Directors, of which three are Independent and one is a Woman Director. Shri J.S. Baijal, a Non-executive Independent Director, is the Chairman of the Board of Directors of the Company. The composition of the Board is in conformity with SEBI (LODR) Regulations.

Board Meetings, Directors' Attendance Record and Directorships Held

The Board meetings are generally held at the corporate office of the Company. The Board meets atleast once a quarter and additional meetings are held, when necessary. Committees of the Board usually meet before the formal Board meeting or whenever the need arises for transacting business. The recommendations of the Committee are placed before the Board for necessary approval.

The Board of Directors met five times during the financial year on May 23, 2016, August 10, 2016, October 27, 2016, December 30, 2017 and January 30, 2017. The maximum gap between any two meetings was less than one hundred and twenty days.

None of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee membership and Committee chairmanship.

Table 1: Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships		
		Number of Board Meetings		Last AGM	Other Directorships[@]	Committee Memberships[#]	Committee Chairmanships[#]
		Held	Attended				
Shri J.S. Baijal Chairman	Independent Non-Executive Chairman	5	5	No	2	3	-
Shri M. Raghupathy	Independent Non-Executive	5	4	Yes	1	-	-
Shri Jai H. Dalmia Vice-Chairman	Promoter Executive	5	5	No	5	1	-
Shri Gautam Dalmia Managing Director	Executive	5	5	No	4	1	-
Shri T. Venkatesan	Non-Executive	5	4	Yes	5	1	1
Shri P. Kannan	Independent Non-Executive	5	4	Yes	-	-	-
Shri B.B. Mehta	Non-Executive	5	5	No	9	-	-
Smt. Himmi Gupta	Non-Executive	5	5	No	-	-	-

@ The other directorships includes only the directorship of public limited companies.

 # As required under Regulation of the SEBI (LODR) Regulations, the disclosure includes membership/chairmanship of audit committee and stakeholders' relationship committee of Indian public companies (listed and unlisted).

Shri Gautam Dalmia is the son of Shri Jai H. Dalmia.

The Company is regularly imparting familiarisation programmes for its Independent Directors. The details of such familiarisation programme for the year have been disclosed at https://www.dalmiasugar.com/upload/policies/Familarisation-Programme-for-Independent-Directors_2016-17.pdf.

As mandated by the Regulation 16 of SEBI (LODR) Regulations, the independent Directors on the Company's Board are not less than 21 years in age, and:

- In the opinion of the Board, are persons of integrity and possesses relevant expertise and experience.
- Are or were not a promoter of the Company or its Holding, Subsidiary or Associate Company.
- Are not related to the promoters or directors in the Company its Holding, Subsidiary or Associate Company.
- Apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its Holding, Subsidiary or Associate Company or their promoters, or Directors during the two immediately preceding financial years or during the financial year.
- None of whose relatives have or had pecuniary relationship or transaction with the Company, its Holding, Subsidiary or Associate Company, or their promoters or Directors amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- Neither himself nor any of his relatives –
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its Holding, Subsidiary or Associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
  - (ii) is or has been an employee or proprietor or a partner in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
    - (a) a firm of Auditors or Company Secretaries in Practise or Cost Auditors of the Company or its Holding, Subsidiary or Associate Company; or
    - (b) any legal or a consulting firm that has or had any transaction with the Company, its Holding Subsidiary or Associate Company amounting to 10% or more of the gross turnover of such firm.
  - (iii) holds together with his relatives two percent or more of the total voting power of the Company.
  - (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts or corpus from the Company, any of its Promoters, Directors, or its holding, subsidiary or associate company or that holds more than two percent or more of the total voting power of the Company.
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company.

Information Supplied to the Board

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

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

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

Remuneration of Directors

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

Table 2: Details of remuneration of Directors for 2016-17 (₹ Crore)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Shri J.S. Baijal Chairman	Independent Non-Executive	0.07	–	–	0.18	0.25
Shri M. Raghupathy	Independent, Non-Executive	0.05	–	–	0.18	0.23
Shri Jai H. Dalmia Vice-Chairman	Executive	–	0.50	0.06	8.00*	8.56
Shri Gautam Dalmia Managing Director	Executive	–	0.62	0.07	9.00*	9.69
Shri T. Venkatesan	Non-Executive	0.02	–	–	–	0.02
Shri P. Kannan	Independent, Non-Executive	0.05	–	–	0.14	0.19
Shri B.B. Mehta	Non-Executive	0.03	–	–	–	0.03
Smt Himmi Gupta	Non-Executive	0.03	–	–	–	0.03

@ Commission paid on net profit only.

**The said commission was approved by the Board of Directors for the financial year 2016-17, subject to the approval of the shareholders at the forthcoming Annual General Meeting.*

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

The appointments of Shri Jai H. Dalmia, Vice Chairman and Shri Gautam Dalmia, Managing Director, was made for a period of five years with effect from April 1, 2017 and January 16, 2017, respectively. As per the terms of appointment, the appointment may be terminated by either party by giving 3 month's notice. If the appointment is terminated by the Company, no severance fees is payable.

Shares and Convertible Instruments held by Non-Executive Directors

Table 3 gives details of the shares and convertible instruments held by the Non-Executive Directors as on March 31, 2017.

Name of the Director	Category	Number of shares held	Number of convertible instruments held
Shri J.S. Baijal	Independent, Non-Executive	Nil	Nil
Shri M. Raghupathy	Independent, Non-Executive	Nil	Nil
Shri T. Venkatesan	Non-Executive	1,000	Nil
Shri P. Kannan	Independent, Non-Executive	2,730	Nil
Shri B.B. Mehta	Non-Executive	Nil	Nil
Smt Himmi Gupta	Non-Executive	Nil	Nil

Code of Conduct

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

Committees of the Board

As on March 31, 2017, the Company has six Board-level Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, CSR Committee, Risk Management Committee and Finance Committee.

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

a) Audit Committee

As on March 31, 2017, the Audit Committee comprises three members Shri P. Kannan, Shri M. Raghupathy, and Shri J.S. Baijal, all of

whom are independent Directors. Shri P. Kannan is the Chairman of the Audit Committee. The Audit Committee met four times during the year on May 23, 2016, August 10, 2016, October 27, 2016, and January 30, 2017. The particulars of attendance of the members in the Meetings of this Committee is set out in Table 4 hereunder.

Table 4: Attendance record of the Company's Audit Committee during 2016-17:

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

The Board has accepted all recommendations made by the Audit Committee.

The Officer responsible for the finance function, the head of internal audit and the representative of the Statutory Auditors, Internal Auditors and Cost Auditors are regularly invited by the Audit Committee to its meetings. Ms. Isha Kalra, Company Secretary, is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and financial management expertise. Shri P. Kannan, the Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on September 9, 2016 to answer shareholders queries.

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

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the Auditors' report thereon;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    - Changes, if any, in accounting policies and practices and reasons for the same
    - Major accounting entries involving estimates based on the exercise of judgment by management
    - Significant adjustments made in the financial statements arising out of audit findings
    - Compliance with listing and other legal requirements relating to financial statements
    - Disclosure of any related party transactions
    - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance

Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The following information is reviewed by the Audit Committee
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

b) Nomination and Remuneration Committee

As on March 31, 2017, the Nomination and Remuneration Committee comprised, Shri J.S. Baijal, Shri M. Raghupathy and Shri P. Kannan, all independent Directors, with Shri M. Raghupathy as its Chairman. The Committee met four times during the year on May 23, 2016, August 10, 2016, October 27, 2016, and January 30, 2017. The particulars of attendance of the members in the meetings of this Committee is set out in Table 5 hereunder:

Table 5: Attendance record of the Company's Nomination and Remuneration Committee during 2016-17

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

The Chairman of the Committee attended the Annual General Meeting of the Company held on September 9, 2016.

The Committee is to carry out the following functions:

i) identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and/or removal;

ii) carry out evaluation of every director's performance;

iii) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. while formulating the aforesaid policy the Committee shall ensure that–

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The performance appraisal of independent directors is being regularly done on the basis of attendance, preparedness and participation in items of business being discussed at the meetings of the Board and Committees and contribution in improving business performance besides pro-active availability for company's business purposes besides time given by them in Board meetings.

c) Stakeholders' Relationship Committee

As on March 31, 2017, the Stakeholders' Relationship Committee comprised Shri P. Kannan a Non-Executive Independent Director as its Chairman, Shri J.S. Baijal, Shri Gautam Dalmia, and Shri B.B. Mehta as its members. The terms of reference to this Committee is to look into and redress the complaints received from investors, in coordination with the Company's Registrars and Share Transfer Agent. The Committee met four times during the year on May 23, 2016, August 10, 2016, October 27, 2016, and January 30, 2017 and the particulars of attendance of members in the meetings of the Committee is given below in Table 6:

Table 6: Attendance record of the Company's Stakeholders Relationship Committee during 2016-17

Name of Member	Category	Status	No. of Meetings	
			Held	Attended
Shri P. Kannan	Independent	Chairman	4	4
Shri Gautam Dalmia	Executive	Member	4	4
Shri J.S. Baijal	Independent	Member	4	4
Shri B.B. Mehta	Non-Executive	Member	4	4

The Chairman of the Committee was present at the Annual General Meeting of the Company held on September 9, 2016.

During the year, 102 complaints were received from investors and all of them were resolved to the satisfaction of the Shareholders. At the close of the year there were no cases pending in respect of share transfers. Table 7 gives the details:

Table 7: Nature of complaints received and attended to during 2016-17

Nature of Complaint		Pending as on April 1, 2016	Received during the year	Answered during the year	Pending as on March 31, 2017
1.	Transfer / Transmission / Duplicate	Nil	38	38	Nil
2.	Non-receipt of Dividend/Interest/Redemption Warrants	Nil	45	45	Nil
3.	Non-receipt of securities/electronic credits	Nil	-	-	Nil
4.	Non-receipt of Annual Report	Nil	13	13	Nil
5.	Complaints received from:				
	– Securities and Exchange Board of India	Nil	5	5	Nil
	– Stock Exchanges	Nil	1	1	Nil
	– Registrar of Companies/ Department of Company Affairs	Nil	-	-	Nil
6	Others	Nil	-	-	Nil
	Total	**Nil**	**102**	**102**	**Nil**

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

- Smt. Isha Kalra, Company Secretary; and
- Shri R. Gururajan, Asst. Executive Director (Accounts)

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

d) Risk Management Committee

As on March 31, 2017, the Risk Management Committee comprising Shri M. Raghupathy as its Chairman and Shri J.S. Baijal and Shri B.B. Mehta as its members. The terms of reference to this Committee is to develop and implement a Risk Management Policy for the Company, including identification of elements of risks, if any, which may threaten the existence of the Company. The Risk Management Committee met once during the year on January 30, 2017 and the particulars of attendance of members in the meetings of the Committee is given in Table 8 below:

Table 8: Attendance record of the Company's Risk Management Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri M. Raghupathy	Independent	Chairman	1	1
Shri J. S. Baijal	Independent	Member	1	1
Shri B.B. Mehta	Non-Executive	Member	1	1

e) CSR Committee

As on March 31, 2017, the CSR Committee with Shri J.S. Baijal as its Chairman, Shri Gautam Dalmia, and Shri B.B. Mehta as its members. This Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy, indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013. The CSR Committee met twice during the year on May 23, 2016 and October 27, 2016, and the particulars of attendance of members in the meetings of the Committee is given in Table 9 below:

Table 9: Attendance record of the Company's CSR Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri J. S. Baijal	Independent	Chairman	2	2
Shri Gautam Dalmia	Executive	Member	2	2
Shri B.B. Mehta	Non-Executive	Member	2	2

f) Finance Committee

The Finance Committee with Shri J.S. Baijal, Shri Gautam Dalmia, and Shri B.B. Mehta as its members. The terms of reference to this Committee is to borrow money, to grant loans or give guarantee or provide security in terms of loans within the overall limit passed by the shareholders.The Finance Committee was formed by the Board in its meeting held on May 23, 2016. The Finance Committee met thrice during the year on July 15, 2016, December 27, 2016 and February 28, 2017, and the attendance of Directors is given in Table 9 below:

Table 9: Attendance record of the Company's Finance Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri J. S. Baijal	Independent	Chairman	3	3
Shri Gautam Dalmia	Executive	Member	3	1
Shri B.B. Mehta	Non-Executive	Member	3	3

Subsidiary Companies

Regulation 16 of SEBI (LODR) Regulations defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. As mandated by

Regulation 46 of SEBI (LODR) Regulations, the Company has framed a Policy on Material Subsidiaries and has displayed it on https://www.dalmiasugar.com/upload/policies/DBSIL-Material-Subsidiary-Policy.pdf. As on March 31, 2017, under this definition, DBSIL does not have a 'material non-listed Indian subsidiary'.

Management

Disclosures

(a) Related party transactions in the ordinary course of business have been disclosed in Note No. 44 of the attached Standalone Financial Statements. No materially significant related party transactions have been entered into during the year ended March 31, 2017 that had the possibility of injuring the Company's interests. The web-link for the Company's policy on Related Party Transactions is www.dalmiasugar.com/upload/policies/DBSIL-Related-Party-Policy.pdf.

(b) The Company complied with the regulatory requirements on capital markets. No penalties/strictures have been imposed against it by the Stock Exchanges, SEBI or any other authority on any matter related to capital markets during last three years.

(c) The Company has framed a Whistle Blower policy and Vigil Mechanism, and the details of the same are hosted on the web-site of the Company at www.dalmiasugar.com/upload/policies/DBSIL-Whistle-Blower-Policy-Vigil-Mechanism.pdf. The Company also affirms that all persons have been permitted to access the Audit Committee.

(d) The Company is fully compliant with the applicable mandatory requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations.

(e) The discretionary/non-mandatory requirements as stipulated in regulation 27 (1) read with part E of schedule II of SEBI (LODR) Regulations other than item B (Half yearly declaration to shareholders) have not been adopted by the Company.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

Code for Prevention of Insider-Trading Practices

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

CEO/ CFO certification

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

Shareholders

Means of Communication with Shareholders

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

As required under the SEBI (LODR) Regulations all the data related to quarterly and annual financial results, shareholding pattern, etc., is provided to the website of the Stock Exchanges and the Company within the time frame prescribed in this regard. All the details required to be forwarded to the Stock Exchanges are being sent by the Company from time to time. Investor's presentations have been displayed at the Company's website www.dalmiasugar.com.

General Body Meetings

Table 11 gives the details of the last three Annual General Meetings (AGMs).

Table 11: Details of last three AGMs

Financial year	Date	Time	Location
2015-16	September 9, 2016	10:00 a.m.	Dalmia Higher Secondary School Auditorium, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.
2014-15	August 24, 2015	11.30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.
2013-14	August 30, 2014	11.30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.

The details of Special Resolutions in respect of the last three Annual General Meetings are given in Table 12.

Table 12: Details of Special Resolutions passed in last three Annual General Meetings

Date of Meeting	Type of Meeting	Particulars
September 9, 2016	AGM	• Reappointment of Shri Jai Hari Dalmia as Managing Director, designated as Vice Chairman of the Company with effect from April 1, 2017 for a period of 5 years. • Reappointment of Shri Gautam Dalmia as Managing Director of the Company with effect from January 16, 2017 for a period of 5 years.
August 30, 2014	AGM	• Appointment of Shri Yadu Hari Dalmia as a Part time Adviser pursuant to the provisions of section 314(1) of the Companies Act, 1956 on a remuneration of ₹25,000/- per month besides expenditure incurred on running and maintenance of a motor car. • Borrowing powers upto ₹2,800 crores pursuant to section 180(1)(c) of the Companies Act, 2013. • Increase in the commission payable to Shri Jai H. Dalmia, Vice Chairman and Shri Gautam Dalmia, Managing Director, from existing 1.5% of the net profits as computed under section 198 of the Companies Act, 2013 per person to 3% of the net profits as computed under section 198 of the Companies Act, 2013 per person for the balance period of appointment.

Postal Ballot

At the ensuing Annual General Meeting it is proposed to obtain the Shareholder's consent through Postal Ballot in respect of a Special Resolution authorising the Board of Directors to raise finances by way of issue of securities pursuant to section 62(1)(c) of the Companies Act, 2013 whether with or without further right to conversion to the total aggregate extent of ₹400 crores which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹4 crores.

E Voting

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Shareholders of the Company were permitted to use the e-voting facility provided by the Company through Karvy Computershare Private Limited for casting their votes at the Annual General Meeting as well through Postal Ballot.

Additional Shareholder Information

Annual General Meeting

Date: August 31, 2017

Time: 10.00 a.m.

Venue: Community Centre Premises
Dalmiapuram -621651, Dist. Tiruchirapalli, Tamil Nadu

Financial Calendar

Financial year: April 1, 2017 to March 31, 2018

For the year ended March 31, 2018, results will be announced on:

- First quarter: By mid-August, 2017
- Second quarter: By mid-November, 2017
- Third quarter: By mid-February, 2018
- Fourth quarter: By end May, 2018

Book Closure

The dates of book closure are from August 25, 2017 to August 31, 2017 (both days inclusive).

Dividend Payment

The Directors have recommended payment of final dividend calculated at ₹2/- per equity share of ₹2/- each. Such dividend shall be paid to those shareholders, whose names appear on the Company's Register of Members as on August 24, 2017. The Dividend pay-out will be effected on September 4, 2017 and same will be paid within thirty days from the date of declaration by the shareholders at the Annual General Meeting.

The Company has complied with the requirements of Section 125 of the Companies Act, 2013 and all amounts due to be credited to the Investor Education & Protection Fund have been duly credited within the time specified under the said section.

Unclaimed Suspense Account

In terms of SEBI (LODR) Regulations, the Company has opened a demat Unclaimed Suspense account. However, there are no shares in the said account.

Listing

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

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

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

The Company has fully redeemed the Debentures of the Company during the year. The Equity shares of the Company have never been suspended.

Listing fees for the year 2017-18 has been paid to all the Stock Exchanges. The bills for the annual custodial fees for the year 2017-18 have also been paid.

Stock Codes

Bombay Stock Exchange : 500097 (DALMIASUG)
National Stock Exchange : DALMIASUG
ISIN (for Dematerialised Shares) : INE495A01022

Stock Market Data

Table 13,14, Chart A and Chart B gives details

Table 13: High, lows of Company's shares for 2016-17 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2016	118.4	93.55	96.6	118.2	93.3	96.7
May, 2016	101.95	84.4	91.8	101.9	84.85	91.8
June, 2016	157	92.5	146.75	152.5	92.1	146.85
July, 2016	164.7	141.25	156.3	164.3	141.35	155.9
August, 2016	168.4	96	108.4	168	96.6	107.9
September, 2016	128.95	100.5	108.6	129	97.8	108.3
October, 2016	127.4	108.3	119.5	124	108.05	119.55
November, 2016	133.1	92.5	124	133	92.05	123.25
December, 2016	139.9	116.4	135.7	139.65	116.8	136.25
January, 2017	202.2	139.1	190.4	202	138.6	189.35
February, 2017	198.9	155.45	171.95	198.7	154.75	170.45
March, 2017	190	165.3	173.2	189.9	164.95	173.5

Table 14: Stock Performance over past 5 years

	% of Change in					
	Company's Share		Sensex	Nifty	Company in comparison with	
	BSE	NSE			Sensex	Nifty
2016-17	74	74	17	19	58	56
2 years	895	897	6	8	889	889
3 years	996	1005	32	37	964	968
5 years	1183	1157	70	73	1113	1084

Chart A: The Company's Share Performance versus BSE Sensex

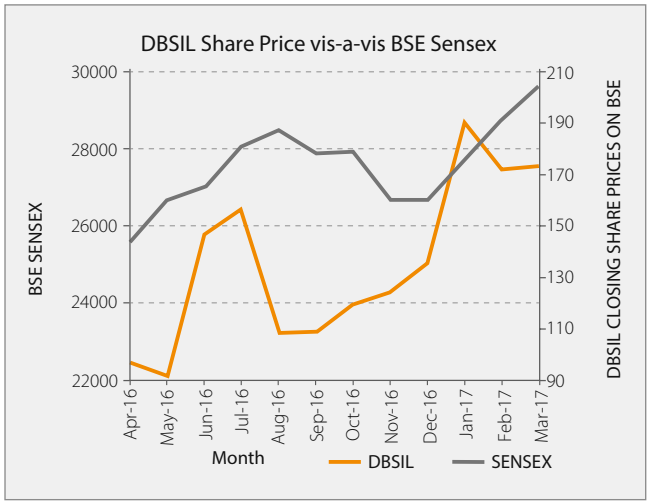
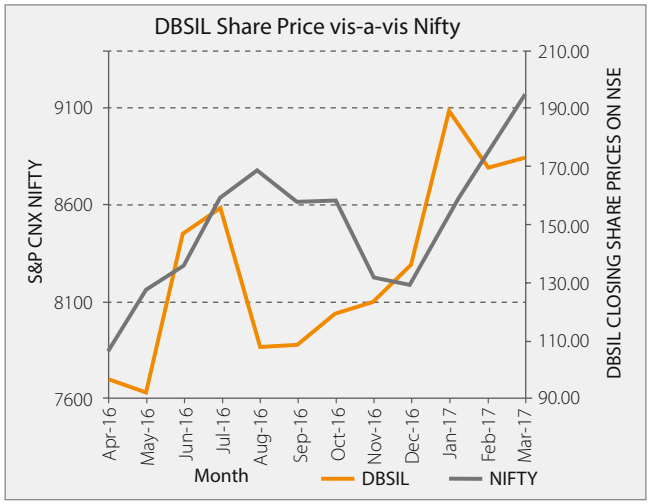


Chart B: DBSIL's Share Performance versus NIFTY



Distribution of Shareholding

Table 15 and 16 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2017.

Table 15: Shareholding pattern by size

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	17140	94.02	6206609	7.67
501-1000	628	3.44	2244460	2.77
1001-2000	261	1.43	1865674	2.31
2001-3000	76	0.42	945548	1.17
3001-4000	27	0.15	482641	0.60
4001-5000	19	0.10	426335	0.53
5001-10000	38	0.21	1263092	1.56
10001 and above	41	0.22	67504944	83.40
Total	**18230**	**100.00**	**80939303**	**100.00**

Table 16: Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters @	9	0.05	1120450	1.38
Promoter Bodies Corporate @	11	0.06	59513672	73.53
Central/State Governments	4	0.02	128155	0.16
Financial Institutions	3	0.02	1608533	1.99
Mutual Funds	1	0.01	2500	0.00
Foreign Institutional Investors	1	0.01	23666	0.03
Bodies Corporate	500	2.74	2488976	3.08
NRI/Foreign Nationals	314	1.72	343519	0.43
Individuals/Others	17387	95.38	15709832	19.40
Total	**18230**	**100**	**80939303**	**100**

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

Dematerialisation of Shares

As on March 31 2017, 96.59% shares of the Company were held in the dematerialised form. As on March 31 2017, all shares are held by the Promoters in dematerialised form.

Outstanding GDRs/ADRs/Warrants/Options

NIL

Commodity Price Risk or Foreign exchange Risk and Hedging Activities

The Company is a manufacturer of sugar and sugar prices are subject to market fluctuations from time to time. In order to cover its risk the Company is also hedging small quantity of sugar in domestic market. The Company has as of now no foreign exchange exposure and hedges in event foreign exchange risk only when such exposure arises.

Details of Public Funding Obtained in the last three years

NIL

Registrar and Transfer Agent

For Equity Shares & Privately Placed Debentures:
Karvy Computershare Private Limited,
Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Share Transfer System

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

In terms of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, The Company is required to credit such shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, to Demat Account of IEPF Authority. As required under the said Rules, the Company has sent individual intimation to the shareholders whose shares are liable to be credited to Demat account of IEPF Authority. The Company has also published necessary notice in the newspapers inviting attention of the shareholders to the said Rules.

Registered Office Address:
Dalmia Bharat Sugar and Industries Limited
Dalmiapuram -621651, Dist. Tiruchirapalli, Tamil Nadu
Phone: 04329 - 235132, Fax: 04329 235111

Address for Correspondence
Dalmia Bharat Sugar and Industries Limited
Shares Department, Dalmiapuram – 621651
Dist. Tiruchirapalli, Tamil Nadu
Phone: 04329 - 235132, Fax: 04329 235111

PLANT LOCATIONS

Sugar Plants :

Dalmia Chini Mills (Unit: Ramgarh) (Prop. Dalmia Bharat Sugar and Industries Limited) Village Ramgarh - 261403, Tehsil Misrikh, District Sitapur (Uttar Pradesh)	Dalmia Chini Mills (Unit : Nigohi) (Prop. Dalmia Bharat Sugar and Industries Limited) Village Kuiyan, Post Areli – 242407, Tehsil Tilhar, District Shahjahanpur (Uttar Pradesh)	Dalmia Chini Mills (Unit : Jawaharpur) (Prop. Dalmia Bharat Sugar and Industries Limited) Village Jawaharpur - 261403, Tehsil Sitapur Sadar, District Sitapur (Uttar Pradesh
Shri Dutta Sakhar Karkhana (Prop. Dalmia Bharat Sugar and Industries Limited) Village Asurle Porle - 416005, Panhala Taluka, District Kolhapur (Maharashtra State)	Ninaidevi Sakhar Karkhana (Prop. Dalmia Bharat Sugar and Industries Limited) Village Karungali Aarala -415405, Shirala Taluka, District Sangli (Maharastra State)	
Magnesite Refractory Products:	Wind Farm Unit:	Electronics Division:
Dalmia Magnesite Corporation (Prop. Dalmia Bharat Sugar and Industries Limited) Salem (Tamil Nadu) Vellakkalpatti, P.O. Karuppur, Salem – 636012.	Dalmia Wind Farm (Prop. Dalmia Bharat Sugar and Industries Limited) Muppandal (Tamil Nadu) Aralvaimozhy –629301, District Kanyakumari (Tamil Nadu)	Dalmia Bharat Sugar and Industries Limited Plot No. 53, 54A, Keonics Electronics City, Phase - 1 Hosur Road, Bangalore – 560100 Karnataka

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of ,
Dalmia Bharat Sugar and Industries Limited

We have examined the compliance of conditions of Corporate Governance by Dalmia Bharat Sugar and Industries Limited ("the Company") for the year ended 31st March, 2017, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

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

Auditors' Responsibility

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

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

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S. S. KOTHARI MEHTA & Co.
Chartered Accountants
FRN - 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: May 5, 2017

CFO-CEO CERTIFICATION

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

Dear Sirs/Madam,

I do hereby certify that the all the Members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the Code of Conduct laid down by the Board of Directors of the Company in their Meeting held on 6-11-2015.

This certificate is being given in compliance with the requirement of Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dated: May 5, 2017
Place: New Delhi

Gautam Dalmia
Managing Director & Chief Executive Officer
DIN: 00009758

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

Sub: - Certificate in terms Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s)/ Madam,
In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2017 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2017 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee:-
   a. that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2017;
   b. that there are no significant changes in accounting policies during the financial year ended March 31, 2017; and
   c. that there are no instances of significant fraud of which we have become aware.

Dated: May 5, 2017
Place: New Delhi

Anil Kataria
Chief Financial Officer
PAN: AALPK4889N

Gautam Dalmia
Managing Director & Chief Executive Officer
DIN:00009758

Standalone Financial Statements

Independent Auditors' Report

To the Members of
Dalmia Bharat Sugar and Industries Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

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

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements as referred to in Note 30 to the standalone financial statements.

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

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

   iv. The Company has provided requisite disclosures in note 47 to these financial statements as to the holding of Specified Bank Notes on 8 November, 2016 and 30 December, 2016 as well as dealing in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedure and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

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

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: May 5, 2017

Annexure A to the Independent Auditor's Report to the members of Dalmia Bharat Sugar and Industries Limited dated May 05, 2017.

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

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

(b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) In our opinion, and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company except for 2.79 acres (having gross block and net block of ₹0.13 Crores) of land at Salem for which all dues for transfer of land in favour of the Company have been paid and transfer of title in the name of company is awaited.

ii. The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. (a) The Company has given interest bearing unsecured demand loans to companies, covered in the register maintained under Section 189 of the Act.

(b) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest;

(c) The loan given is repayable on demand and hence there is no overdue amount as on the date and the relevant reporting is not applicable.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.

vi. We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.

vii. a. According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.

b. According to the records of the Company, the details of dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty and Value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending, are as follows :

Name of Statue	Nature of dues	Forum where the dispute is pending	Period for which the amount relates	Amount (in ₹Crores)
Central Excise Act, 1944	Demand of differential duty reversed under Rule 6 (3).	Assistant Commissioner, LTU, Delhi	2012 to 2015	0.29
Central Excise Act, 1944	Demand of Excise duty on sale of Multilayer Ceramic Chip Capacitors	Assistant Commissioner, LTU, Delhi	2008-09 to 2013-14	0.02
Central Excise Act, 1944	Disallowance of cenvat credit	Assistant Commissioner, LTU, Delhi	April 2010 to March 2015	0.96

Name of Statue	Nature of dues	Forum where the dispute is pending	Period for which the amount relates	Amount (in ₹Crores)
Central Excise Act, 1944	Demand of duty on Molasses transfer to distillery unit	Cestat, Delhi	July 2012 to March 2015	36.43
Central Excise Act, 1944	Demand of duty on sale of Electricity.	Cestat, Delhi	October 2009 to June 2012	11.58
Central Excise Act, 1944	Demand on duty of bagasse sale	Cestat, Delhi	April 2008 to March 2010	0.50
Central Excise Act, 1944	Demand on Storage Loss of finished goods	Cestat, Delhi	July 2007 to March 2010	0.01
Central Excise Act, 1944	Disallowance of cenvat credit	Cestat, Delhi	March 2006 to March 2010	0.15
Central Excise Act, 1944	Disallowance of cenvat credit	Commissioner (A), LTU	December 2009 to August 2013	0.01
Central Excise Act, 1944	Demand on duty of bagasse sale	Dy. Commissioner LTU	April 2010 to June 2010	0.05
Central Excise Act, 1944	Disallowance of cenvat credit	Dy. Commissioner LTU	March 2006 to September 2012	0.24
Central Excise Act, 1944	Disallowance of cenvat credit	High Court, Allahabad	June 2005 to September 2005	0.04
Central Sale Tax	Entry tax demand	Add. Commissioner (Appeal), Sitapur	2006-07 to 2011-12	1.82
Central Sale Tax	CST Demand	Additional Commissioner (Appeal), Lucknow	2010-11	0.30
Central Sale Tax	Entry tax demand	Additional Commissioner (Appeal), Lucknow	2012-13 & 2013-14	0.04
Central Sale Tax	Entry tax demand	Dy. Commissioner (Assessment)-II Sitapur	2007-08, 2009-10	1.53
Central Sale Tax	Entry tax demand	High Court, Allahabad	2001-02	0.03
Finance Act, 1994	Disallowance of cenvat credit	Additional Commissioner, LTU	August 2014 to May 2016	0.47
Finance Act, 1994	Service tax demand on various services	Additional Commissioner, LTU	2008-09 to 2013-14	0.41
Finance Act, 1994	Service tax demand on various services	Assistant Commissioner, LTU	September 2014 to January 2016	0.05
Finance Act, 1994	Denial of credit on Service tax paid by Sugar selling agent.	Cestat, Delhi	October 2004 to March 2011	0.43
Finance Act, 1994	Disallowance of cenvat credit	Cestat, Delhi	November 2008 to March 2011	0.80
Finance Act, 1994	Service tax demand on various services	Cestat, Delhi	January 2003 to September 2009	0.05
Finance Act, 1994	Disallowance of cenvat credit	Commissioner (A), LTU	March 2006 to March 2015	0.68
Finance Act, 1994	Disallowance of cenvat credit	Dy. Commissioner LTU	April 2010 to March 2011	0.04
Finance Act, 1994	Disallowance of cenvat credit	Dy. Commissioner LTU	March 2006 to September 12	0.07
Finance Act, 1994	Service tax demand on various services	Dy. Commissioner LTU	2006-07 to August 2013	0.16
Finance Act, 1994	Disallowance of cenvat credit	Suptd., LTU, New Delhi	November 2010 to March 2012	0.01
Finance Act, 1994	Service tax demand on various services	Suptd., LTU, New Delhi	November 2010 to March 2012	0.02

viii. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer, further term loans taken during the year were applied for the purpose for which the loans were obtained.

x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

xi. In our opinion, and according to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the books of account, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence not commented upon.

xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: May 5, 2017

Annexure B to the Independent Auditor's Report to the Members of Dalmia Bharat Sugar and Industries Limited on its standalone financial statements dated May 05, 2017

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

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: May 5, 2017

Balance sheet as at 31st March 2017

₹ Crore

	Note	As at March 31, 2017	As at March 31, 2016
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	16.19	16.19
Reserves and surplus	3	678.33	494.91
		694.52	**511.10**
Non- current liabilities			
Long-term borrowings	4	404.92	570.99
Deferred tax liability (net)	5	86.50	51.44
Other long-term liabilities	6	3.91	4.24
Long-term provisions	7	10.05	5.93
		505.38	**632.60**
Current liabilities			
Short-term borrowings	8	733.76	390.65
Trade payables	9		
Total outstanding dues of Micro and small enterprises		0.03	0.39
Total outstanding dues of creditors other than Micro and small enterprises		161.44	240.47
Other current liabilities	10	215.82	280.27
Short-term provisions	11	3.78	3.82
		1114.83	**915.60**
Total		**2314.73**	**2059.30**
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		769.65	749.06
Intangible assets		2.90	3.30
Capital work-in-progress		2.44	6.46
		774.99	**758.82**
Non-current investments	13	21.82	21.82
Long term loans and advances	14	117.32	85.78
Other non-current assets	15	3.02	0.87
		142.16	**108.47**
Current assets			
Current investments	16	68.48	70.13
Inventories	17	1020.68	915.47
Trade receivables	18	110.52	106.40
Cash and cash equivalents	19	58.44	46.18
Short-term loans and advances	20	110.22	27.99
Other current assets	21	29.24	25.84
		1397.58	**1192.01**
Total		**2314.73**	**2059.30**
Significant accounting policies	1.2		

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N
per **Sunil Wahal**
Partner
Membership No.: 87294

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Financial Officer
PAN: AALPK4889N

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

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : 5th May, 2017

Statement of profit and loss for the year ended 31st March 2017

₹ Crore

	Note	For the year ended March 31, 2017		For the year ended March 31, 2016	
INCOME					
Revenue from operations (Gross)	22		1764.10		1209.42
Less: Excise duty			78.10		43.02
Revenue from operations (net)			1686.00		1166.40
Other income	23		11.76		21.46
Total			**1697.76**		**1187.86**
EXPENSES					
Cost of raw materials consumed	24		1108.67		916.54
(Increase)/ Decrease in inventories of finished goods, work in progress and traded goods	25		(97.88)		(214.93)
Employee benefit expenses	26		110.59		74.90
Other expenses	27		188.86		163.01
Finance costs	28		93.79		87.49
Depreciation and amortization expenses	12		55.58		113.39
Total			**1459.61**		**1140.40**
Profit before tax and exceptional items			**238.15**		**47.46**
Less : Exceptional Items (net-gain/(loss))			-		-
Profit Before Tax			**238.15**		**47.46**
Tax expense:					
Current tax		50.85		10.17	
Mat credit (entitlement) / charge		(31.18)	19.67	(10.17)	0.00
Deferred tax			35.06		(10.99)
Total of Tax Expense			**54.73**		**(10.99)**
Net Profit After Tax			**183.42**		**58.45**
Earning per share	29				
Basic and diluted earning per share (in ₹)			22.66		7.22
[Nominal value of share ₹2 (₹2) each]					
Significant accounting policies	1.2				

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N
per **Sunil Wahal**
Partner
Membership No.: 87294

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Financial Officer
PAN: AALPK4889N

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

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : 5th May, 2017

Cash Flow Statement for the year ended March 31, 2017

₹ Crore

		For the year ended March 31, 2017	For the year ended March 31, 2016
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax and exceptional items	**238.15**	**47.46**
	Adjustments		
	Depreciation / Amortization	55.58	113.39
	Provision for doubtful debts/ advances	0.05	0.08
	Provision for diminution in value of Inventory	0.00	0.02
	Bad Debts/ Advances written off	0.00	3.72
	Dividend Income	(0.68)	(0.33)
	Finance Cost	93.79	87.49
	Interest Income	(2.25)	(1.58)
	(Profit)/Loss on sale of Investments	0.00	(11.36)
	(Profit)/Loss on sale of Fixed Assets and Assets written off	15.95	0.06
	Operating Profit before working Capital Changes	**400.59**	**238.95**
	Adjustments for working Capital changes :		
	Inventories	(105.21)	(212.01)
	Trade and Other Payables	(73.79)	(28.28)
	Trade and Other Receivables	(90.67)	(14.55)
	Cash Generated from Operations	**130.92**	**(15.89)**
	Direct Taxes (Paid)/Refund	(47.25)	(7.91)
	Net Cash from Operating activities	**83.67**	**(23.80)**
B	**Cash Flow from Investing Activities**		
	Purchase of fixed Assets(including Capital Reserve)	(83.77)	(86.12)
	(Purchase)/ Sale of Current Investments (net)	1.65	9.55
	(Purchase)/ Sale of Non Current Investments (net)	0.00	(7.37)
	Interest Received	0.25	6.73
	Dividend Received from Current Investments	0.68	0.33
	Net Cash used in Investing Activities	**(81.19)**	**(76.88)**
C	**Cash Flow from Financing Activities**		
	Proceeds/(Repayment) of Short term Borrowings	343.11	36.11
	Proceeds/(Repayment) of Long term Borrowings	(241.63)	170.11
	Finance Cost	(91.70)	(88.87)
	Dividend Paid	0.00	(4.86)
	Corporate Dividend tax paid	0.00	(0.99)
	Net cash from / (used in) financing activities	**9.78**	**111.50**
	Net increase in cash and cash equivalents (A+B+C)	**12.26**	**10.82**
	Cash and cash equivalents (Opening Balance)	**46.33**	**35.51**
	Cash and cash equivalents (Closing Balance)*	**58.59**	**46.33**
	Change in Cash & Cash Equivalents	**12.26**	**10.82**

* includes Fixed deposit with banks shown under Other Non Current Assets ₹0.15 Crore (₹0.15 Crore)

Cash Flow Statement for the year ended March 31, 2017

₹ Crore

Components of Cash & Cash Equivalents	As at March 31, 2017	As at March 31, 2016
Cash in Hand	0.38	0.47
Cheques in Hand	0.02	0.03
Balances with Banks		
Current/CC Accounts	47.47	36.22
Unpaid Dividend Accounts	0.20	0.81
Deposits Accounts	10.37	8.65
Fixed Deposit with Banks	0.15	0.15
Net Cash & Cash Equivalents	**58.59**	**46.33**

Note:

1) Cash & cash equivalents components are as per Note 19 & 15.

2) Previous year figures have been regrouped/restated wherever considered necessary

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N
per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 5th May, 2017

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

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Financial Officer
PAN: AALPK4889N

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Notes to Financial Statements for the year ended March 31, 2017

1.1: Company overview

The company was incorporated as Dalmia Cement Bharat Limited. Name of the company was changed from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited ('The Company') vide fresh certificate of incorporated dated 7th September, 2010 issued by registrar of companies, Tamilnadu.

The company is mainly engaged in manufacturing of sugar, generation of power, manufacturing of Industrial alcohol and manufacturing of refractory products.

The company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (₹).

1.2: Significant accounting policies

A. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

B. Use of estimates

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

C. Fixed assets

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

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

Expenditure related to and incurred on implementation of new/ expansion-cum-modernisation projects is included under capital work-in-progress and the same is allocated to the respective tangible asset on completion of its construction/erection.

D. Depreciation/amortisation

Depreciation on fixed assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013. The following methods of depreciation are used for fixed assets:

"Plant and machinery" at Salem (excluding earth moving machinery) and on all fixed assets at Wind Farm Unit, Bangalore Works and Dalmia Chini Mills (Sugar Units) excluding machinery in Power Plants.	Straight line method
Leasehold land	Amortised over the period of lease, i.e., 99 years
Remaining tangible fixed assets	Written down value method
Computer software	Amortised over a period of 3-5 years on a Straight line basis.
Other intangible assets	Amortised over a period of maximum 10 years on a straight line basis.

E. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The

recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

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

F. Leases

Where the company is the lessee

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

Where the company is the lessor

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

G. Government grants and subsidies

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

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

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

H. Borrowing costs

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

I. Segment reporting

Identification of segments

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

Inter segment transfers

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

Allocation of common costs

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

Unallocated items

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

Segment policies

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

J. Employee benefits

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

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

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

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

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

K. Inventories

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

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

c. Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis

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

L. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

M. Revenue recognition

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

Sale of goods

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

Dividends

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

Insurance claim

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

Notes to Financial Statements for the year ended March 31, 2017

N. Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

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

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

(iv) Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

O. Income taxes

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

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

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

the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

P. Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Q. Provisions

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

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

R. Cash and cash equivalents

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

Notes to Financial Statements for the year ended March 31, 2017

2. Share capital

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Authorised :		
11,47,26,820 (11,47,26,820) Ordinary equity shares of ₹2 /- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified equity shares of ₹2/- each	17.05	17.05
	40.00	**40.00**
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) Ordinary equity shares of ₹2/- each	16.19	16.19
	16.19	**16.19**

(a) Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting period

	2016-17		2015-16	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the year	80939303	16.19	80939303	16.19
Issued during the year	-	-	-	-
At the end of the year	80939303	16.19	80939303	16.19

(b) Terms/ rights attached to ordinary equity shares

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

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

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

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Equity shares of ₹2 each fully paid up				
Samagama Holdings and Commercial Private Limited	35875223	44.32%		
Dalmia Bharat Limited	14829764	18.32%	14829764	18.32%
Vanika Commercial and Holdings Private Ltd	8687305	10.73%		
Mayuka Investment Limited			15736537	19.44%
Sita Investment Company Limited			5876800	7.26%
Ankita Pratisthan Limted			5829070	7.20%
Puneet Trading and Investment Co. Private Limited.			9792775	12.10%

(d) Final Dividend proposed during the year @ 100% i.e. ₹2 per share. (Last Year Interim dividend @30 % i.e. ₹0.60 per share.)

(e) During the last 5 years, the company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

Notes to Financial Statements for the year ended March 31, 2017

3. Reserves and surplus

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Capital reserve		
Opening balance as per last financial statements	4.07	4.07
Closing balance	4.07	4.07
Revaluation reserve		
Opening balance as per last financial statements	3.74	3.74
Closing balance	3.74	3.74
General reserve		
Opening balance as per last financial statements	8.54	0.54
Add: Amount transferred from surplus balance in statement of profit & loss	0.00	8.00
Add: Amount transferred from Debenture Redemption Reserve	25.00	
Closing balance	33.54	8.54
Debenture redemption reserve		
Opening balance as per last financial statements	25.00	25.00
Less: Amount transferred to General Reserve	25.00	
Closing balance	0.00	25.00
Surplus in the statement of profit and loss		
Balance as per last financial statements	453.56	408.96
Profit for the year	183.42	58.45
Less: appropriations		
(i) Transfer to general reserve	0.00	8.00
(ii) Interim dividend on ordinary shares	0.00	4.86
(iii) Dividend distribution tax	0.00	0.99
Total Appropriations	**0.00**	**13.85**
Net surplus in the statement of profit and loss	**636.98**	**453.56**
Total reserves and surplus	**678.33**	**494.91**

4. Long term borrowings

₹ Crore

	As at March 31, 2017		As at March 31, 2016	
Secured				
A. Redeemable non-convertible debentures	0.00		33.34	
Less: Shown in current maturities of long term borrowings	0.00	0.00	33.34	0.00
B. Term loans:				
i. From banks	460.39		677.55	
Less: Shown in current maturities of long term borrowings	95.15	365.24	130.32	547.23
ii. From others	45.02		36.16	
Less: Shown in current maturities of long term borrowings	5.34	39.68	12.40	23.76
		404.92		**570.99**

1) **Debentures referred to in A above to the extent of :**
10.42%, Series XII NIL (₹33.34 Crore) are secured by mortgage and first charge on pari-passu basis on all the immovable and movable assets (both current and future) excluding current assets of the sugar units of the company at Jawaharpur and Nigohi.

2) **Term Loans from Banks referred to in B (i) above to the extent of :**
   a) ₹235.04 crore (₹236.15 crore) is secured by first pari passu charge on movable & immovable Fixed Assets at Shri Datta Sakhar Karkhana (unit Kolhapur). The same is repayable in thirty unequal installments ranging from ₹4.00 crore to ₹9.33 crore each, commencing from March 2016, carrying interest @ Base rate + 1.5% (Presently 10.70%)
   b) ₹52.13 Crore (₹78.20 Crore), interest free loan (availed under "Scheme for Extending Financial Assistance to Sugar Undertaking 2014"

of Govt of India) is secured by second charge on pari passu basis with SDF lendors and Allahabad Bank on entire fixed assets of the company's sugar units. The same is repayable in twelve quarterly equal installments commencing from June 2016.

c) ₹14.11 Crore (₹73.20 Crore) Farmer loan & taken under the soft loan scheme at subsidised rates for payment to the cane farmers. Secured by first pari passu charge on the current assets of the company alongwith woking capital lenders and subservient charge on movable & immovable fixed assets of the company at sugar factories Ramgarh, Jawaharpur and Nigohi location. Repayable in 20 quarterly structured installments starting from 20th Sept 2017. The applicable interest rate is linked with Base rate (Presently 10.85%). There is an interest subvention of 10% provided by the Central Government for one year on the entire loan and that of 10% provided by Maharashtra State Government on Loan pertaining to our Kolhapur Unit for next 4 years.

d) ₹44.45 Crore (₹50.00 Crore), is secured by first pari passu charge on movable & immovable fixed assets of the company at Ramgarh, Jawaharpur & Nigohi location repayable in 18 equal quarterly installments starting from Dec 2016. The applicable interest rate is linked with Base rate (Presently 10.60%)

e) ₹114.66 Crore (NIL), is secured by first pari passu charge on movable and immovable fixed assets of the sugar mills located at Ramgarh, Jawaharpur & Nigohi location repayable in 40 structured quarterly installments starting from March 2017. The applicable interest rate is linked with 1 Year MCLR (Presently 8.95%)

f) NIL (₹120 crore) is secured by subservient charge on entire fixed assets excluding vehicles of company's sugar units at Jawaharpur and Nigohi and subservient charge on plant & machinery at Ramgarh Sugar unit. The same was repaid in Dec 2016.

g) NIL (₹120 Crore), is secured by first pari passu charge on movable & immovable fixed assets of the company at Ramgarh, Jawaharpur & Nigohi repaid entirely in Feb 2017.

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

a) ₹3.45 crore (₹15.85 crore) which consists of various loans and are secured by second exclusive charge on movable and immovable properties of the sugar units at Ramgarh, Jawaharpur and Nigohi. The same is repayable in unequal structured installments in the range of ₹26 Lacs to ₹95 Lacs and carry interest in the range of 4% to 7.50%.

b) ₹41.57 crore (₹20.31 crore) consists of SDF loans for Kolhapur unit and are secured by bank guarantee given by Banks on behalf of the company. The same is repayable in unequal structured installments in the range of ₹0.69 Crore to ₹2.70 Crore and carry interest in the range of 4.75% to 5.75%.

5. Deferred tax

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Deferred tax assets/ liabilities are attributable to the following items :		
Liabilities		
Depreciation	95.71	94.68
	95.71	94.68
Assets		
Voluntary retirement expenses	0.09	0.14
Expenses allowable for tax purpose when paid	9.12	4.81
Unabsorbed depreciation	0.00	38.29
	9.21	**43.24**
Net	**86.50**	**51.44**

6. Other long term liabilities

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Other liabilities	3.91	4.24
	3.91	**4.24**

7. Long term provisions

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits	10.05	5.93
	10.05	**5.93**

8. Short Term borrowings

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Secured		
Working Capital Demand Loan/Cash Credit	58.76	365.65
Bridge loan from banks	0.00	25.00
Unsecured		
Commercial Papers Issued	625.00	0.00
Short term loan from Banks	50.00	0.00
	733.76	**390.65**

(i) Working capital Loan from Banks are secured by hypothecation of Inventories and other assets in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 9.05% to 10.35%

(ii) Bridge Loan from bank was secured by subservient charge on movable & immovable fixed assets located at Kolhapur unit. Tenor is 6 months. Applicable interest rate is Base rate of the bank.

(iii) Commercial Papers issued repayable during next one year and carry interest in the range of 7.5% to 8.0%.

(iv) Short term loan from bank repayable during next one year and carry interest @ 9.05%.

9. Trade payables

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Trade Payables		
- Micro and small enterprises (to the extent information available)*	0.03	0.39
- Others	161.44	240.47
	161.47	**240.86**

* Refer note no. 33

10. Other current liabilities

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Current maturities of long term borrowings	100.49	176.05
Interest accrued but not due on borrowings	1.67	0.82
Advances from customers	3.36	4.45
Security deposits received	2.75	1.74
Unclaimed dividend *	0.20	0.81
Other liabilities		
Excise duty payable on closing stock	57.85	58.92
Statutory dues	6.56	2.82
Accrued salaries & benefits	19.87	1.91
Others	23.07	32.75
	215.82	**280.27**

* Amount payable to Investor Education and Protection fund is NIL (₹NIL).

11. Short term provisions

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits	3.78	3.82
	3.78	**3.82**

12. Fixed Assets

₹ Crore

Particulars	Tangible Assets							Intangible Assets		Total
	Land Freehold	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Operating Rights	Computer Software	
Cost										
as at 1st April,2015	71.20	0.58	154.00	1,044.01	7.56	3.35	4.59	3.61	0.42	1,289.32
Additions	1.50	-	7.47	108.84	0.27	0.50	0.34	0.01	0.88	119.81
Disposals	-	-	0.25	0.22	0.40	0.08	0.07	-	-	1.02
as at 31st March,2016	72.70	0.58	161.22	1,152.63	7.43	3.77	4.86	3.62	1.30	1,408.11
Additions	0.38	-	12.87	76.55	0.45	0.71	0.53	0.01	0.68	92.18
Disposals	-	-	0.49	22.42	0.36	0.01	0.18	-	-	23.46
as at 31st March,2017	73.08	0.58	173.60	1,206.76	7.52	4.47	5.21	3.63	1.98	1,476.83
Depreciation										
as at 1st April,2015	0.01	0.13	46.96	485.58	5.03	1.35	3.56	0.39	0.17	543.19
Charge for the year @	-	0.01	5.74	105.14	0.63	0.40	0.54	0.82	0.24	113.52
Disposals	-	-	0.25	0.20	0.36	0.08	0.07	-	-	0.96
as at 31st March,2016	0.01	0.13	52.44	590.53	5.30	1.67	4.03	1.21	0.41	655.75
Charge for the year @	-	0.01	5.10	47.94	0.59	0.51	0.43	0.71	0.38	55.68
Disposals	-	-	0.06	6.66	0.30	0.00	0.12	-	-	7.15
as at 31st March,2017	0.01	0.14	57.48	631.81	5.59	2.18	4.34	1.93	0.79	704.28
Net Block										
as at 31st March,2016	72.69	0.44	108.77	562.11	2.13	2.09	0.83	2.41	0.89	752.36
as at 31st March,2017	73.07	0.44	116.11	574.94	1.93	2.28	0.87	1.71	1.19	772.55
Capital Work in Progress*										
as at 31st March,2016										6.46
as at 31st March,2017										2.44

@ includes depreciation charged to other accounts ₹0.10 Crore (₹0.13 Crore)

* Includes preoperative expenditure pending capitalisation of ₹0.39 Crore (NIL) (Refer Note No. 42)

13. Non-current Investments

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Unquoted		
Shares of Co-operative Socities (Unquoted)		
DMC Employees Co-op Stores Limited	((2500))	((2500))
Government or Trust Securities (Unquoted)		
National Saving Certificates	((2000))	((2000))
Investments in Subsidiaries		
Equity Shares		
250000 (250000) Equity shares of ₹10 each fully paid up in Dalmia Sugar Ventures Limited	0.05	0.05
450000 (450000) Equity shares of ₹10 each fully paid up in Himshikhar Investment Limited	4.45	4.45
50000 (50000) Equity shares of ₹10 each fully paid up in Dalmia Solar Power Limited	0.05	0.05
Investments Companies other than Subsidiaries		
Equity Shares (Quoted)		
942567 (942567) Equity shares of ₹2 each fully paid up in Dalmia Bharat Limited	9.90	9.90
Others (Unquoted)		
10.40% Vijaya Bank Bonds 2020	1.98	1.98
9.55% Canara Bank (Perp.) Bonds	5.39	5.39
	21.82	**21.82**
Quoted investments :		
Book value	9.90	9.90
Aggregate market value	185.42	75.07
Book value of unquoted investments	11.92	11.92

14. Long term loans and advances (Considered good unless otherwise stated)

₹ Crore

	As at March 31, 2017		As at March 31, 2016	
Capital advances		5.16		0.69
Security deposits		1.38		1.18
Loans and advances to				
Related parties		0.00		0.36
Employees				
Unsecured		0.45		0.25
Others		25.36		25.64
Advances recoverable in cash or in kind or for value to be received		1.63		0.79
Advance Income tax (net of provisions of ₹73.04 crore (₹20.96 crore))		5.48		10.32
MAT credit entiltlement		77.58		46.40
Others (Considered Doubtful)	1.10		1.51	
Less : Set off with provision for doubtful debts/advances	0.82	0.28	1.36	0.15
		117.32		**85.78**

15. Other non current assets

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Fixed deposits with banks (with original maturity of more than 12 months)	0.15	0.15
Others	2.87	0.72
	3.02	**0.87**

Notes to Financial Statements for the year ended March 31, 2017

16. Current investments

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Units of mutual funds (quoted)		
Debt based schemes	68.48	70.13
Total	**68.48**	**70.13**
Quoted :		
Book value	68.48	70.13
Market value	77.85	73.37

17. Inventories

₹ Crore

	As at March 31, 2017	As at March 31, 2016
(Mode of valuation - Refer Note No. 1.2 (K) on Inventories)		
Raw materials		
On hand	13.27	9.75
Work in progress	10.73	2.62
Finished goods	972.50	882.73
Stores, spares etc		
On hand	24.18	20.37
	1020.68	**915.47**

18. Trade receivables

₹ Crore

	As at March 31, 2017	As at March 31, 2016
a) **Receivables outstanding for a period exceeding six months from the date they are due for payment**		
Considered good		
Unsecured	0.69	1.49
b) **Other receivables**		
Considered good		
Secured	0.00	0.00
Unsecured	109.83	104.91
	110.52	**106.40**

19. Cash and cash equivalents

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Cash in hand	0.38	0.47
Cheques in hand	0.02	0.03
Balances with banks :		
- On current accounts	22.44	23.39
- On cash credit accounts	25.03	12.83
- Deposits with original maturity of less than 3 months	10.17	8.44
- Unpaid dividend account	0.20	0.81
- Deposits with original maturity of more than 3 months but less than 12 months	0.20	0.21
	58.44	**46.18**

20. Short term loans and advances (unsecured considered good unless otherwise stated)

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Loans and advances to		
Employees	0.90	0.23
Related Parties	78.66	0.00
Advances recoverable in cash or in kind or for value to be received	14.25	15.70
Deposit and Balances with Government departments and other authorities	16.41	12.06
	110.22	**27.99**

21. Other current assets

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Interest receivable	4.56	2.55
Unbilled revenue	23.16	21.14
Others	1.52	2.15
	29.24	**25.84**

22. Revenue from operations (gross)

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sales of products		
Sugar and molasses sales	1375.18	894.62
Power sales	185.64	168.38
Refractory products sales	18.25	20.96
Other sales	159.52	86.38
	1738.59	**1170.34**
Sales of services	1.88	2.02
Other operating revenue	23.63	37.06
	1764.10	**1209.42**

23. Other income

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Dividend income from non current investment	0.68	0.33
Interest Income from bank deposits and others	2.25	1.58
Profit on sale of current investments	1.56	11.36
Profit on sale of fixed assets	0.36	0.02
Gain on foreign exchange fluctuation	0.00	0.34
Miscellaneous receipts	6.91	7.83
	11.76	**21.46**

Notes to Financial Statements for the year ended March 31, 2017

24. Consumption of Raw Materials

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sugar Cane	1090.46	898.93
Raw Magnesite	4.82	3.53
Others	13.39	14.41
	1108.67	916.87
Less:- Raw material cost capitalised	0.00	0.33
	1108.67	**916.54**

25. (Increase)/ decrease in inventories of finished goods, work in progress

₹ Crore

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Finished goods				
- Closing stock	972.50		882.73	
- Opening stock	882.73		658.60	
		(89.77)		(224.13)
Work-in-process				
- Closing stock	10.73		2.62	
- Opening stock	2.62		11.82	
		(8.11)		9.20
		(97.88)		(214.93)
Less:- Capitalised		0.00		0.00
		(97.88)		**(214.93)**

26. Employee benefit expenses

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	98.49	68.44
Contribution to Provident Fund and Other Funds	8.70	5.12
Workmen and Staff Welfare expenses	3.40	2.80
	110.59	**76.36**
Less: expenses Capitalised	0.00	1.46
	110.59	**74.90**

Notes to Financial Statements for the year ended March 31, 2017

27. Other Expenses

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Power and Fuel	53.24	24.69
Packing Materials	11.56	10.46
Consumption of Stores and Spares Parts	13.48	17.34
Excise duty variation on opening/closing stock	(1.22)	32.73
Repairs and Maintenance :		
- Plant & Machinery	27.51	17.16
- Buildings	2.27	2.68
- Others	1.47	3.44
Rent	0.46	0.48
Rates and Taxes	2.07	1.35
Insurance	0.76	0.75
Travelling	1.54	1.06
Advertisement and Publicity	0.13	0.14
Freight and Forwarding Charges	5.59	5.31
Cane Development Expenses	4.21	2.81
Management Service Charges	15.13	10.49
Selling Expenses	1.95	7.70
Commission paid to Other Selling Agents	1.58	1.16
Rebates, Discount and Allowances	0.32	0.33
Director's Sitting Fees	0.25	0.33
Charity and Donation	0.35	0.17
Assets written off / Loss on sale of Fixed Assets	15.95	0.06
Bad Debts written Off	0.00	3.72
Provision for Doubtful Debts	0.05	0.08
Provision for diminution in value of Inventory	0.00	0.02
CSR Expenses	0.45	0.46
Miscellaneous Expenses	31.61	22.68
	190.71	**167.60**
Less: Expenses Capitalised	1.85	4.59
	188.86	**163.01**

28. Finance Costs

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest		
- On Debentures, Term loans, Commercial Papers & WCDL	86.94	77.32
- On Other Borrowing from Banks	2.38	3.96
- Others	5.02	7.33
	94.34	**88.61**
Less: Interest cost Capitalised	0.55	1.12
	93.79	**87.49**

Notes to Financial Statements for the year ended March 31, 2017

29. Earning Per Share

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Net profit for calculation of basic and diluted EPS (₹ In Crores)	183.42	58.45
Total number of equity shares outstanding at the end of the year	8,09,39,303	8,09,39,303
Weighted average number of equity shares in calculating basic and diluted EPS	8,09,39,303	8,09,39,303
Basic and Diluted EPS (₹)	22.66	7.22

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

₹ Crore

S. No.	Particulars	2016-17	2015-16
a)	Claims against the Company not acknowledged as debts	0.70	0.59
b)	Demand raised by Income tax authorities under dispute	8.29	7.91
c)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	57.93	79.43
d)	Other money for which the Company is contingently liable	0.15	0.15
e)	Guarantee issued by the Company's banker on behalf of the company	39.99	20.48

i) The Company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

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

31. Capital and other commitments:

₹ Crore

Particulars	2016-17	2015-16
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	31.26	1.84
Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-

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

₹ Crore

Particulars	2016-17	2015-16
a) Statutory Auditor		
i) Audit Fee	0.10	0.07
ii) For Tax Audit and Other services	0.05	0.05
iii) For Expenses	0.06	0.06
b) Cost Auditor		
i) Audit Fee	0.03	0.02

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

₹ Crore

Particulars	2016-17	2015-16
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.03	0.39
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	**0.03**	**0.39**

34. Operating Lease

Assets taken on Lease

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

₹ Crore

Particulars	2016-17	2015-16
Lease payments for the year	0.46	0.48
Total	**0.46**	**0.48**

There are no non-cancellable operating leases.

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

₹ Crore

Class of Product	2016-17	2015-16
Opening stock		
Refractory products	12.53	13.48
Sugar	797.78	596.61
Multilayer Ceramic Chip Capacitors	0.01	0.01
Power-Banked	0.46	0.47
Industrial Alcohol	18.60	2.82
Others	53.35	45.21
Total	**882.73**	**658.60**
Closing stock		
Refractory products	11.67	12.53
Sugar	896.77	797.78
Multilayer Ceramic Chip Capacitors	0.03	0.01
Power-Banked	0.60	0.46
Industrial Alcohol	16.47	18.60
Others	46.96	53.35
Total	**972.50**	**882.73**

36. CIF Value of Imports:

₹ Crore

Particulars	2016-17	2015-16
Raw materials	0.05	-
Components, spare parts, coal etc.	0.17	0.01

Notes to Financial Statements for the year ended March 31, 2017

37. Expenditure in Foreign Currency (Accrual basis):

₹ Crore

Particulars	2016-17	2015-16
Professional Fees, Consultation Fee and Interest	-	-
Others	0.03	0.04
Total	**0.03**	**0.04**

38. Earnings in Foreign Currency (Accrual Basis):

₹ Crore

Particulars	2016-17	2015-16
Export of goods at FOB value	0.32	18.85
Total	0.32	18.85

39. Details regarding imported and indigenous materials consumed during the year:

Particulars	Imported		Indigenous		Value of total consumption
	Value (₹ in Crore)	% to total consumption	Value (₹ in Crore)	% to total consumption	Value (₹ in Crore)
Raw Materials	**0.05**	**0.00%**	**1,108.62**	**100.00%**	**1,108.67**
	-	0.00%	(916.54)	(100.00%)	(916.54)
Stores, Spares Parts and Components	**0.17**	**1.25%**	**13.31**	**98.75%**	**13.48**
	(0.01)	(0.03%)	(40.94)	(99.97%)	(40.96)

40. Gratuity and Other Post Employment Benefit Plans:

Gratuity

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

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

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Benefit Expenses)

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Current Service Cost	1.74	1.54
Interest Cost	1.49	1.34
Expected return on plan assets	(1.49)	(1.42)
Net Actuarial (Gain)/ Loss	2.26	(0.05)
Past Service cost	-	-
Total Expense	**4.00**	**1.40**
Actual return on plan assets	1.28	1.19

40. Gratuity and Other Post Employment Benefit Plans: *(contd.)*

Balance Sheet

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Present value of obligation as at year-end	23.02	19.20
Fair value of plan assets as at year-end	16.98	16.56
Less : Unrecognised past service cost	-	-
Funded status {(Surplus/(Deficit)}	(6.04)	(2.64)
Net Asset/(Liability) as at year end	**(6.04)**	**(2.64)**

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

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Opening defined benefit obligation	19.20	17.22
Interest cost	1.49	1.34
Current service cost	1.74	1.54
Benefits paid out of funds	(1.46)	(0.61)
Actuarial (gains)/ losses on obligation	2.05	(0.28)
Closing defined benefit obligation	**23.02**	**19.20**

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

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Opening fair value of plan assets	16.56	15.78
Expected return	1.49	1.42
Contribution by employer	0.60	0.20
Benefits paid	(1.46)	(0.61)
Actuarial gains/ (losses) on obligation	(0.21)	(0.23)
Closing fair value of plan assets	**16.98**	**16.56**

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

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Qualifying Insurance Policy	100%	100%
Bank Balance		-

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

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

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Discount Rate	7.50%	7.75%
Expected rate of return on assets	8.00%	9.00%
Mortality Table	LIC (2006-08)	LIC (2006-08)
Salary Escalation	7.00%	7.00%

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

Notes to Financial Statements for the year ended March 31, 2017

40. Gratuity and Other Post Employment Benefit Plans: *(contd.)*

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

₹ Crore

Particulars	Gratuity				
	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligation	23.02	19.20	17.22	14.92	14.08
Plan assets	16.98	16.56	15.78	15.23	14.81
Surplus/ (deficit)	(6.04)	(2.64)	(1.44)	0.31	0.73
Experience adjustment on plan assets	(0.21)	(0.23)	(0.01)	(0.12)	0.15
Experience adjustment on plan liabilities	(1.62)	0.28	(0.25)	(0.03)	0.11

Provident and Other Funds

Contribution to Defined Contribution Plans:

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Pension Fund/Superannuation funds/ESI/PF	4.94	4.14

Provident Fund

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

41. Segment Information

Primary Segment: Business Segment

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

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

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

The "Distillery Segment" includes Production and sale of Ethanol.

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

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

The following table presents segment revenues, results, assets & liabilities in accordance with AS-17 as on March 31, 2017;

₹ Crore

Segment Particulars	Sugar	Power	Distillery	Others	Total
Revenue					-
Gross Revenue	**1,551.59**	**325.26**	**160.76**	**20.15**	**2,057.77**
	(1,059.95)	(300.59)	(82.87)	(28.47)	(1,471.88)
Less: Inter/ Intra Segment Revenue	**163.89**	**128.50**	**1.28**	**-**	**293.67**
	(138.42)	(122.17)	(1.87)	-	(262.46)
Less: Excise Duty	**68.51**	**-**	**8.37**	**1.23**	**78.10**
	(36.31)	0.00	(5.63)	(1.08)	(43.02)
Net Revenue	**1,319.19**	**196.76**	**151.12**	**18.93**	**1,686.00**
	(885.22)	(178.42)	(75.37)	(27.39)	(1,166.40)
Results					
Segment result	**175.19**	**129.74**	**28.87**	**(1.86)**	**331.94**
	(23.64)	(82.28)	(24.23)	(4.78)	(134.94)
Less: Finance Cost					**93.79**
					(87.49)

41. Segment Information *(contd.)*

₹ Crore

Segment Particulars	Sugar	Power	Distillery	Others	Total
Less: Exceptional Items					-
					0.00
Profit before tax					238.15
					(47.46)
Tax expenses					54.73
					10.99
Profit after tax					183.42
					(58.45)
Assets	1,629.74	272.24	102.61	50.34	2,054.93
	(1,421.74)	(300.13)	(132.69)	(48.75)	(1,903.31)
Non Segments Assets					259.80
					(155.99)
Total Assets					2,314.73
					(2,059.30)
Liabilities	1,015.38	2.82	4.04	6.04	1,028.28
	(731.32)	(6.98)	(5.32)	(6.08)	(749.70)
Non Segments liabilities					591.93
					(798.50)
Total Liabilities					1,620.21
					(1,548.20)
Depreciation	25.19	25.50	3.68	1.21	55.58
	(23.42)	(85.90)	(2.35)	(1.72)	(113.39)
Capital Expenditure	84.75	7.37	0.04	0.02	92.18
	(43.50)	(7.18)	(68.95)	(0.18)	(119.81)

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

₹ Crore

Particulars	2016-17	2015-16
Carried forward as part of Capital Work in Progress (A)	-	7.55
Expenditure incurred during the year		
Personnel Expenses		
Salary and Wages		1.46
Operating and Other Expenses	2.40	
Cost of material including change in Produced goods stock		0.33
Power & Fuel		0.74
Repair and Maintenance	-	0.38
Finance Cost	0.55	1.12
Consultancy Charges	1.78	0.41
Miscellaneous Expenses	0.08	3.06
Expenditure incurred during Trial Run		
Total Expenditure incurred during the year (B)	2.40	7.51
Total Pre-operative Expenditure (A + B)	2.40	15.06
Less : Revenue during Trial Run		0.55
Less : Capitalised as Fixed Assets	2.01	14.51
Carried forward as part of Capital Work in Progress	0.39	0.00

Notes to Financial Statements for the year ended March 31, 2017

43. There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard (AS)-29 'Provisions, Contingent Liabilities & Contingent Assets.

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

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

Subsidiaries of the Company

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

Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman, Shri Gautam Dalmia - Managing Director, Shri K V Mohan- Company Secretary (Till 26th Sept 2016), Isha Kalra-Company Secretary & Shri Anil Kataria- Chief Financial Officer

Relatives of Key Management personnel

Shri Y. H. Dalmia (Brother of Vice Chairman) and Shri Puneet Yadu Dalmia (Son of Shri Y.H. Dalmia).

Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

Dalmia Bharat Limited, Dalmia Cement (Bharat) Limited, Dalmia Refractories Limited, Adhunik Cement Limited, Calcom Cement India Limited, DCB Power Ventures Limited, OCL India Limited & Dalmia Cement East Ltd.

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

₹ Crore

Nature of Transaction	Subsidiary Companies	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services			7.60	7.60
			(9.79)	(9.79)
Reimbursement of expenses – receivable			0.14	0.14
			(0.15)	(0.15)
Reimbursement of expenses – payable			0.39	0.39
			(0.30)	(0.30)
Purchase of goods and services			16.27	16.27
			(12.17)	(12.17)
Loans and Advances given	78.30			78.30
	-			-
Loans Repaid				-
			(50.00)	(50.00)
Interest paid on Loans			-	-
			(4.61)	(4.61)
Interest Income	1.05			1.05
Salary and Perquisites		19.92		19.92
		(2.18)	-	(2.18)
Dividend Received				-
			(0.33)	(0.33)
Dividend Paid				-
			(0.89)	(0.89)

1. Sale of goods and services includes transaction with Dalmia Cement (Bharat) Limited ₹3.62 Crore (₹3.56 Crore), OCL India Limited ₹0.78 Crore (₹1.88 Crore), Dalmia Bharat Limited ₹1.96 Crore (₹2.30 Crore), Adhunik Cement Limited ₹0.44 Crore (₹1.02 Crore), Dalmia Refractories Limited ₹0.28 Crore (₹0.36 Crore), Calcom Cement India Limited ₹0.32Crore (₹0.45 Crore) and Dalmia Cement East Limited ₹0.21 Crore (₹0.23 Crore).
2. Reimbursement of expenses – receivable includes transaction with Dalmia Bharat Limited ₹0.14 Crore (₹0.15 Crore).
3. Reimbursement of expenses – payable includes transaction with Dalmia Bharat Limited ₹0.31 Crore (₹0.23 Crore), Dalmia Cement (Bharat) Limited ₹0.08 (₹0.07 Crore).

44. Related Party Disclosure as required by Accounting Standard-18. *(contd.)*

4. Purchase of goods & services includes transaction with Dalmia Bharat Limited ₹14.79 Crore (₹10.48 Crore), Dalmia Cement (Bharat) Limited ₹1.47 Crore (₹1.65 Crore) and Dalmia Refractories Limited ₹0.02 Crore (0.03 Crore).
5. Loans and advances given represent transaction with Dalmia Solar Power Limited ₹0.32 Crore (NIL) and Himshikhar Investment Limited ₹77.98 Crore (NIL).
6. Loans repaid includes transaction with Dalmia Bharat Limited ₹NIL (₹34.00 Crore) and DCB Power Ventures Limited ₹NIL (₹16.00 Crore).
7 Interest paid on loans includes transaction with Dalmia Bharat Limited ₹NIL (₹3.14 Crore) and DCB Power Ventures Limited ₹NIL (₹1.47 Crore).
8 Interest received on Loan from Dalmia solar power Limited ₹0.02 Crore (NIL),Dalmia sugar venture Limited ₹0.00 Crore (NIL),Himshikhar Investment Limited ₹1.03 Crore (NIL).
9. Salary and perquisites includes transaction with Shri J. H. Dalmia ₹0.56 Crore (₹0.52 Crore) and Shri Gautam Dalmia ₹0.69 Crore (₹0.07 Crore). It includes M.D. Commission approved by the board amounting ₹8.00 Crore payable to Shri J.H.Dalmia & ₹9.00 Crore payable to Shri Gautam Dalmia subject to approval in Annual General Meeting.
10. Dividend received represent dividend from Dalmia Bharat Limited ₹NIL (₹0.33 Crore).
11. Dividend paid represent dividend paid to Dalmia Bharat Limited NIL (₹0.89 Crore).

c) Balances Outstanding at Year End:

₹ Crore

Nature of Transaction	Subsidiary Companies	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Loans receivable	**78.66**			**78.66**
	(0.36)	-	-	(0.36)
Amounts receivable			-	-
	-	-	(0.25)	(0.25)
Amounts payable			**0.72**	**0.72**
	-	-	(1.77)	(1.77)

1. Loans receivable include Dalmia Solar Power Limited ₹0.67 Crore (₹0.35 Crore) , Dalmia Sugar Venture Limited ₹0.01 Crore (₹0.01 Crore),Himshikhar Investment limited ₹77.98 Crore (NIL)
2 Amount receivable includes Dalmia Cement (Bharat) Limited ₹NIL (₹0.25 Crore).
3 Amount payable includes Dalmia Cement (Bharat) Limited ₹NIL (₹0.08 Crore) and Dalmia Bharat Limited ₹0.72 Crore (₹1.69 Crore) .

45. Disclosure required under Section 186 (4) of the Companies Act 2013

(a) Particulars of Loans given:

₹ Crore

Sr. No	Name of the Loanee	Opening Balance	Loan given	Loan repaid	Outstanding Balance	Purpose
1	Dalmia Solar Power Limited	0.34	0.33	-	0.67	Operational
2	Dalmia Sugar Ventures Ltd	0.01	-	-	0.01	Operational
3	Himshikhar Investment Limited	-	84.78	6.80	77.98	Operational

(b) Particulars of Guarantee given: NIL

Notes to Financial Statements for the year ended March 31, 2017

45. Disclosure required under Section 186 (4) of the Companies Act 2013 *(contd.)*

(c) Particulars of Investments made:

₹ Crore

Sr. No	Name of the Investee	Opening Balance	Investment made	Investment redeemed	Outstanding Balance	Purpose
1	Dalmia Bharat Limited	9.90	-	-	9.90	Long term Investment
2	Dalmia Sugar Ventures Limited	0.05	-	-	0.05	Long term Investment
3	Himshikhar Investment Limited	4.45	-	-	4.45	Long term Investment
4	Dalmia Solar Power Ltd	0.05	-	-	0.05	Long term Investment

(d) Particulars of Security Deposit : NIL

46.

Detail of loans & advances in the nature of Loans (including interest) given to Subsidiaries in which Directors' are interested and investment by the loanee in the share of the Company as required by clause 53(F) of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015.

₹ Crore

S. No.	Particulars	As at the balance sheet date	Maximum Balance during the year
	Subsidiary Company		
I.	Dalmia Solar Power Limited	**0.67**	**0.67**
		(0.34)	(0.34)
II.	Dalmia Sugar Ventures Ltd	**0.01**	**0.01**
		(0.01)	(0.01)
III.	Himshikhar Investment Limited	**77.98**	**77.98**
		-	-

47. Disclosure On Specified Bank Notes(SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8,2016 to December,30 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ Crore

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.39	0.06	0.45
(+) Permitted receipts	0.11	0.80	0.91
(-) Permitted payments	0.07	0.66	0.73
(-) Amount deposited in Banks	0.43	0.00	0.43
Closing cash in hand as on December 30,2016	0.00	0.20	0.20

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Minsitery of Finance, Department of Economic Affairs number S.O.3407 (E) ,dated the 8th Novemeber,2016.

Notes to Financial Statements for the year ended March 31, 2017

48. Foreign Currency Exposures

The amount of foreign currency exposures as at March 31, 2017 that are not hedged by a derivative instrument or otherwise is NIL.

There is no hedged foreign currency exposure as on the balance sheet date.

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

50. In the opinion of the Management there is no reduction in the value of any assets, hence no provisions is required in terms of Accounting Standard AS 28 "Impairment of Assests".

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

52. Previous Year Comparatives

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

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N
per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 5th May, 2017

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Financial Officer
PAN: AALPK4889N

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

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Consolidated Financial Statements

Independent Auditors' Report

To the Members of
Dalmia Bharat Sugar and Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dalmia Bharat Sugar and Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March, 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the 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 and the Companies (Accounting Standards) Amendment Rules, 2016.

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 and 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.

Auditor's 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditor's 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. 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 the Other Matters 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, the 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 consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/financial information of three subsidiaries whose financial statements reflect total assets of ₹84.53 crores as at 31st March, 2017, total revenues of ₹0.29 crores and net cash outflows amounting to ₹0.23 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms

of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 agreement 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 and the Companies (Accounting Standards) Amendment Rules, 2016;

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group incorporated in India are 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 31 to the consolidated financial statements.

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

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

      iv. The Group has provided requisite disclosures in note 47 to these consolidated financial statements as to the holding of Specified Bank Notes on 8 November, 2016 and 30 December, 2016 as well as dealing in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the reports of the other auditors submitted to us by the management regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Group and as produced to us by the management.

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

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: May 5, 2017

Annexure A to the Independent Auditor's Report to the Members of Dalmia Bharat Sugar and Industries Limited dated May 05, 2017 on its consolidated financial statements

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

In conjunction with our audit of the consolidated financial statements of Dalmia Bharat Sugar and Industries Limited as of and for the year ended March 31, 2017, we have audited the Internal Financial Controls Over Financial Reporting of Dalmia Bharat Sugar and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: May 5, 2017

Consolidated Balance sheet as at 31st March 2017

₹ Crore

	Note	As at March 31, 2017	As at March 31, 2016
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	16.19	16.19
Reserves and surplus	3	678.59	496.42
		694.78	**512.61**
Non- current liabilities			
Long-term borrowings	4	404.92	570.99
Deferred tax liability (net)	5	86.50	51.44
Other long-term liabilities	6	3.91	4.24
Long-term provisions	7	10.05	5.93
		505.38	**632.60**
Current liabilities			
Short-term borrowings	8	733.76	390.65
Trade payables	9		
Total outstanding dues of Micro and small enterprises		0.03	0.39
Total outstanding dues of creditors other than Micro and small enterprises		161.44	240.48
Other current liabilities	10	215.94	280.29
Short-term provisions	11	3.78	3.82
		1114.95	**915.63**
Total		**2315.11**	**2060.84**
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		769.72	749.15
Intangible assets		2.90	3.30
Capital work-in-progress		2.44	6.54
		775.06	**758.99**
Non-current investments	13	23.44	23.44
Long term loans and advances	14	117.35	85.44
Other non-current assets	15	3.02	0.87
		143.81	**109.75**
Current assets			
Current investments	16	146.45	70.13
Inventories	17	1020.68	915.47
Trade receivables	18	110.52	106.40
Cash and cash equivalents	19	58.74	46.25
Short-term loans and advances	20	31.57	28.00
Other current assets	21	28.28	25.85
		1396.24	**1192.10**
Total		**2315.11**	**2060.84**
Significant accounting policies	1.2		

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

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N
per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 5th May, 2017

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

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Financial Officer
PAN: AALPK4889N

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Consolidated Statement of profit and loss for the year ended 31st March 2017

₹ Crore

	Note	For the year ended March 31, 2017		For the year ended March 31, 2016	
INCOME					
Revenue from operations (Gross)	22		1764.10		1209.43
Less: Excise duty			78.10		43.02
Revenue from operations (net)			1686.00		1166.41
Other income	23		10.98		21.56
Total			**1696.98**		**1187.97**
EXPENSES					
Cost of raw materials consumed	24		1108.67		916.54
(Increase)/ Decrease in inventories of finished goods, work in progress and traded goods	25		(97.89)		(214.93)
Employee benefit expenses	26		110.59		74.90
Other expenses	27		189.31		163.17
Finance costs	28		93.80		87.49
Net depreciation and amortization expenses	12		55.59		113.39
Total			**1460.07**		**1140.56**
Profit before tax and exceptional items			**236.91**		**47.41**
Less : Exceptional Items (net-gain/(loss))			-		-
Profit Before Tax			**236.91**		**47.41**
Tax expense:					
Current tax		50.85		10.17	
Mat credit (entitlement) / charge		(31.18)	19.67	(10.17)	0.00
Deferred tax			35.06		(10.99)
Prior year tax charge / (written back)			0.00		0.00
Total of Tax Expense			**54.73**		**(10.99)**
Net Profit After Tax			**182.18**		**58.40**
Earning per share	29				
Basic and diluted earning per share (in ₹)			22.51		7.22
[Nominal value of share ₹2 (₹2) each]					
Significant accounting policies	1.2				

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

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N
per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 5th May, 2017

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

Isha Kalra	Anil Kataria	J. S. Baijal	Gautam Dalmia
Company Secretary	Chief Financial Officer	Director	Managing Director
Membership No.: A24748	PAN: AALPK4889N	DIN: 00049565	DIN: 00009758

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

₹ Crore

		For the year ended March 31, 2017	For the year ended March 31, 2016
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax and exceptional items	**236.91**	**47.41**
	Adjustments		
	Depreciation / Amortization	55.59	113.39
	Provision for doubtful debts/ advances	0.05	0.08
	Provision for diminution in value of Inventory	0.00	0.02
	Bad Debts/ Advances written off	-	3.72
	Dividend Income	(0.68)	(0.43)
	Finance Cost	93.80	87.49
	Interest Income	(1.20)	(1.58)
	(Profit)/Loss on sale of Investments	(1.85)	(11.36)
	(Profit)/Loss on sale of Fixed Assets and Assets written off	15.95	0.06
	Operating Profit before working Capital Changes	**398.57**	**238.80**
	Adjustments for working Capital changes :		
	Inventories	(105.21)	(212.01)
	Trade and Other Payables	(73.72)	(28.29)
	Trade and Other Receivables	(12.35)	(14.56)
	Cash Generated from Operations	**207.29**	**(16.06)**
	Direct Taxes Paid	(47.25)	(7.92)
	Net Cash from Operating activities	**160.04**	**(23.98)**
B	**Cash Flow from Investing Activities**		
	Purchase of fixed Assets(including Capital Reserve)	(83.67)	(85.97)
	(Purchase)/ Sale of Current Investments (net)	(74.47)	9.55
	(Purchase)/ Sale of Non Current Investments (net)	0.00	(7.47)
	Interest Received	0.14	6.74
	Dividend Received from Current Investments	0.68	0.43
	Net Cash used in Investing Activities	**(157.32)**	**(76.72)**
C	**Cash Flow from Financing Activities**		
	Proceeds / (repayment) of Short term Borrowings	343.11	36.11
	Proceeds/(repayment) of Long term Borrowings	(241.63)	170.11
	Finance Cost	(91.71)	(88.87)
	Dividend Paid	0.00	(4.86)
	Corporate Dividend tax paid	0.00	(0.99)
	Net cash from / (used in) financing activities	**9.77**	**111.50**
	Net increase in cash and cash equivalents (A+B+C)	**12.49**	**10.80**
	Cash and cash equivalents (Opening Balance)	**46.40**	**35.60**
	Cash and cash equivalents (Closing Balance)*	**58.89**	**46.40**
	Change in Cash & Cash Equivalents	**12.49**	**10.80**

* includes Fixed deposit with banks shown under Other Non Current Assets ₹0.15 Crore (₹0.15 Crore)

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

₹ Crore

Components of Cash & Cash Equivalents	As at March 31, 2017	As at March 31, 2016
Cash in Hand	0.38	0.47
Cheques in Hand	0.02	0.08
Balances with Banks		
Current/CC Accounts	47.77	36.24
Unpaid Dividend Accounts	0.20	0.81
Deposits Accounts	10.37	8.65
Fixed Deposit with Banks	0.15	0.15
Net Cash & Cash Equivalents	58.89	46.40

Note:

1) Cash & cash equivalents components are as per Note 19 & 15.

2) Previous year figures have been regrouped/restated wherever considered necessary

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N
per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 5th May, 2017

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

Isha Kalra	Anil Kataria	J. S. Baijal	Gautam Dalmia
Company Secretary	Chief Financial Officer	Director	Managing Director
Membership No.: A24748	PAN: AALPK4889N	DIN: 00049565	DIN: 00009758

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

1.1: Company overview

The company was incorporated as Dalmia Cement Bharat Limited. Name of the company was changed from Dalmia Cement (Bharat) Limited to Dalmia Bharat Sugar and Industries Limited ('The Company') vide fresh certificate of incorporated dated 7th September, 2010 issued by registrar of companies, Tamilnadu.

The company is mainly engaged in manufacturing of sugar, generation of power, manufacturing of Industrial alcohol and manufacturing of refractory products.

The company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India. These financial statements are presented in Indian Rupees (₹).

1.2: Significant accounting policies

A. Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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

B. Principles of Consolidation

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

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

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

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

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

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

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

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

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

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

h) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.

i) The accounts of all the Group Companies are drawn up to the same reporting date as the parent entity (i.e. financial year ended March 31, 2016).

C. Use of estimates

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

D. Fixed assets

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

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

Expenditure related to and incurred on implementation of new/ expansion-cum-modernisation projects is included under capital work-in-progress and the same is allocated to the respective tangible asset on completion of its construction/erection.

E. Depreciation/amortisation

Depreciation on fixed assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013. The following methods of depreciation are used for fixed assets:

"Plant and machinery" at Salem (excluding earth moving machinery) and on all fixed assets at Wind Farm Unit, Bangalore Works and Dalmia Chini Mills (Sugar Units) excluding machinery in Power Plants.	Straight line method
Leasehold land	Amortised over the period of lease, i.e., 99 years
Remaining tangible fixed assets	Written Down Value Method
Computer software	Amortised over a period of 3-5 years on a Straight line basis.
Other intangible assets	Amortised over a period of maximum 10 years on a straight line basis.

F. Impairment of assets

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

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

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

G. Goodwill on Consolidation

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

H. Leases

Where the Company is the Lessee

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

Where the Company is the Lessor

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

I. Government Grants and Subsidies

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

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

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

J. Borrowing Costs

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

K. Segment Reporting

Identification of Segments

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

Inter Segment Transfers

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

Allocation of Common Costs

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

Unallocated Items

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

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

Segment Policies

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

L. Employee Benefits

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

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

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

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

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

M. Inventories

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

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

c. Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis

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

N. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined for each category separately. Long-term investments are carried at cost on individual investment basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments in case of long term investments.

O. Revenue Recognition

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

Sale of Goods

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

Dividends

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

Insurance Claim

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

P. Foreign Currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

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

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

(iv) Forward Exchange Contracts not intended for Trading or Speculation Purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Consolidated Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

Q. Income Taxes

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Consolidated Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

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

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

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

R. Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

S. Provisions

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

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

T. Cash and Cash Equivalents

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

2. Share capital

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Authorised :		
11,47,26,820 (11,47,26,820) Ordinary shares of ₹2 /- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified shares of ₹2/- each	17.05	17.05
	40.00	**40.00**
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) Ordinary shares of ₹2/- each	16.19	16.19
	16.19	**16.19**

(a) **Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting period**

	2016-17		2015-16	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the year	80939303	16.19	80939303	16.19
Issued during the year	-	-	-	-
At the end of the year	80939303	16.19	80939303	16.19

(b) **Terms/ rights attached to ordinary equity shares**

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

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

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

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Equity shares of ₹2 each fully paid up				
Samagama Holdings and Commercial Private Limited	35875223	44.32%		
Dalmia Bharat Limited	14829764	18.32%	14829764	18.32%
Vanika Commercial and Holdings Private Ltd	8687305	10.73%		
Mayuka Investment Limited			15736537	19.44%
Sita Investment Company Limited			5876800	7.26%
Ankita Pratisthan Limted			5829070	7.20%
Puneet Trading and Investment Co. Private Limited.			9792775	12.10%

(d) Final Dividend proposed during the year @ 100% i.e. ₹2 per share. (Last Year Interim dividend @30 % i.e. ₹0.60 per share.)

(e) During the last 5 years, the company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

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

3. Reserves and surplus

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Capital reserve		
Opening balance as per last financial statements	4.07	4.07
Closing balance	4.07	4.07
Revaluation reserve		
Opening balance as per last financial statements	3.75	3.75
Closing balance	3.75	3.75
General reserve		
Opening balance as per last financial statements	8.54	0.54
Add: Amount transferred from surplus balance in statement of profit & loss	0.00	8.00
Add: Amount transferred from Debenture Redemption Reserve	25.00	0.00
Closing balance	33.54	8.54
Reserve fund as per RBI		
Opening balance as per last financial statements	0.38	0.36
Add: Amount transferred from surplus balance in consolidated statement of profit & loss	0.00	0.02
Closing balance	0.38	0.38
Debenture redemption reserve		
Opening balance as per last financial statements	25.00	25.00
Less: Amount transferred to General Reserve	25.00	0.00
Closing balance	0.00	25.00
Surplus in the statement of profit and loss		
Balance as per last financial statements	454.68	410.15
Profit for the year	182.18	58.40
Less: appropriations		
(i) Transfer to general reserve	0.00	8.00
(ii) Transfer to Reserve Fund as per RBI	0.00	0.02
(iii) Proposed Dividend on ordinary shares	0.00	4.86
(iv) Dividend distribution tax	0.00	0.99
Total Appropriations	**0.00**	**13.86**
Net surplus in the statement of profit and loss	**636.86**	**454.68**
Total reserves and surplus	**678.59**	**496.42**

4. Long term borrowings

₹ Crore

	As at March 31, 2017		As at March 31, 2016	
Secured				
A. Redeemable non-convertible debentures	0.00		33.34	
Less: Shown in current maturities of long term borrowings	0.00	0.00	33.34	0.00
B. Term loans:				
i. From banks	460.39		677.55	
Less: Shown in current maturities of long term borrowings	95.15	365.24	130.32	547.23
ii. From others	45.02		36.16	
Less: Shown in current maturities of long term borrowings	5.34	39.68	12.40	23.76
		404.92		**570.99**

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

10.42%, Series XII NIL (₹33.34 Crore) are secured by mortgage and first charge on pari-passu basis on all the immovable and movable assets (both current and future) excluding current assets of the sugar units of the company at Jawaharpur and Nigohi.

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

a) ₹235.04 crore (₹236.15 crore) is secured by first pari passu charge on movable & immovable Fixed Assets at Shri Datta Sakhar Karkhana (unit Kolhapur). The same is repayable in thirty unequal installments ranging from ₹4.00 crore to ₹9.33 crore each, commencing from March 2016, carrying interest @ Base rate + 1.5% (Presently 10.70%)

b) ₹52.13 Crore (₹78.20 Crore), interest free loan (availed under "Scheme for Extending Financial Assistance to Sugar Undertaking 2014" of Govt of India) is secured by second charge on pari passu basis with SDF lendors and Allahabad Bank on entire fixed assets of the company's sugar units. The same is repayable in twelve quarterly equal installments commencing from June 2016.

c) ₹14.11 Crore (₹73.20 Crore) Farmer loan & taken under the soft loan scheme at subsidised rates for payment to the cane farmers. Secured by first pari passu charge on the current assets of the company alongwith woking capital lenders and subservient charge on movable & immovable fixed assets of the company at sugar factories Ramgarh, Jawaharpur and Nigohi location. Repayable in 20 quarterly structured installments starting from 20th Sept 2017. The applicable interest rate is linked with Base rate (Presently 10.85%). There is an interest subvention of 10% provided by the Central Government for one year on the entire loan and that of 10% provided by Maharashtra State Government on Loan pertaining to our Kolhapur Unit for next 4 years.

d) ₹44.45 Crore (₹50.00 Crore), is secured by first pari passu charge on movable & immovable fixed assets of the company at Ramgarh, Jawaharpur & Nigohi location repayable in 18 equal quarterly installments starting from Dec 2016. The applicable interest rate is linked with Base rate (Presently 10.60%)

e) ₹114.66 Crore (NIL), is secured by first pari passu charge on movable and immovable fixed assets of the sugar mills located at Ramgarh, Jawaharpur & Nigohi location repayable in 40 structured quarterly installments starting from March 2017. The applicable interest rate is linked with 1 Year MCLR (Presently 8.95%)

f) NIL (₹120 crore) is secured by subservient charge on entire fixed assets excluding vehicles of company's sugar units at Jawaharpur and Nigohi and subservient charge on plant & machinery at Ramgarh Sugar unit. The same was repaid in Dec 2016.

g) NIL (₹120 Crore), is secured by first pari passu charge on movable & immovable fixed assets of the company at Ramgarh, Jawaharpur & Nigohi repaid entirely in Feb 2017.

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

a) ₹3.45 crore (₹15.85 crore) which consists of various loans and are secured by second exclusive charge on movable and immovable properties of the sugar units at Ramgarh, Jawaharpur and Nigohi. The same is repayable in unequal structured installments in the range of ₹26 Lacs to ₹95 Lacs and carry interest in the range of 4% to 7.50%.

b) ₹41.57 crore (₹20.31 crore) consists of SDF loans for Kolhapur unit and are secured by bank guarantee given by Banks on behalf of the company. The same is repayable in unequal structured installments in the range of ₹0.69 Crore to ₹2.70 Crore and carry interest in the range of 4.75% to 5.75%.

5. Deferred tax

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Deferred tax assets/ liabilities are attributable to the following items :		
Liabilities		
Depreciation*	95.71	94.68
	95.71	94.68
Assets		
Voluntary retirement expenses	0.09	0.14
Expenses allowable for tax purpose when paid	9.12	4.81
Unabsorbed depreciation	0.00	38.29
	9.21	**43.24**
Net	**86.50**	**51.44**

* Includes NIL (₹2.50 Crore.) relating to depreciation adjusted against retained earnings. (Refer note no. 3)

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

6. Other long term liabilities

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Other liabilities	3.91	4.24
	3.91	**4.24**

7. Long term provisions

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits	10.05	5.93
	10.05	**5.93**

8. Short Term borrowings

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Secured		
Working Capital Demand Loan/Cash Credit	58.76	365.65
Bridge loan from banks	0.00	25.00
Unsecured		
Commercial Papers Issued	625.00	0.00
Short term loan from Banks	50.00	0.00
	733.76	**390.65**

(i) Working capital Loan from Banks are secured by hypothecation of Inventories and other assets in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 9.05% to 10.35%

(ii) Bridge Loan from bank was secured by subservient charge on movable & immovable fixed assets located at Kolhapur unit. Tenor is 6 months. Applicable interest rate is Base rate of the bank.

(iii) Commercial Papers issued repayable during next one year and carry interest in the range of 7.5% to 8.0%.

(iv) Short term loan from bank repayable during next one year and carry interest @ 9.05%.

9. Trade payables

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Trade Payables		
- Micro and small enterprises (to the extent information available)*	0.03	0.39
- Others	161.44	240.48
	161.47	**240.87**

* Refer note no. 34

10. Other current liabilities

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Current maturities of long term borrowings	100.49	176.05
Interest accrued but not due on borrowings	1.67	0.82
Advances from customers	3.36	4.45
Security deposits received	2.75	1.74
Unclaimed dividend *	0.20	0.81
Other liabilities		
Excise duty payable on closing stock	57.85	58.92
Statutory dues	6.66	2.82
Accrued salaries & benefits	19.87	1.91
Others	23.09	32.77
	215.94	**280.29**

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

11. Short term provisions

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits	3.78	3.82
	3.78	**3.82**

12. Fixed Assets

₹ Crore

Particulars	Tangible Assets							Intangible Assets		Total
	Land Freehold	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Operating Rights	Computer Software	
Cost										
as at 1st April,2015	71.20	0.58	154.00	1,044.17	7.56	3.34	4.58	3.61	0.42	1,289.47
Additions	1.50	-	7.47	108.86	0.27	0.50	0.34	0.01	0.88	119.82
Disposals	-	-	0.25	0.22	0.40	0.08	0.07	-	-	1.03
as at 31st March,2016	72.70	0.58	161.22	1,152.81	7.43	3.76	4.85	3.62	1.30	1,408.26
Additions	0.38	-	12.87	76.55	0.45	0.71	0.53	0.01	0.68	92.18
Disposals	-	-	0.49	22.42	0.36	0.01	0.18	-	-	23.46
as at 31st March,2017	73.09	0.58	173.60	1,206.94	7.51	4.46	5.21	3.62	1.98	1,476.98
Depreciation										
as at 1st April,2015	0.01	0.13	46.96	485.65	5.03	1.35	3.56	0.39	0.17	543.25
Charge for the year @	-	0.01	5.74	105.16	0.63	0.40	0.54	0.80	0.24	113.52
Disposals	-	-	0.25	0.20	0.36	0.08	0.07	-	-	0.96
as at 31st March,2016	0.01	0.13	52.44	590.62	5.30	1.67	4.04	1.20	0.41	655.81
Charge for the year @	-	0.01	5.10	47.95	0.59	0.51	0.43	0.71	0.38	55.69
Disposals	-	-	0.06	6.66	0.30	0.00	0.12	-	-	7.14
as at 31st March,2017	0.01	0.14	57.48	631.90	5.59	2.18	4.35	1.91	0.79	704.36
Net Block										
as at 31st March,2016	72.69	0.44	108.77	562.20	2.13	2.09	0.83	2.41	0.89	752.45
as at 31st March,2017	73.08	0.44	116.11	575.03	1.92	2.27	0.86	1.72	1.19	772.62
Capital Work in Progress*										
as at 31st March,2016										6.54
as at 31st March,2017										2.44

@ includes depreciation charged to other accounts ₹0.10 Crore (₹0.13 Crore)

* Includes preoperative expenditure pending capitalisation of ₹0.39 Crore (NIL) (Refer Note No. 39)

13. Non-current Investments

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Unquoted		
Shares of Co-operative Socities (Unquoted)		
DMC Employees Co-op Stores Limited	((2500))	((2500))
Government or Trust Securities (Unquoted)		
National Saving Certificates	((2000))	((2000))
Equity Shares (Quoted)		
9,42,567 (9,42,567) Equity shares of ₹2 each fully paid up in Dalmia Bharat Limited	9.90	9.90
2,03,655 (2,03,655) equity shares of ₹10 each, fully paid up of Poddar Pigments Limited	0.67	0.67
Others (Unquoted)		
10.40% Vijaya Bank Bonds 2020	1.98	1.98
9.55% Canara Bank (Perp.) Bonds	5.39	5.39
Mutual Funds (Quoted)		
Quoted - Debt Based Scheme	5.50	5.50
	23.44	**23.44**
Quoted investments :		
Book value	16.07	16.07
Aggregate market value	200.50	87.04
Book value of unquoted investments	7.37	7.37

14. Long term loans and advances (Considered good unless otherwise stated)

₹ Crore

	As at March 31, 2017		As at March 31, 2016	
Capital advances		5.16		0.69
Security deposits		1.38		1.18
Loans and advances to				
Employees				
Unsecured		0.45		0.25
Others		25.36		25.64
Advances recoverable in cash or in kind or for value to be received		1.63		0.79
Advance Income tax (net of provisions of ₹73.04 crore (₹20.96 crore))		5.49		10.34
MAT credit entiltlement		77.59		46.40
Others (Considered Doubtful)	1.11		1.51	
Less : Set off with provision for doubtful debts/advances	0.82	0.29	1.36	0.15
		117.35		**85.44**

15. Other non current assets

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Fixed deposits with banks (with original maturity of more than 12 months)	0.15	0.15
Others	2.87	0.72
	3.02	**0.87**

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

16. Current investments

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Equity Shares (Quoted)		
407807 (NIL) Equity shares of ₹2 each fully paid up in Dalmia Bharat Limited	77.97	-
Units of mutual funds (quoted)		
Debt based schemes	68.48	70.13
Total	**146.45**	**70.13**
Quoted :		
Book value	146.45	70.13
Market value	158.07	73.37

17. Inventories

₹ Crore

	As at March 31, 2017	As at March 31, 2016
(Mode of valuation - Refer Note No. 1.2 (M) on Inventories)		
Raw materials		
On hand	13.27	9.75
Work in progress	10.73	2.62
Finished goods	972.50	882.73
Stores, spares etc		
On hand	24.18	20.37
	1020.68	**915.47**

18. Trade receivables

₹ Crore

	As at March 31, 2017	As at March 31, 2016
a) **Receivables outstanding for a period exceeding six months from the date they are due for payment**		
Considered good		
Unsecured	0.69	1.49
b) **Other receivables**		
Considered good		
Unsecured	109.83	104.91
	110.52	**106.40**

19. Cash and cash equivalents

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Cash in hand	0.38	0.47
Cheques in hand	0.02	0.08
Balances with banks :		
- On current accounts	22.74	23.41
- On cash credit accounts	25.03	12.83
- Deposits with original maturity of less than 3 months	10.17	8.44
- Unpaid dividend account	0.20	0.81
- Deposits with original maturity of more than 3 months but less than 12 months	0.20	0.21
	58.74	**46.25**

20. Short term loans and advances (unsecured considered good unless otherwise stated)

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Loans and advances to		
Employees	0.90	0.23
Advances recoverable in cash or in kind or for value to be received	14.26	15.71
Deposit and Balances with Government departments and other authorities	16.41	12.06
	31.57	**28.00**

21. Other current assets

₹ Crore

	As at March 31, 2017	As at March 31, 2016
Interest receivable	3.61	2.55
Unbilled revenue	23.16	21.14
Others	1.51	2.16
	28.28	**25.85**

22. Revenue from operations (gross)

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sales of products		
Sugar and molasses sales	1375.18	894.62
Power sales	185.64	168.38
Refractory products sales	18.25	20.96
Other sales	159.52	86.39
	1738.59	**1170.35**
Sales of services	1.88	2.02
Other operating revenue	23.63	37.06
	1764.10	**1209.43**

23. Other income

₹ Crore

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Dividend income from non current Investments		0.68		0.43
Interest Income from bank deposits and others		1.20		1.58
Profit on sale of current investments	1.85		11.36	
Less: Loss on sale of current investments	0.00	1.85	0.00	11.36
Profit on sale of fixed assets		0.36		0.02
Gain on foreign exchange fluctuation		0.00		0.34
Miscellaneous receipts		6.89		7.83
		10.98		**21.56**

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

24. Consumption of Raw Materials

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sugar Cane	1090.46	898.93
Raw Magnesite	4.82	3.53
Others	13.39	14.41
	1108.67	916.87
Less:- Raw material cost capitalised	0.00	0.33
	1108.67	**916.54**

25. (Increase)/ decrease in inventories of finished goods, work in progress

₹ Crore

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Finished goods				
- Closing stock	972.50		882.73	
- Opening stock	882.73		658.60	
		(89.77)		(224.13)
Work-in-process				
- Closing stock	10.73		2.62	
- Opening stock	2.62		11.82	
		(8.12)		9.20
		(97.89)		(214.93)
Less:- Capitalised		0.00		0.00
		(97.89)		**(214.93)**

26. Employee benefit expenses

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	98.49	68.44
Contribution to Provident Fund and Other Funds	8.70	5.12
Workmen and Staff Welfare expenses	3.40	2.80
	110.59	**76.36**
Less: expenses Capitalised	0.00	1.46
	110.59	**74.90**

27. Other Expenses

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Power and fuel	53.24	24.69
Packing materials	11.56	10.46
Consumption of stores and spares parts	13.48	17.34
Excise duty variation on opening/closing stock	(1.22)	32.73
Repairs and maintenance :		
- Plant & machinery	27.51	17.16
- Buildings	2.27	2.68
- Others	1.47	3.44
Rent	0.46	0.48
Rates and taxes	2.07	1.35
Insurance	0.76	0.75
Travelling	1.54	1.06
Advertisement and publicity	0.13	0.14
Freight and forwarding charges	5.59	5.31
Cane development expenses	4.21	2.81
Management service charges	15.13	10.49
Selling expenses	1.95	7.70
Commission paid to other selling agents	1.58	1.16
Rebates, discount and allowances	0.32	0.33
Director's sitting fees	0.25	0.33
Charity and donation	0.35	0.17
Assets written off / loss on sale of fixed assets	15.95	0.06
Bad debts written off	0.00	3.72
Provision for doubtful debts	0.05	0.08
Provision for diminution in value of Inventory	0.00	0.02
CSR expenses	0.45	0.46
Miscellaneous expenses	32.06	22.84
	191.16	**167.76**
Less: Expenses capitalised	1.85	4.59
	189.31	**163.17**

28. Finance Costs

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest		
- On Debentures, Term loans, Commercial Papers & WCDL	86.94	77.32
- On Other Borrowing from Banks	2.38	3.96
- Others	5.02	7.33
	94.35	**88.61**
Less: Interest cost Capitalised	0.55	1.12
	93.80	**87.49**

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

29. Earning Per Share

₹ Crore

	For the year ended March 31, 2017	For the year ended March 31, 2016
Net profit for calculation of basic and diluted EPS (₹ In Crores)	182.18	58.40
Total number of equity shares outstanding at the end of the year	8,09,39,303	8,09,39,303
Weighted average number of equity shares in calculating basic and diluted EPS	8,09,39,303	8,09,39,303
Basic and Diluted EPS (₹)	22.51	7.22

30. The Group comprises of the following entities:

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

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2017	Percentage of Ownership held as at March 31, 2016
Subsidiaries			
Himshikhar Investment Limited (HIL)	India	100%	100%
Dalmia Solar Power Limited (DSPL)	India	100%	100%
Dalmia Sugar Ventures Limited (DSVL)	India	100%	100%

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

₹ Crore

S. No.	Particulars	2016-17	2015-16
a)	Claims against the Company not acknowledged as debts	0.70	0.59
b)	Demand raised by Income tax authorities under dispute	8.29	7.91
c)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	57.93	79.43
d)	Other money for which the Company is contingently liable	0.15	0.15
e)	Guarantee issued by the Company's banker on behalf of the company	39.99	20.48

i) The Company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

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

32. Capital and other commitments:

₹ Crore

Particulars	2016-17	2015-16
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	31.26	1.84
Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-

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

₹ Crore

Particulars	2016-17	2015-16
a) Statutory Auditor		
i) Audit Fee	0.11	0.08
ii) For Tax Audit and Other services	0.05	0.05
iii) For Expenses	0.06	0.06
b) Cost Auditor		
i) Audit Fee	0.03	0.02

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

₹ Crore

Particulars	2016-17	2015-16
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.03	0.39
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	**0.03**	**0.39**

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

36. Operating Lease

Assets taken on Lease

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

₹ Crore

Particulars	2016-17	2015-16
Lease payments for the year	0.46	0.48
Total	**0.46**	**0.48**

There are no non-cancellable operating leases.

37. Gratuity and Other Post Employment Benefit Plans:

Gratuity

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

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

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Benefit Expenses)

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Current Service Cost	1.74	1.54
Interest Cost	1.49	1.34
Expected return on plan assets	(1.49)	(1.42)
Net Actuarial (Gain)/ Loss	2.26	(0.05)
Past Service cost	-	-
Total Expense	**4.00**	**1.40**
Actual return on plan assets	1.28	1.19

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

37. Gratuity and Other Post Employment Benefit Plans: *(contd.)*

Consolidated Balance Sheet

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Present value of obligation as at year-end	23.02	19.20
Fair value of plan assets as at year-end	16.98	16.56
Less : Unrecognised past service cost	-	-
Funded status {(Surplus/(Deficit)}	(6.04)	(2.64)
Net Asset/(Liability) as at year end	**(6.04)**	**(2.64)**

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

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Opening defined benefit obligation	19.20	17.22
Interest cost	1.49	1.34
Current service cost	1.74	1.54
Benefits paid out of funds	(1.46)	(0.61)
Actuarial (gains)/ losses on obligation	2.05	(0.28)
Closing defined benefit obligation	**23.02**	**19.20**

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

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Opening fair value of plan assets	16.56	15.78
Expected return	1.49	1.42
Contribution by employer	0.60	0.20
Benefits paid	(1.46)	(0.61)
Actuarial gains/ (losses) on obligation	(0.21)	(0.23)
Closing fair value of plan assets	**16.98**	**16.56**

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

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Qualifying Insurance Policy	100%	100%
Bank Balance		-

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

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

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Discount Rate	7.50%	7.75%
Expected rate of return on assets	8.00%	9.00%
Mortality Table	LIC (2006-08)	LIC (2006-08)
Salary Escalation	7.00%	7.00%

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

37. Gratuity and Other Post Employment Benefit Plans: *(contd.)*

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

₹ Crore

Particulars	Gratuity				
	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligation	23.02	19.20	17.22	14.92	14.08
Plan assets	16.98	16.56	15.78	15.23	14.81
Surplus/ (deficit)	(6.04)	(2.64)	(1.44)	0.31	0.73
Experience adjustment on plan assets	(0.21)	(0.23)	(0.01)	(0.12)	0.15
Experience adjustment on plan liabilities	(1.62)	0.28	(0.25)	(0.03)	0.11

Provident and Other Funds

Contribution to Defined Contribution Plans:

₹ Crore

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Pension Fund/Superannuation funds/ESI/PF	4.94	4.14

Provident Fund

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

38. Segment Information

Primary Segment: Business Segment

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

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

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

The "Distillery Segment" includes Production and sale of Ethanol.

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

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

The following table presents segment revenues, results, assets & liabilities in accordance with AS-17 as on March 31, 2017.

₹ Crore

Segment Particulars	Sugar	Power	Distillery	Others	Total
Revenue					-
Gross Revenue	**1,551.59**	**325.26**	**160.76**	**20.15**	**2,057.77**
	(1,059.95)	(300.59)	(82.87)	(28.48)	(1,471.88)
Less: Inter/ Intra Segment Revenue	**163.89**	**128.50**	**1.28**	**-**	**293.67**
	(138.42)	(122.17)	(1.87)	-	(262.46)
Less: Excise Duty	**68.51**	**-**	**8.37**	**1.23**	**78.10**
	(36.31)	0.00	(5.63)	(1.08)	(43.02)
Net Revenue	**1,319.19**	**196.76**	**151.12**	**18.93**	**1,686.00**
	(885.22)	(178.42)	(75.37)	(27.40)	(1,166.41)
Results					
Segment result	**175.19**	**129.74**	**28.87**	**(3.09)**	**330.71**
	(23.64)	(82.28)	(24.23)	(4.75)	(134.90)
Less: Finance Cost					**93.80**
					(87.49)

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

38. Segment Information *(contd.)*

₹ Crore

Segment Particulars	Sugar	Power	Distillery	Others	Total
Less: Exceptional Items					-
					0.00
Profit before tax					**236.91**
					(47.41)
Tax expenses					**54.73**
					10.99
Profit after tax					**182.18**
					(58.40)
Assets	**1,629.74**	**272.37**	**102.61**	**50.60**	**2,055.32**
	(1,421.38)	(300.23)	(132.69)	(48.84)	(1,903.14)
Non Segments Assets					**259.79**
					(157.70)
Total Assets					**2,315.11**
					(2,060.84)
Liabilities	**1,015.38**	**2.84**	**4.04**	**6.13**	**1,028.39**
	(731.32)	(6.99)	(5.32)	(6.09)	(749.72)
Non Segments liabilities					**591.94**
					(798.51)
Total Liabilities					**1,620.33**
					(1,548.23)
Depreciation	**25.19**	**25.50**	**3.68**	**1.22**	**55.59**
	(23.42)	(85.90)	(2.35)	(1.72)	(113.39)
Capital Expenditure	**84.75**	**7.37**	**0.04**	**0.02**	**92.18**
	(43.50)	(7.18)	(68.95)	(0.18)	(119.82)

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

Parent Group

₹ Crore

Particulars	2016-17	2015-16
Carried forward as part of Capital Work in Progress (A)	-	7.55
Expenditure incurred during the year		
Personnel Expenses		
Salary and Wages	-	1.46
Operating and Other Expenses	**2.40**	
Cost of material including change in Produced goods stock	-	0.33
Power & Fuel	-	0.74
Repair and Maintenance	-	0.38
Finance Cost	0.55	1.12
Consultancy Charges	1.78	0.41
Miscellaneous Expenses	0.08	3.06
Total Expenditure incurred during the year (B)	**2.40**	**7.51**
Total Pre-operative Expenditure (A + B)	**2.40**	**15.06**
Less : Revenue during Trial Run	-	0.55
Less : Capitalised as Fixed Assets	2.01	14.51
Carried forward as part of Capital Work in Progress	**0.39**	**0.00**

39. *(contd.)*

Subsidiaries

₹ Crore

Particulars	2016-17	2015-16
Carried forward as part of Capital Work in Progress	0.09	0.22
Expenditure incurred during the year	-	-
Other Expenses		
Miscellaneous Expenses		
Grand Total		
Less: Charged in Profit & Loss Account	0.09	0.13
Carried forward as part of Capital Work in Progress	-	0.09

40. There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard (AS)-29 'Provisions, Contingent Liabilities & Contingent Assets.

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

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

Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman, Shri Gautam Dalmia - Managing Director, Shri K V Mohan- Company Secretary (Till 26th Sept 2016), Isha Kalra-Company Secretary & Shri Anil Kataria- Chief Financial Officer

Relatives of Key Management personnel

Shri Y. H. Dalmia (Brother of Vice Chairman) and Shri Puneet Yadu Dalmia (Son of Shri Y.H. Dalmia).

Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries).

Dalmia Bharat Limited, Dalmia Cement (Bharat) Limited, Dalmia Refractories Limited, Adhunik Cement Limited, Calcom Cement India Limited, DCB Power Ventures Limited, OCL India Limited & Dalmia Cement East Ltd.

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

₹ Crore

Nature of Transaction	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services	-	7.60	7.60
	-	(9.79)	(9.79)
Reimbursement of expenses – receivable	-	0.14	0.14
	-	(0.15)	(0.15)
Reimbursement of expenses – payable	-	0.39	0.39
	-	(0.30)	(0.30)
Purchase of goods and services	-	16.27	16.27
	-	(12.17)	(12.17)
Loans Repaid	-	-	-
	-	(50.00)	(50.00)
Interest paid on Loans	-	-	-
	-	(4.61)	(4.61)
Salary and Perquisites	19.92	-	19.92
	(2.18)	-	(2.18)
Dividend Received	-	-	-
	-	(0.33)	(0.33)
Dividend Paid	-	-	-
	-	(0.89)	(0.89)

1. Sale of goods and services includes transaction with Dalmia Cement (Bharat) Limited ₹3.62 Crore (₹3.56 Crore), OCL India Limited ₹0.78 Crore (₹1.88 Crore), Dalmia Bharat Limited ₹1.96 Crore (₹2.30 Crore), Adhunik Cement Limited ₹0.44 Crore (₹1.02 Crore),

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

41. Related Party Disclosure as required by Accounting Standard-18. *(contd.)*

Dalmia Refractories Limited ₹0.28 Crore (₹0.36 Crore), Calcom Cement India Limited ₹0.32Crore (₹0.45 Crore) and Dalmia Cement East Limited ₹0.21 Crore (₹0.23 Crore).

2. Reimbursement of expenses – receivable includes transaction with Dalmia Bharat Limited ₹0.14 Crore (₹0.15 Crore).
3. Reimbursement of expenses – payable includes transaction with Dalmia Bharat Limited ₹0.31 Crore (₹0.23 Crore), Dalmia Cement (Bharat) Limited ₹0.08 (₹0.07 Crore).
4. Purchase of goods & services includes transaction with Dalmia Bharat Limited ₹14.79 Crore (₹10.48 Crore), Dalmia Cement (Bharat) Limited ₹1.47 Crore (₹1.65 Crore) and Dalmia Refractories Limited ₹0.02 Crore (0.03 Crore).
5. Loans repaid includes transaction with Dalmia Bharat Limited ₹NIL (₹34.00 Crore) and DCB Power Ventures Limited ₹NIL (₹16.00 Crore).
6. Interest paid on loans includes transaction with Dalmia Bharat Limited ₹NIL (₹3.14 Crore) and DCB Power Ventures Limited ₹ NIL (₹1.47 Crore).
7. Salary and perquisites includes transaction with Shri J. H. Dalmia ₹0.56 Crore (₹0.52 Crore) and Shri Gautam Dalmia ₹0.69 Crore (₹0.07 Crore). It includes M.D. Commission approved by the board amounting ₹8.00 Crore payable to Shri J.H.Dalmia & ₹9.00 Crore payable to Shri Gautam Dalmia subject to approval in Annual General Meeting.
8. Dividend received represent dividend from Dalmia Bharat Limited ₹NIL (₹0.33 Crore).
9. Dividend paid represent dividend paid to Dalmia Bharat Limited NIL (₹0.89 Crore).

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

₹ Crore

Nature of Transaction	Key Management Personnel / Promoters	Key Management Personnel / Promoter controlled enterprises	Total
Amounts receivable	-	-	-
	-	(0.25)	(0.25)
Amounts payable	-	**0.72**	**0.72**
	-	(1.77)	(1.77)

1 Amount receivable includes Dalmia Cement (Bharat) Limited ₹NIL (₹0.25 Crore).

2 Amount payable includes Dalmia Cement (Bharat) Limited ₹NIL (₹0.08 Crore) and Dalmia Bharat Limited ₹0.72 Crore (₹1.69 Crore).

42. Disclosure required under Section 186 (4) of the Companies Act 2013

(a) **Particulars of Loans given: NIL**

(b) **Particulars of Guarantee given: NIL**

(c) **Particulars of Investments made:**

₹ Crore

Sr. No	Name of the Investee	Opening Balance	Investment made	Investment redeemed	Outstanding Balance	Purpose
1	Dalmia Bharat Limited	9.90	-	-	9.90	Long term Investment

(d) **Particulars of Security Deposit : NIL**

43. Foreign Currency Exposures

The amount of foreign currency exposures as at March 31, 2017 that are not hedged by a derivative instrument or otherwise is NIL.

There is no hedged foreign currency exposure as on the balance sheet date.

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

44. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

Particulars	As on the balance sheet date			
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	₹ Crore	As % of consolidated profit or los	₹ Crore
Himshikhar Investment Limited (HIL)	0.80%	5.38	-0.37%	-0.86
	(1.22%)	(6.25)	(0.17%)	(0.10)
Dalmia Solar Power Limited (DSPL)	-0.08%	-0.56	-0.17%	-0.39
	(-0.03%)	(-0.17)	(-0.24%)	(-0.14)
Dalmia Sugar Ventures Limited (DSVL)	0.00%	-0.01	0.00%	-0.01
	(-0.00%)	(-0.01)	(-0.1%)	(-0.00)

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

46. In the opinion of the Management there is no reduction in the value of any assets, hence no provisions is required in terms of Accounting Standard AS 28 "Impairment of Assests".

47. Disclosure On Specified Bank Notes(SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8,2016 to December,30 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ Crore

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.39	0.06	0.45
(+) Permitted receipts	0.11	0.80	0.91
(-) Permitted payments	0.07	0.66	0.73
(-) Amount deposited in Banks	0.43	0.00	0.43
Closing cash in hand as on December 30,2016	0.00	0.20	0.20

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Minsitery of Finance, Department of Economic Affairs number S.O.3407 (E), dated the 8th Novemeber,2016.

48. Previous Year Comparatives

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

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N
per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 5th May, 2017

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

Isha Kalra
Company Secretary
Membership No.: A24748

Anil Kataria
Chief Financial Officer
PAN: AALPK4889N

J. S. Baijal
Director
DIN: 00049565

Gautam Dalmia
Managing Director
DIN: 00009758

Notes

Notes

Corporate Information

Board of Directors

J. S. Baijal – *Chairman*
Jai Hari Dalmia – *Vice Chairman*
Gautam Dalmia
Managing Director & Chief Executive Officer
M. Raghupathy
T. Venkatesan
B. B. Mehta
Kannan Panchapakesan
Himmi Gupta

Management Team

Gautam Dalmia
B. B. Mehta
Jayesh Doshi
Pankaj Rastogi
Anil Kataria

Chief Financial Officer

Anil Kataria

Company Secretary

Isha Kalra

Statutory Auditors

S. S. Kothari Mehta & Co.

Bankers

Allahabad Bank
Canara Bank
Punjab National Bank
RBL Bank Limited
Yes Bank Limited
Axis Bank Limited
HDFC Bank Limited
IDBI Bank Limited
Bank of Baroda
Corporation Bank

Registered Office

Dalmiapuram – 621651,
Dist. Tiruchirapalli, Tamil Nadu.

Corporate Office

Hansalaya Building,
11th & 12th Floor,
15, Barakhamba Road,
New Delhi – 110 001.

Registrar and Share Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District,
Nanakramguda, Hyderabad-500032

A TRISYS PRODUCT
info@trisyscom.com

Dalmia
Bharat Sugar

Corporate Office
Hansalaya Building 11th & 12th Floor, 15, Barakhamba Road, New Delhi – 110001
Ph: 011 23310121 / 23 / 24 / 25 | **Fax:** 011 23313303
Email: investorrelations@dalmiabharat.com
corpcomm@dalmiabharat.com
Website: www.dalmiasugar.com