



DHAMPUR SUGAR MILLS LIMITED

DHAMPUR, DISTRICT BIJNOR (U.P.) 246761

Tel: 01344-220006, **Fax:** 01344-220662

Email: investordesk@dhampur.com

Website: www.dhampur.com

CIN : L15249UP1933PLC000511

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 79th Annual General Meeting of the Company shall be held on Friday, the 26th September, 2014 at the Registered Office of the Company at Sugar Mill Compound, Dhampur, Distt. Bijnor (U.P.) at 2.00 p.m. to transact the following business:-

ORDINARY BUSINESS:

ITEM NO. 1

To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and the Profit & Loss Account of the Company for the period ended on 31st March, 2014 together with Director's Report and Auditors' Report thereon.

ITEM NO. 2

To declare dividend on Preference Shares to IFCI Limited for the financial year ended 31st March, 2014.

ITEM NO. 3

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

ITEM NO. 4

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

ITEM NO. 5

Re-Appointment of Auditors

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

"RESOLVED that, pursuant to provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013, M/s S Vaish & Company, Chartered Accountants (Firm Registration No. 00001C), Kanpur, and M/s Mittal Gupta & Company, Chartered Accountants (Firm Registration No. 01874C), Kanpur be and are hereby re-appointed as Joint Statutory Auditors of the Company for the financial year 2014-15 to hold office from the conclusion of this meeting to the conclusion of next Annual General Meeting of the Company at a remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Special Business

ITEM NO. 6

Appointment of Auditors

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

"RESOLVED THAT pursuant to Section 141 and other applicable provisions, if any, of the Companies Act, 2013, M/s S.S. Kothari Mehta & Company, Chartered Accountants, be and are hereby re-appointed as Branch Auditors for conducting audit of accounts relating to DSM Sugar Meerganj, Bareilly, a unit of the Company for the financial year 2014-15 to hold office from the conclusion of this meeting to the conclusion of next Annual General Meeting of the Company at a remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

ITEM NO. 7

Approval of Remuneration to the Cost Auditor for the Financial Year 2014-15

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

"RESOLVED that pursuant to the provisions of Section 148 (3) and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time and such other permissions as may be necessary, the members hereby approve and ratify the remuneration of ₹ 1,50,000 per annum plus service tax, out-of-pocket, travelling and living expenses payable to Shri S. R. Kapur, Cost Accountant, Khatauli District-Muzaffarnagar (U.P.) who was re-appointed as Cost Auditors of the Company for the financial year 2014-15 by the Board of Directors of the Company.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

ITEM NO. 8**Appointment of Shri Priya Brat as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Shri Priya Brat, (holding DIN No. 00041859) a Non – Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years w.e.f 26th September, 2014 upto 25th September, 2019.”

ITEM NO. 9**Appointment of Shri M.P Mehrotra as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Shri M.P Mehrotra, (holding DIN No. 00016768) a Non – Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years w.e.f 26th September, 2014 upto 25th September, 2019.”

ITEM NO. 10**Appointment of Shri Ashwani K Gupta as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Shri Ashwani K Gupta, (holding DIN No. 00108678) a Non – Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years w.e.f 26th September, 2014 upto 25th September, 2019.

ITEM NO. 11**Appointment of Shri B.B Tandon as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Shri B.B Tandon, (holding DIN No. 00740511) a Non – Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years w.e.f 26th September, 2014 upto 25th September, 2019

ITEM NO. 12**Appointment of Shri Harish Saluja as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013 Shri Harish Saluja, (holding DIN No. 01233800) a Non – Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years w.e.f 26th September, 2014 upto 25th September, 2019.

ITEM NO. 13**Appointment of Shri Rahul Bedi as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act, 2013, Shri Rahul Bedi , (holding DIN No. 02573535) a Non – Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years w.e.f 26th September, 2014 upto 25th September, 2019.

ITEM NO. 14

Appointment of Shri Sandeep Sharma as Whole Time Director

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

“RESOLVED THAT pursuant to the provisions of Section 149,152,196,197,198,202 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) (to the extent enacted) and rules made thereunder and subject to such other consents, approvals and permissions if any needed, the consent of the members of the company be and is hereby accorded to appoint Shri Sandeep Sharma, (holding DIN no. 06906510) as Whole Time Director of the Company with effect from 23rd June, 2014 for a period of three years on a remuneration and such other terms and conditions hereinafter mentioned:

a) REMUNERATION:

SALARY: Rs. 84,000/- per month .

b) PERQUISITES:

HOUSING: For accommodation owned / rented by the company a deduction @ 7.5% of the salary or actual rent paid whichever is lower.

ELECTRIC, GAS, WATER AND FURNISHING: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962.

MEDICAL: Reimbursement of actual expenses incurred for self and family to the extent of ₹ 15000/-Per Year .

LEAVE TRAVEL: For self and family once a year to the extent of one month salary in once in a year.

OTHERS: (Not to be treated as perquisites).

Leave encashment : To the extent of one month's salary in a year.

Other Allowances : ₹ 15,672/-(Bonus, CEA, PDA and servant allowance)

Furniture allowance is also being paid ₹ 11,140/- quarterly.

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

GRATUITY: At the rate of half month's salary for each completed year of service as per the existing policies of the Company.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to vary, modify or alter the different components of the aforesaid remuneration as may be agreed to by the Board of Directors

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, the Board of Directors of the Company and/ or any Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable in the said regard.”

ITEM NO. 15

Invitation and Acceptance of Fixed Deposits from the Members and Public

To consider and if thought fit, to pass with or without modification, if any, the following resolution as a Special Resolution:-

“RESOLVED that pursuant to the provisions of Sections 73, 76 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Acceptance of Deposits)Rules, 2014, the consent of the members be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the public and members, within limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, from time to time.

“RESOLVED FURTHER that the Board of Directors be and is hereby authorized to finalise the scheme for invitation and acceptance of fixed deposits from the members and the public and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

ITEM NO. 16

Borrowing Powers of the Company :

To consider and if thought fit, to pass with or without modification, if any, the following resolution as a Special Resolution:-

“RESOLVED THAT in supersession of the earlier resolution passed by the Company with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013, to the Board of Directors of the Company to borrow money(s)(apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time, deem necessary for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at anytime shall not exceed in the aggregate ₹ 1,500 Crores (Rupees One Thousand Five Hundred only).”

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps to give effect to this resolution.”

ITEM NO. 17

Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution through Postal Ballot/e-voting**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and subject to other approvals, if applicable or required under any statute(s) /rule(s)/regulation(s) or any law for the time being in force or required from any other concerned authorities and in supersession of all earlier Resolutions passed in this regard under the Companies Act, 1956, consent be and is hereby accorded to the Board of Directors (hereinafter called as 'the Board') to mortgage and/or to create charge by way of hypothecation or otherwise the whole or substantially the whole of the undertaking of the Company, including the current assets / leased assets of the Company, wherever situate, present and future, with the right to take over the management of the business and undertaking of the company in certain events to or in favor of Public Financial Institutions, Debentures Trustees, State Financial Institutions, Public Sector Banks, Non-Public Sector Banks (including Foreign Banks) or any other private organization to secure the repayment of the loans, debentures bonds, premium notes, other debts securities, convertible bonds and securities etc. issued or to be issued by the Company and foreign currency loan both present and future together with interest thereon at the agreed rates, compound / additional interest, liquidated damages, commitment charges, cost, charges, expenses and other monies in terms of respective agreement(s)/deed of hypothecation / other security documents to be executed by the company to obtain the loan (s) etc.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the aforesaid institutions / banks the form, extent and manner of agreement(s), document(s) and the deed(s) for creating the mortgage(s) and/or charge(s) and to do all such acts, deeds and matters as may be necessary for giving effect to the above resolution."

ITEM NO. 18

Loans and Investment by Company

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution to be passed by Postal Ballot :

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and subject to other approvals, if applicable or required under any statute(s)/rule(s)/regulation(s) or any law for the time being in force or required from any other concerned authorities, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter called as 'the Board') to make/give from time to time, any loan(s) /advances/deposits/investments in shares, debentures and / or

other securities and to give , on behalf of the Company, any guarantee and to provide any security in connection with any loan or loans made by any other person to or to any other persons by any other person (s), Companies, Body Corporates which shall be subject to aggregate limit of ₹ 700 crores and which may be individual /aggregate in excess of the limits prescribed i.e over and above 60% of the Company's paid-up share capital, security premium account and free reserves or 100% of the Company's free reserves and security premium amount, whichever is more.

RESOLVED FURTHER THAT the aforesaid loans/investments be made by the Company out of internal resources or borrowings or in such manner and in such proportion as the Board thinks appropriate. Provided that in case of loans , the interest rate shall not be lower than the prevailing yield of one year , three year, five year or ten year Government Security closest to the tenor of the loan.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise , in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required , on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary , proper , expedient or incidental thereto for the purpose of giving effect to this resolution."

BY ORDER OF THE BOARD
FOR **DHAMPUR SUGAR MILLS LTD.**

PLACE :NEW DELHI

DATE : 09.08.2014

(**V. K. GOEL**)
CHAIRMAN
(DIN:-00075317)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22nd September, 2014 to Friday, 26th September, 2014 (both days inclusive).
4. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent M/s. Alankit Assignments Limited and have it duly filled and sent back to them.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Alankit Assignments Limited, 2E/21, Jhandewalan Extension, New Delhi-55 or to the Company.
6. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
7. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts.
10. The shares of the Company are compulsorily traded in demat mode. Hence, the Members who are still holding physical share certificates are advised that it is in their own interest to dematerialize their shareholding to avail benefit of dematerialization viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificate to M/s Alankit Assignments Ltd., Registrar & Transfer Agent for consolidation into a single folio.
12. Details pertaining to Directors seeking appointment/re-appointment required as per Clause 49 of the Listing Agreement is provided in the annexure to this notice.
13. Pursuant to the provisions of section 124 of the Companies Act, 2013 dividend which remain unclaimed for a period of 7

years will be transferred by the Company to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government pursuant to section 125 of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:-

Financial Year Ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
30.09.2009	10.02.2010	09.02.2017	10.03.2017
31.03.2011	01.08.2011	31.07.2018	01.08.2018
31.03.2012	15.09.2012	14.09.2019	15.10.2019
31.03.2013	20.09.2013	19.09.2020	20.10.2020

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

14. Pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and Sections 101 and 136 of the Companies Act, 2013, electronic copy of Annual Report and Notice along with Attendance Slip and proxy form are being sent by e- mail to those shareholders whose e-mail addresses have been made available to the Company/ Depository Participants unless any member has requested for a hard copy of the same.
15. In terms of Circular No. NSDL/CIR/II/10/2012 dated March 09, 2012, for those Members whose Depository Participant accounts do not contain the details of their email addresses, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended March 31, 2014 are being despatched in the mode prescribed under Companies Act, 2013.
16. The documents referred to in the accompanying Notice and the Annual Report are open for inspection at the Registered Office of the Company during the office hours between 11.00 A. M. and 1.00 P. M. on all working days except Sundays up to the date of the Meeting and shall also be available at the venue.
17. Pursuant to Section 110 of the Companies Act, 2013, ("the Act") read with Rule 22 of Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) ("the Rules"), Resolution mentioned in Item No. 18 of Notice is proposed to be passed by the Members as Special Resolution by way of Postal Ballot by giving their assent/dissent. The Explanatory Statement pertaining to the Resolution setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form.
 - a. The Postal Ballot Form together with the self-addressed postage pre-paid envelope is enclosed for the use of the member. Please carefully read the instructions printed on the enclosed Postal Ballot Form before exercising your vote and return the Form duly completed, signifying

your assent or dissent, in the attached self-addressed, postage pre-paid envelope, so as to reach the Scrutinizer within a period of 30 days from the date of despatch of notice i.e. before the close of working hours on 22nd September, 2014.

- b. Mr. Saket Sharma, Company Secretary in practice (Membership No. FCS 4229) has been appointed as the Scrutinizer for the purpose of passing this resolution through postal ballot.
- c. The Form should be completed and signed by the shareholder. In case of Joint holding, this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder. Please note that Postal ballot form shall not be signed by the proxy. Unsigned Postal Ballot form will be rejected.
- d. In case of Shares held by Companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/Authority.
- e. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 8th August, 2014.
- f. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The scrutinizer's decision on the validity of the Postal Ballot will be final.

- g. the Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dhampur.com and on the website of NSDL within two (2) days of passing of the resolution and communicated to BSE Ltd and National Stock Exchange of India Ltd.
- h. The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically instead of dispatching Postal Ballot. E-voting is optional. In case a member desires to exercise his vote by using e-voting facility then he has to carefully follow the instructions as given for e-voting printed on the back side of the Postal Ballot Form. He can use the facility and log-in any number of times till he has voted on all the Resolutions or till the end of the voting period (i.e. till the last date of receipt of Postal Ballots), whichever is earlier.
- i. Members irrespective of who have registered their e-mails for receipt of documents in electronic mode under the green initiative and who wish to vote through Postal Ballot Form can seek Duplicate Form from Corporate Office of the Company and send the same by post to the Corporate Office of the Company addressed to the Scrutinizer.

- j. Members may contact Mr. Arhant Jain, Company Secretary, for any grievances connected with voting by postal ballot including voting by electronic means at the Corporate Office of the Company at 241, Okhla Industrial Estate, Phase III, New Delhi – 110020, Tel. # 011 - 30659400.

18. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case of shareholders receiving e-mail from NSDL:

- a) Open e-mail and open the attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - c) Click on "Shareholder - "Login"
 - d) Put user ID and password as initial password noted in step (a) above. Click Login.
 - e) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f) Home page of "e-voting" opens. Click on "e-voting: —Active Voting Cycles."
 - g) Select "EVEN" of Dhampur Sugar Mills Limited.
 - h) Now you are ready for "e-voting" as "Cast Vote" page opens.
 - i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- Once you have voted on the resolution, you will not be allowed to change/modify your vote.
- j) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail at "saketfcs@gmail.com" with a copy marked to "evoting@nsdl.co.in".

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy:

Initial password is provided in the attached sheet on the 'Process and manner for e- voting'. Please follow all steps from Sl. No. (b) to Sl. No.(j) above, to cast vote.

- C. The e-voting period commences on 19th September, 2014 (9:00 am) and ends on 22nd September, 2014 (5.30 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- D. If you are already registered with NSDL for e-voting, then you can use your existing User ID and password for casting your vote.
- E. You can update your mobile number and email ID in the user profile details of the folio, which may be used for sending communication(s) regarding NSDL e-voting system in future.
- F. In case of any queries, you may refer the 'Frequently Asked Questions' (FAQs) for shareholders and e-voting user manual for Shareholders available at the "downloads" section of www.evoting.nsdl.com.
- G. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 8th August, 2014.
- H. Mr. Saket Sharma, Company Secretary in practice (Membership No. FCS 4229) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- I. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- J. the Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dhampur.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Ltd and National Stock Exchange of India Ltd.

Members holding Shares in physical form are requested to furnish their email id by post or by emailing to investor@dhampur.com along with their Folio No. for sending necessary communication / information in future. The Annual Report of the Company will also be available on the website of the Company; www.dhampur.com The members holding shares in electronic form may get their email Id's updated with their respective Depository participants.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 6

It is informed that M/s SS Kothari Mehta & Company, Chartered Accountants, the existing branch auditors of Meerganj unit of the Company have approached for re-appointment and have further confirmed that the said appointment, if made, shall be in accordance and also indicates that criteria under section 141 of the Companies Act, 2013 has been satisfied.

As such, the re-appointment of M/s SS Kothari Mehta & Company, Chartered Accountants as Branch Auditors for Meerganj unit for the Financial Year 2014-15 at a remuneration of ₹ 3,50,000/- per annum is now being placed before the Members in general Meeting for their approval by way of Ordinary resolution.

ITEM NO. 7

The Board had on May 21, 2014 on the recommendation of the Audit Committee, approved the appointment and remuneration of Shri S. R. Kapur, Cost Accountant, Khatauli District-Muzaffarnagar (U.P.) the Cost Auditors to conduct the audit of the Company for the Financial Year 2014-15 and remuneration of ₹ 1,50,000/- plus service tax, out-of-pocket, travelling and living expenses have been fixed for this purpose. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No. 7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No. 7 of the Notice.

ITEM NO. 8-13

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Shri Priya Brat, Shri M.P Mehrotra, Shri Ashwani K Gupta, Shri Harish Saluja, Shri B.B Tandon and Shri Rahul Bedi as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors w.e.f 26th September, 2014 upto 25th September, 2019 under revised Clause 49 of the Listing Agreement and therefore, these are not the cases of appointment of a new Independent Directors. In view of the above, special notices and deposit of requisite amount is not required to be paid.

The above Independent Directors have given a declaration to the

Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in general Meeting for their approval by way of Ordinary resolution .

None of Directors or Key Managerial Personnel except Shri Priya Brat, Shri M.P Mehrotra, Shri Ashwani K Gupta, Shri Harish Saluja, Shri B.B Tandon and Shri Rahul Bedi and their relatives to the extent of their shareholding are concerned or interested in the proposed resolutions.

ITEM NO. 14

The Board of Directors, at their meeting held on 21st May, 2014 appointed Mr. Sandeep Sharma as Additional Director of the Company with effect from June 23, 2014 pursuant to Section 161 of the Companies Act, 2013 .

Pursuant to the provisions of the Companies Act, 2013, office of Mr. Sandeep Sharma as director will cease up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Sandeep Sharma for the office of Whole Time Director, to be appointed as such under the provisions of Section 149, 152 and 196 and other applicable provisions of the Companies Act, 2013.

The Company has received from Mr. Sandeep Sharma (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013.

Mr. Sandeep Sharma is technocrat having experience of more than 30 years in administration and operations of sugar Mills, power generation plants and chemical plants.

He has been serving the Company since 1980 in different capacity at senior management level.

Mr. Sandeep Sharma is having Diploma in Mechanical Engineering with 1st Division, having experience in establishing green field projects having 29+ yrs experience in administration and sugar mill technology.

The resolution also seeks the approval of members for the appointment of Mr. Sandeep Sharma as Whole Time Director of the Company for a period of Three years pursuant to Section 196 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

The copy of terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

Save and except Mr. Sandeep Sharma , his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set forth in Item no. 14 for the approval of the members.

Any document referred to in the said business item is open for inspection at the registered office of the company during working hours and also at the meeting venue.

ITEM NO. 15

The Board of Directors at their meeting held on May 21, 2014, have in-principle approved and recommended the invitation and acceptance of Fixed Deposits from the members and public pursuant to Sections 73 and 76 of the Companies Act, 2013 ("Act") and Companies (Acceptance of Deposits) Rules, 2014 ("Rules") as one of the modes to meet the ongoing fund requirements of the Company. The Fixed Deposit program would be credit rated on an annual basis and the Company may provide deposit insurance cover, if required under the Act read with the said Rules. It is proposed to authorise the Board or a committee thereof to negotiate and finalise the terms of Fixed Deposit Scheme and to do such other acts and deeds as may be necessary or incidental thereto.

In compliance with the provisions of Section 73 and 76 of the Act, read together with Rule 2(e) of the Companies (Acceptance of Deposits) Rules, 2014, approval of the Members by way of special resolution is being sought.

ITEM NO. 16 and 17

The members of the Company in its Extra ordinary General meetings held on 17th December, 2007 and 26th September, 2005 had authorized the Board of Directors to borrow monies up to ₹ 1000 crores under Section 293(1)(d) of the Companies Act, 1956, as well as to secure the same by mortgage/charge on all or any of the moveable and/or immovable properties, regarded as disposal of the Company's undertakings under Section 293(1)(a) of the Companies Act, 1956.

However, as per the corresponding provisions of section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 which were notified on September 12, 2013 and based on the clarification thereof issued by GOI, MCA vide General Circular no. 04/2014 dated March 25, 2014, the resolution(s) passed under section 293 of the Companies Act, 1956 prior to 12th September, 2013 with reference to borrowings and/or creation of security on assets of the Company will be regarded as sufficient compliance of the requirements of section 180 of the new Act, for a period of 1 year from the date of notification of Section 180 of the Companies Act, 2013.

The Board of Directors of the Company recommended the proposal of the borrowing powers upto ₹ 1500 Crores, as also to create charge/mortgage on the assets of Company for such borrowing from Banks/Institutions for the purpose of the Company under provisions of Section 180(1)(c) and 180(1)(a) of Companies Act, 2013. Same required consent of Company by way of Special resolution under provisions of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolutions except to the extent of their shareholding in the Company, if any.

ITEM NO. 18

Pursuant to the provisions of Section 186 of the Companies Act, 2013 and other applicable provision of the Companies Act, 2013, the Company can make loans to, give guarantee, provide securities to and make investments in the securities of any other person, other bodies corporate to the extent of 60% of its paid up share capital and free reserves and security premium account or 100% of its free reserves and security premium account, whichever is higher, with the approval of the Board of Directors. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of special resolution.

As per Section 186(4) of the Companies Act, 2013, full particulars of Loans given, Investment made or guarantee given or security provided and the purpose for which loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security has been provided in the financial Statement given in the Annual Report of the Company for the Year ended 31st March, 2014.

The Company is constantly reviewing opportunities for expansion of its business operations either directly or through its subsidiaries, associate companies, other body corporate or persons and would therefore be required to provide financial support by way of loan(s), guarantees or securities/investments in securities of any other person subsidiaries, associate companies, other body corporate or otherwise in order to achieve greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects.

It is therefore proposed that the Board of Directors of the Company be authorised to invest by way of subscription and/or purchase of securities, grant of loan(s), giving of guarantee (s) and or providing of security(ies) for an amount not exceeding ₹ 700 crores from time to time in to one or more of the persons/entities i.e subsidiaries, associate companies, other body corporate. The source of funds for making these investments would be met from borrowing/surplus funds generated by the Company through operations or from such other sources as the board may deem appropriate. Since the above investments, loans, guarantees and/or securities proposed together with the aggregate of loans made, guarantees given, securities provided disinvestments made from time to time by the Company may exceed the limit prescribed, approval of the shareholders is required for the same.

The proposal above is in the interest of the Company and the board commends the resolution set out in the accompanying notice.

Except Directors and key Managerial personnels of the Company who are/may be Directors/Shareholder in one or more persons/bodies corporate described herein above, no other director or key managerial Personnel of the Company is concerned or interested in the said resolution.

Brief Profile of Directors Appointed/Reappointed.

a) **Mr. Rahul Bedi:** Independent Director, aged 62 years. Experienced Journalist. He is the India Correspondent for the Daily Telegraph, UK and the Irish Times, Dublin. He specializes in military and security-related issues. An MA in English Literature from Delhi University he was also at Oriel College, Oxford as the Reuters Fellow in the mid 1980's. He has co-authored several books. In the 1970's he was Assistant Master at The Mayo College, Ajmer and The Doon School where he taught English, History and Mathematics.

Age : 62 Years
Qualification : Post Graduate
Experience : 35 years

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

Age : 78 Years
Qualification : M.Sc (Hons)
Experience : 55 years

Directorship in other companies:

1) Dhanuka Agritech Limited, 2) Eicher Motors Limited, 3) South Asian Enterprises Limited, 4) Trinova India Private Limited.

c) **Mr. M. P. Mehrotra**, Independent Director. He is a Chartered Accountant with experience of over 44 years and with vast exposure of finance and taxes. He has wide experience as an Auditor and Tax Consultant and is an expert on Companies Act and Income Tax Act. He is the founder Partner of Mehrotra & Mehrotra and member of several prominent organizations such as Central Board of Trustees, Employees' Provident Fund Organization (EPFO), Ministry of Labour, Govt. of India, Task Force for MOUs, Ministry of Heavy Industries & Public Enterprises, Govt. of India, Advisory Committee, Handlooms, Ministry of Textiles, Govt. of India, PHDCCI and ASSOCHAM and several others. He has been Director, Canara Bank and Trustee, Cochin Port Trust.

Age : 77 Years
Qualification : Chartered Accountant
Experience : 46 years

Directorship in other companies:

1) VLS Finance Ltd. 2)) South Asian Enterprises Ltd. 3) Empee Distilleries Ltd. 4) Delton Cables Ltd. 5) SBICAP Securities Ltd. 6) Baroda Pioneer Asset Management Co. Ltd. 7) Moonrock Hospitality Pvt. Ltd. 8) Maxim Infracom Pvt. Ltd. 9) VLS Commodities Ltd. 10) Empee Sugars & Chemicals Ltd., 11) Lino Pensione (P) Ltd., 12) Vinu Promoters (P) Ltd., 13) GOL Offshore Limited.

- d) **Shri Harish Saluja** is a Director of the Company since 1980. He is having experience of about 38 years and with vast exposure of the financial market in India.

Age : 76 Years

Qualification : Graduate

Experience : 45 years

Directorship in other companies :

1) Saraswati Properties Limited 2) Revive Realty Private Limited 3) Real Value Energy Limited 4) Norburry Consultants Private Limited 5) Revive Containers Private Limited 6) Revive In fra Private Limited

- e) **Shri B. B. Tandon** is an Independent Director of the Company since 2008. He was a member of Indian Administrative Services (IAS) 1965-2001, Election Commissioner of India w.e.f. 13.06.2001 to 15.05.2005, member of the Delimitation Commission w.e.f. 12.07.2002 to 15.05.2005 and Chief Election Commissioner of India w.e.f. 16.05.2005 to 29.06.2006. He was also invited as International Election Observer to observe the Second Cambodian General Election held in July, 2003. He also served as a member of the "Commission on Constitutional and Electoral Reforms" set up by the Govt. of Mauritius in November, 2001. He also headed the working group on comprehensive revision of the Companies Act, 1956, which recommended several changes/amendments in the said Act. Having joined the service in 1965, Shri Tandon held various top-level posts in the Government of India including as Addl. Secy.- Ministry of Company Affairs and at State level as Principal Secretary (Power) - Govt. of Himachal Pradesh. He has also served on the Board of several Public Sector Undertakings.

Age : 73 Years

Qualification : M.A., LL. B, IAS

Experience : 46 years

Directorship in other companies :

1) Ambuja Cement Foundation, 2) Adani Power Limited 3) Birla Corporation Limited 4) Oriental Carbon & Chemicals Ltd, 5) Jaiprakash Power Ventures Limited 6) Filatex India Ltd, 7) Bhushan Steel Limited, 8) V L S Finance Limited, 9) Exicom Tele-Systems Limited, 10) Ambience Private Limited, 11) JaypeeInfratech Limited, 12) ACB (India) Limited, 13) Schrader Duncan Limited, 14) Jinbhuvish Power Generations Private Limited

- f) **Mr. Ashwani K Gupta** :Independent Director. Mr. Ashwani Kumar Gupta is Chartered Accountant of 1977 batch. He has experience of over 37 years and is acknowledged as one of the leading Finance, Treasury, Real Estate, Securitisation, Re-construction of Assets Experts in the Industry today and is on the Board of various prestigious companies. Mr. Gupta is Regional Council Member of Central India Regional Council of Institute of Chartered Accountants of India. He has been Government Nominee on the Board of Joint Sector Companies and RBI nominee on the Board of Bank.

Age : 60 Years

Qualification : CA

Experience : 37 years

Directorship in other companies :

1) Ashlay Infrastructure Private Limited, 2) Best Techno Parks Private Limited, 3) Mani Infradev Limited 4) Kapareva Development Private Limited 5) Lallooji & Sons Private Limited 6) Urvi Homes Private Limited 7) Mani Capitals Limited 8) Norburry Consultants Private Limited 9) Ultimate Infraventures Private Limited 10) Real Value Energy Private Limited 11) AKG Consultants Private Limited 12) Saransh Investment Pte Ltd. (Singapore)

- g) **Mr. Gaurav Goel**, Managing Director of the Company, having more than a decade, Sugar Industry experience. He is currently a member of a committee of Indian Sugar Mills Association and has been the member of The Associated Chambers of Commerce and Industry of India (ASSOCHAM). He was also the President for the year 2006-07 of the Young Entrepreneurs Organization, Delhi Chapter.

He has been associated with the Company as a promoter Director since 1994.

Age : 40 Years

Qualification : Bachelor in Business Management

Experience : 20 years

Directorship in other companies:

1)Goel Investments Limited, 2) Francis Klein and Company Bombay Private Limited, 3) Star Metal Refinery Private Limited, 4) Decon Mercantile Private Limited, 5) Shudh Edible Products Limited, 6) YPO (Delhi Chapter) U/s 25, 7) Mangalam Cement Limited, 8) Venus India Asset- Finance Private Limited, 9) Dhampur International Pte Ltd. (Singapore), 10) Dhampur Global Pte Ltd. (Singapore)

Committee/Executive position held in other Companies: - Three

- h) **Mr. Gautam Goel**, Managing Director of the Company, having more than a decade, Sugar Industry experience. He is currently on various committees of Indian Sugar Mills Association.

He is associated with the Company as a promoter Director since 1994.

Age : 40 Years

Qualification : Graduate

Experience : 20 years.

Directorship in other companies:

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

Committee/Executive position held in other Companies: - None

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies(Management and Administration) Rules, 2014]



DHAMPUR SUGAR MILLS LIMITED

DHAMPUR, DISTRICT BIJNOR (U.P.) 246761

Tel: 01344-220006, **Fax:** 01344-220662

Email: investordes@dhampur.com, **Website:** www.dhampur.com

CIN : L15249UP1933PLC000511

79th Annual General Meeting on Friday the 26th September, 2014

Name of the member(s) :

Registered address :

Email Id :

Folio No/ DP ID-Client ID No.

I/We, being the member (s) of..... Shares of the above named Company, hereby appoint

1. Name : E-mail Id :
Address :
Signature , or failing him / her
2. Name : E-mail Id :
Address :
Signature , or failing him / her
3. Name : E-mail Id :
Address :
Signature

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 79th Annual General Meeting of the Company, to be held on on Friday the 26th September, , 2014 at the Registered Office of the Company at Sugar Mill Compound, Dhampur, Distt. Bijnor (U.P.) at 2.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

****I wish my above Proxy to vote in the manner as indicated in the box below:**

Resolution Number	Resolution	Against	For
Ordinary Business			
1	To receive, consider and adopt the Balance Sheet as at 31 st March, 2014 and the Profit & Loss Account of the company for the period ended on 31 st March, 2014 together with Director's Report and Auditors' Report thereon		
2	To declare dividend on Preference Shares to IFCI Limited for the financial year ended 31 st March, 2014.		
3	To appoint a director in place of Shri Gaurav Goel, who retires by rotation and being eligible offers himself for re-appointment.		
4	To appoint a director in place of Shri Gautam Goel, who retires by rotation and being eligible offers himself for re-appointment.		
5	To re-appoint M/s S Vaish & Company, Chartered Accountants and M/s Mittal Gupta & Company, Chartered Accountants, Kanpur, as Joint Statutory Auditors of the Company for the financial year 2014-15 to hold office from the conclusion of this meeting to the conclusion of next Annual General Meeting		
Special Business			
6	To appoint M/s S.S. Kothari Mehta & Co., Chartered Accountants, as Branch Auditors for Meeranjan unit for the financial year 2014-15 to hold office from the conclusion of this meeting to the conclusion of next Annual General Meeting.		
7	Payment of Remuneration to the Cost Auditor for the Financial Year 2014-15		
8	Appointment of Shri Priya Brat as an Independent Director		
9	Appointment of Shri M.P. Mehrotra as an Independent Director		
10	Appointment of Shri Ashwani K Gupta as an Independent Director		
11	Appointment of Shri B.B Tandon as an Independent Director		
12	Appointment of Shri Harish Saluja as an Independent Director		
13	Appointment of Shri Rahul Bedias an Independent Director		
14	Appointment of Shri Sandeep Sharma as Whole Time Director		
15	Invitation and Acceptance of Fixed Deposits from the Members and Public		
16	Limit of Borrowings U/S 180(1)(c) of the Companies Act, 2013		
17	Providing security u/s 180(1)(a) of the Companies act, 2013 in connection with the borrowings of the Company		

Signed this.....day of.....2014.

Signature of shareholder Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. **It is optional to indicate your preference. If you leave the for, against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 79th Annual General Meeting.



DHAMPUR SUGAR MILLS LIMITED

DHAMPUR, DISTRICT BIJNOR (U.P.) 246761

Tel: 01344-220006, Fax: 01344-220662

Email: investordesk@dhampur.com, Website: www.dhampur.com

CIN : L15249UP1933PLC000511

79th Annual General Meeting-Friday, September 26, 2014

Name of the Member
(In Block Letters)

Name of Proxy, If any
(In Block Letters)
(In case Proxy attends
the meeting in place of member)

DP ID/Client ID/Folio No.

No. of Shares held

I/We hereby record my / our presence at the 79th Annual General Meeting of the Company to be held on Friday, the 26th day of September, 2014 at the Registered Office of the Company at Sugar Mill Compound, Dhampur, Distt. Bijnor (U.P.) at 2.00 p.m.

Signature of the Member

Signature of the Proxy Holder(s)

Note:

- Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the **ATTENDANCE VERIFICATION COUNTER** at the entrance of the Meeting Venue.
- NO ATTENDANCE SLIP SHALL BE ISSUED AT THE MEETING.
- Electronic copy of the Annual Report for the Financial year 2013-14 & Notice of the AGM alongwith the attendance slip & Proxy form is being sent to all the members whose email address is registered with the Company /DP unless any member has requested for a hard copy of the same. Members receiving electronic copy & attending the AGM can print copy of the Attendance slip.
- Physical copy of the Annual Report for the Financial year 2013-14 & the Notice of the AGM alongwith Attendance Slip & Proxy form is being sent in the permitted mode(s) to all members whose e-mail is not registered or have requested for hard copy. Please bring your copy of the Annual Report to the Meeting.
- The Meeting is of members only and you are requested not to bring with you any person who is not a member or a proxy.

Signature of the Member

Signature of the Proxy Holder(s)

E-VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD

Note : Please read the instructions given in the Notice of AGM before casting your vote through e-voting.



DHAMPUR SUGAR MILLS LIMITED

DHAMPUR, DISTRICT BIJNOR (U.P.) 246761

Tel: 01344-220006, Fax: 01344-220662

Email: investordes@dhampur.com, Website: www.dhampur.com

CIN : L15249UP1933PLC000511

POSTAL BALLOT FORM

Sr. No.....

- (1) Name of Shareholder(s):
(Including Joint holders, if any)
- (2) Registered Address of the Sole/
First named Shareholder
- (3) Registered Folio No./
DP ID No. and Client ID No.*
(*applicable to investors holding
shares in dematerialized form)
- (4) Number of Share(s) held
- (5) I/ We hereby exercise my/ our vote in respect of Special Resolution to be passed through Postal Ballot for the business no. 18th stated in the Notice of 79th Annual General meeting of the Company by sending my/ our assent or dissent to the Resolution by placing tick (✓) mark in the appropriate box below:

Sl No.	Description	No. of shares	Shares I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Special resolution under Section 186 of Companies Act, 2013 for giving of loans, making investments, providing guarantees and securities upto aggregating limit of Rs. 700 Crores.			

Place : _____ Signature of the Shareholder

Date : _____

Notes:

1. Last date for receipt of Postal Ballot form by Scrutinizer is 22nd September, 2014.
2. Please read the instructions printed over leaf carefully before completing this form.

E-VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD

INSTRUCTIONS

Member(s) can opt only one mode for voting i.e. either by Physical Ballot or e-voting. In case you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both by Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.

PROCESS AND MANNER FOR MEMBERS OPTING FOR PHYSICAL VOTING

1. A member desiring to exercise his vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope before the close of working hours (5.30 p.m.) on or before 22nd September, 2014. The postage will be borne and paid by the Company.
2. The self-addressed postage pre-paid envelope is addressed to the Scrutinizer appointed by the Board of the Company.
3. The Members are requested to exercise their voting rights by using the attached Postal Ballot Form only.

No other form or photocopy of the form is permitted. A member may request for a duplicate Postal Ballot Form, if so required. However, the duly filled-in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified in point (1) above.
4. This Postal Ballot Form should be completed and signed by the member or members, in case of joint holding as per the specimen signature registered with the Company/ Depository Participant by the first named member and in his absence, by the next named joint holder.
5. Incomplete, unsigned and incorrect Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding.
6. In case the shares are held by Body Corporate/Trust, the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authorization together with the attested specimen signature of the authorized signatories.

PROCESS AND MANNER FOR MEMBERS OPTING FOR E-VOTING

1. **The Company also offers e-Voting facility. Please see the instructions below for details:**

A. In case of shareholders receiving e-mail from NSDL:

- a) Open e-mail and open the attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- c) Click on "Shareholder - "Login"
- d) Put user ID and password as initial password noted in step (a) above. Click Login.
- e) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f) Home page of "e-voting" opens. Click on "e-voting: —Active Voting Cycles."
- g) Select "EVEN" of Dhampur Sugar Mills Limited..
- h) Now you are ready for "e-voting" as "Cast Vote" page opens.
- i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail at "saketfcs@gmail.com" with a copy marked to "evoting@nsdl.co.in".

B. In case of shareholders receiving Postal Ballot Form by Post:

- a) Initial password is provided at the bottom of the Postal ballot form. Please follow all steps from Sl. No. (b) to Sl. No.(j) above, to cast vote.
2. **The e-voting period commences on 22nd August, 2014 (9:00 am) and ends on 22nd September, 2014 (5:30 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
3. **If you are already registered with NSDL for e-voting, then you can use your existing User ID and password for casting your vote.**
4. **You can update your mobile number and email ID in the user profile details of the folio, which may be used for sending communication(s) regarding NSDL e-voting system in future.**
5. **In case of any queries, you may refer the 'Frequently Asked Questions' (FAQs) for shareholders and e-voting user manual for Shareholders available at the "downloads" section of www.evoting.nsdl.com.**
6. **Shareholders exercising votes through Postal Ballot can send the duly exercised postal Ballot form to Scrutiniser Mr. Saket Sharma, C/o Dhampur Sugar Mills Limited, 241 Okhla Industrial Estate, Phase III, new Delhi- 110020. (A self addressed envelope is also enclosed.)**



LAST MAN STANDING

Dhampur Sugar Mills Limited
Annual report 2013-14

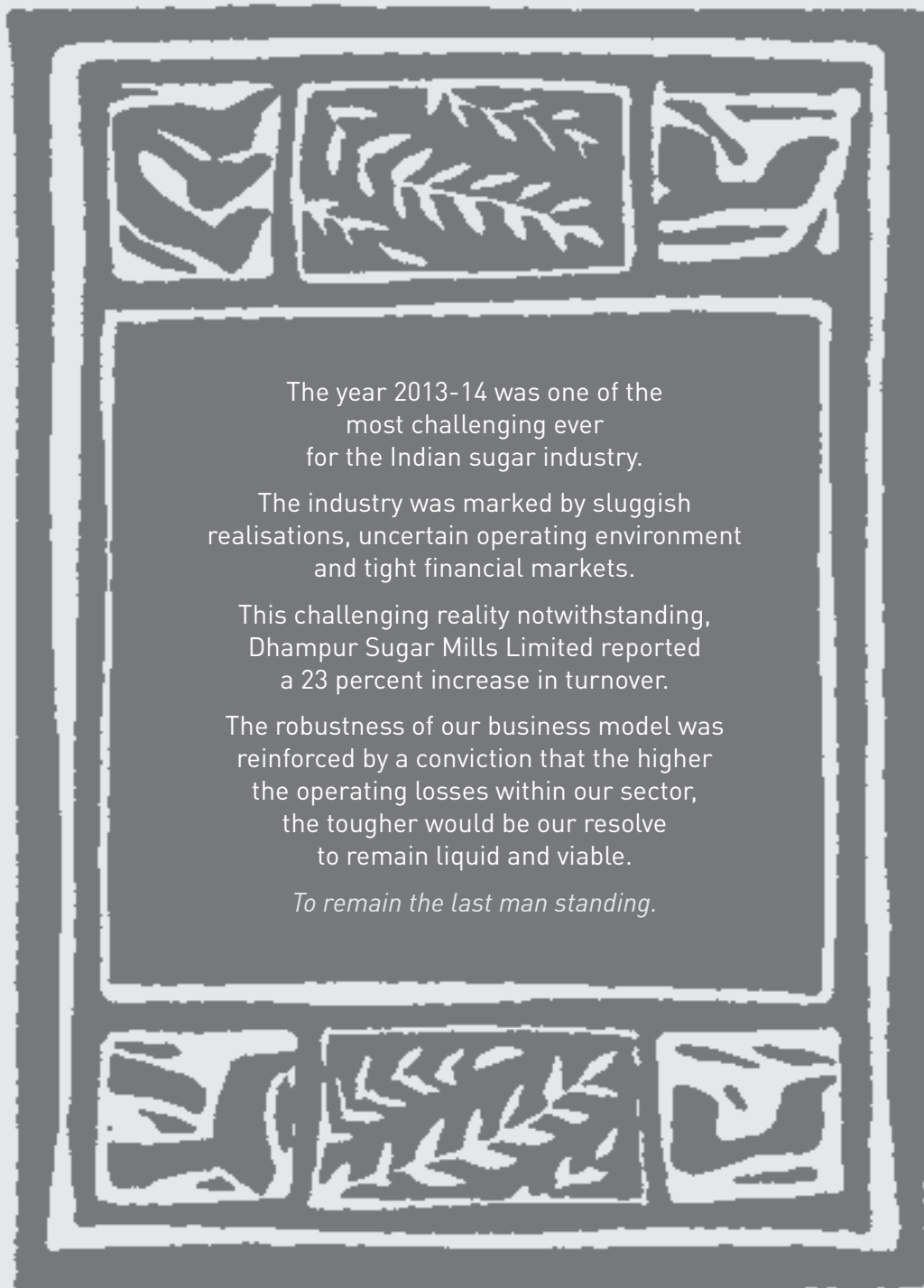
Disclaimer

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

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"If you stand up and be counted, from time to time you may get yourself knocked down. But remember this: A man flattened by an opponent can get up again. A man flattened by conformity stays down for good." – Thomas J. Watson, Jr.

THIS IS HOW WE RESOLVED TO REMAIN THE LAST MAN STANDING.

- By diversifying and protecting the bottomline during industry downturns.
- By providing energy alternatives to an energy-starved country through power generation and ethanol.
- By adding value to our product portfolio.
- By maximising the potential of the agro industry in India.
- By continuously reducing the cost of conversion.
- By encouraging creativity and resourcefulness and focusing continuously on R&D.
- By optimising the value of stakeholder investments with an unrelenting emphasis on financial performance.
- By attaining the highest levels of accountability in the realm of Corporate Governance and ensuring optimum shareholder returns.

THIS IS HOW WE REMAINED THE LAST MAN STANDING IN 2013-14.

- We were among the first Indian sugar companies to diversify from the singular manufacture of sugar to ethanol and power generation businesses.
- We enhanced the non-sugar (power generation and ethanol) proportion of our revenues from 17.24 percent in 2008-09 to 32.51 percent in 2013-14.
- We invested in improving our operating efficiencies that helped moderate the cost of sugar manufacture.
- We developed 100%-organic liquid bio-fertilisers to act as a supplement for crop nutrition and thereby allowed farmers to reduce chemical fertiliser dosages as a means to maintain soil fertility.
- We engaged in extensive dialogues with farmers for enhancing cane yields and its quality.
- We generated a revenue of ₹ 522 crore from double-refined sugar in 2013-14. We focused on moderating the use of working capital through quicker sales and lower receivables.

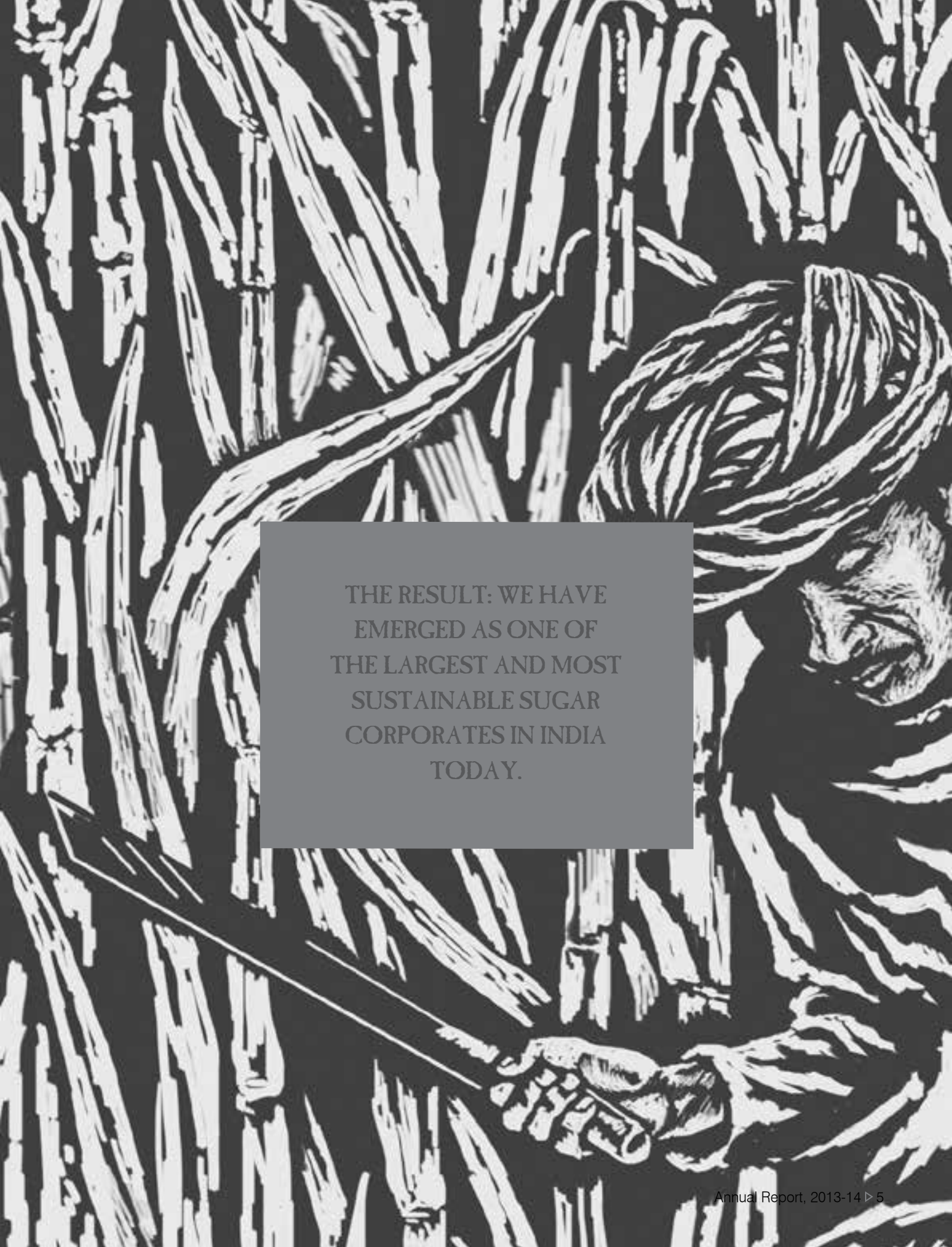
IN THE LAST COUPLE OF DECADES,
WE BROAD-BASED OUR BUSINESS WITH A
COUPLE OF OBJECTIVES.

TO RESIST INDUSTRY DOWNTRENDS
BETTER THAN OTHERS.

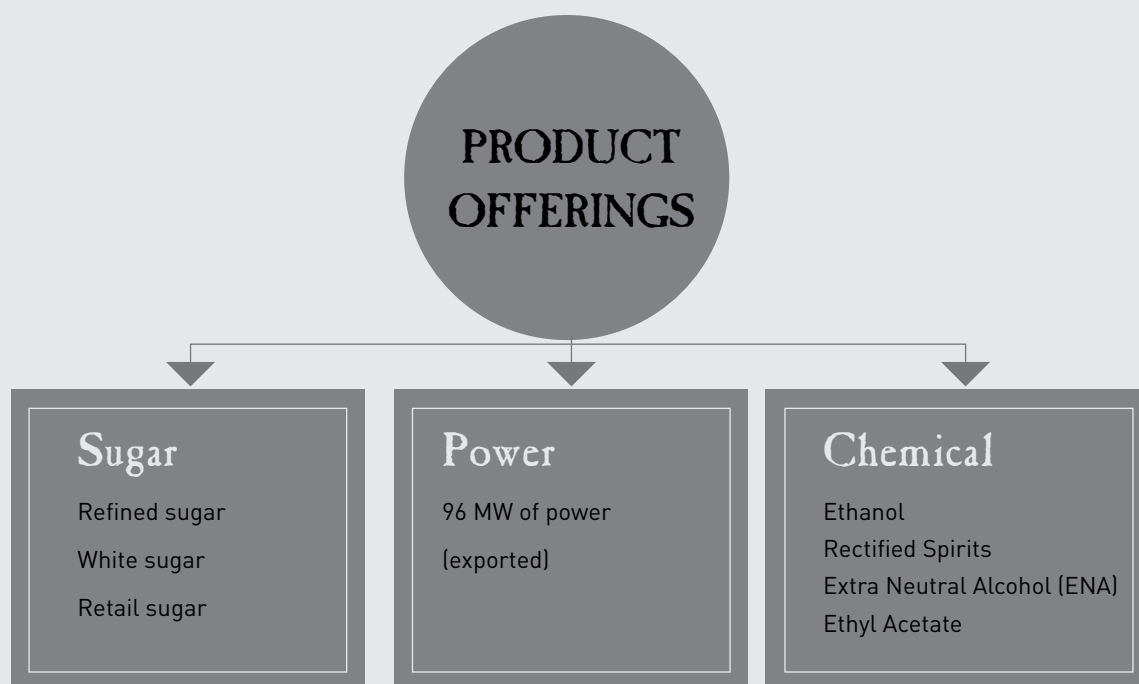
TO CAPITALISE ON SECTORAL
REBOUNDS FASTER THAN OTHERS.

THIS IS WHAT WE DID:

- WE GREW OUR BUSINESSES FROM
ONE TO THREE.
- WE INCREASED THE NUMBER OF
MANUFACTURING LOCATIONS FROM
FOUR TO FIVE.
- WE INCREASED THE INSTALLED
CAPACITIES OF VARIOUS PRODUCTS.



THE RESULT: WE HAVE
EMERGED AS ONE OF
THE LARGEST AND MOST
SUSTAINABLE SUGAR
CORPORATES IN INDIA
TODAY.



OUR PRODUCTION CAPACITIES

<p>SUGAR CANE CRUSHING CAPACITY</p> <p>44,500 TCD</p>	<p>REFINERY (SUGAR)</p> <p>1,700 TPD</p>
<p>POWER GENERATION</p> <p>169 MW[#]</p>	<p>DISTILLERY</p> <p>3,00,000 LPD</p>

Power generation will become 205 MW on completion of Power Plant at Rajpura Unit.

VISION

Our vision is to be a responsible corporate citizen wherein we make a positive contribution to our environment and work for the benefit of all our stakeholders – farmers, employees, financial partners, shareholders and the community at large.

MISSION

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

OUR UNITS AT A GLANCE

Dhampur unit

Established: 1933

Location: District Bijnor, Uttar Pradesh (Central)

Products

Cane crushing capacity: 15,000 TCD

Ethanol/RA/ENA capacity: 2,00,000 LPD

Power generation capacity: 65 MW

Number of farmers associated: 65,000

Asmoli unit

Established: 1994

Location: District Sambhal, Uttar Pradesh (Central)

Products

Cane crushing capacity: 9,000 TCD

Refined sugar capacity: 900 TPD

Ethanol/RA/ENA capacity: 100,000 LPD

Power generation capacity: 40 MW

Number of farmers associated: 37,000

Mansurpur unit

Established: 1997

Location: District Muzzafarnagar,
Uttar Pradesh (West)

Products

Cane crushing capacity: 8,000 TCD

Refined sugar capacity: 800 TPD

Power generation capacity: 33 MW

Number of farmers associated: 23,000

Rajpura unit

Established: 2006

Location: District Sambhal, Uttar Pradesh (Central)

Products

Cane crushing capacity: 7,500 TCD

Power generation capacity: 12 MW[#]

Number of farmers associated: 27,000

Meerganj unit (formerly J.K. Sugar Ltd)

Acquired by Dhampur in 2012

Location: District Bareilly, Uttar Pradesh (Central)

Products

Cane crushing capacity: 5,000 TCD

Power generation capacity: 19 MW

Number of farmers associated: 35,000

[#] Power generation will become 205 MW on completion of Power Plant at Rajpura Unit.

BACKGROUND

Dhampur Sugar Mills Limited (established in 1933) and headquartered in New Delhi is one of India's oldest, largest and most respected sugar companies.

The Company is also adequately dispersed; its five integrated units are located in Dhampur, Asmoli, Mansurpur, Rajpura and Meerganj (all in Uttar Pradesh).

Over the decades, the Company has emerged not just as one of the largest sugar manufacturers in India but also as one of the most integrated - every tonne of cane crushed at Dhampur generates 93 kilograms of sugar,

132 KW of power, 15.1 BL of RS/Ethanol and 7.7 kilograms of chemicals. This integrated business model is a result of the foresight which propelled Dhampur to extend into profitable byproduct generation.

The Company's non-cash acquisition of the manufacturing facilities of JK Sugar Mills (5,000 TCD) by way of issue of 33,08,960 Equity Shares of ₹ 10 each without affecting cash flow w.e.f. 1st April, 2012, strengthened the Company's aggregate crushing capacity and power generation capabilities.

The shares of the Company are listed on the National and Bombay Stock Exchanges.

OUR JOURNEY OVER THE YEARS

1933 | Incorporated as Dhampur Sugar Mills Limited with a cane crushing capacity of 300 TCD at Dhampur

1987 | Leased a sick unit at Mansurpur (1,800 TCD)

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

1993 | Increased crushing capacity of the Dhampur unit to 5,000 TCD

1994 | Installed a new sugar unit at Asmoli of 2,500 TCD

1995 | Increased capacity of the Dhampur unit to 9,000 TCD

1996 | Increased capacity of the Dhampur unit to 10,000 TCD

1997 | Improved capacity of the chemical plant at Dhampur to 16,500 TPA

1999 |

Enhanced capacity of the Asmoli unit to 5,000 TCD

2006 |

- Improved capacity of the Dhampur unit to 12,000 TCD and the Asmoli unit to 6,000 TCD
 - Merged the Mansurpur Sugar Mills Ltd with Dhampur Sugar Mills
-

2007 |

- Established the greenfield Rajpura unit of 7,500 TCD
 - Enhanced power generation capacity at the Dhampur unit, the Asmoli unit and Mansurpur unit to 65 MW, 40 MW and 28 MW, respectively
 - Commissioned a distillery at the Asmoli unit with a capacity of 1,00,000 LPD through a joint venture with Falck Renewables
-

2008 |

Expanded sugar capacity at the Dhampur unit to 15,000 TCD, at Asmoli to 9,000 TCD and at Mansurpur to 8,000 TCD

2010 |

Converted the Asmoli distillery into a wholly-owned subsidiary in June

2011 |

Enhanced power generation capacity at the Mansurpur unit to 33 MW

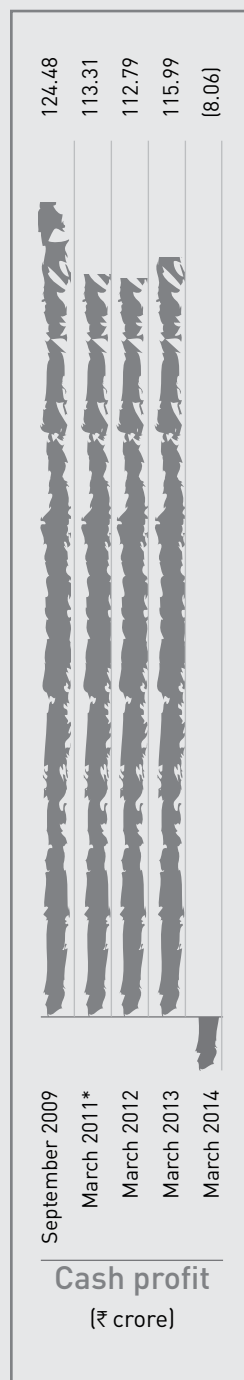
2012 |

Asmoli distillery merged with Dhampur Sugar Mills vide an order from the Hon'ble High Court in January

2013 |

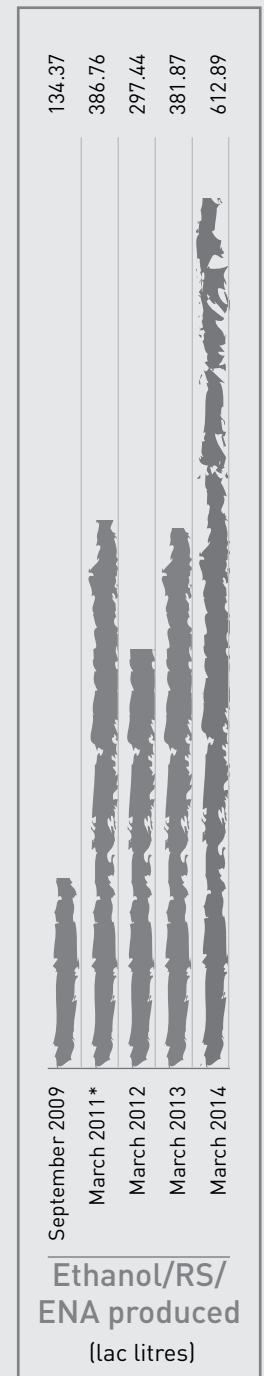
- JK Sugar Mills Limited was merged with Dhampur Sugar Mills vide an order from the Hon'ble High Court in July, 2013
- Entered the IMFL sector

CHALLENGING TIMES. INSPIRED RESPONSE.



* FY 2009-11 comprised 18 months and ending in March 2011

“Always bear in mind that your own resolution to succeed is more important than any other” – Abraham Lincoln



EVOLUTION FROM TO A SUGAR ENTERPRISE ENABLED US TO

GAURAV GOEL AND GAUTAM GOEL, MANAGING DIRECTORS, DHAMPUR SUGAR MILLS LIMITED,

Q HOW WOULD YOU ASSESS THE PERFORMANCE OF THE COMPANY IN 2013-14?

The year was one of the most challenging in memory because of a viability squeeze – it would have been reasonable for any manufacturer to expect to pass the cost increase to consumers but what transpired was completely the opposite. Our average sugar realisations declined from ₹ 33,282 per tonne to ₹ 30,963 per tonne. The decline was one of the principal reasons why our sugar business, accounting for 67.49 percent of our revenues, could not perform in line with our investments and expectations.

Q HIGH ADMINISTRATIVE COST OF CANE AT A TIME OF DECLINING SUGAR REALISATIONS APPEARS SURPRISING.

It absolutely was and for the benefit of shareholders who are not plugged closely into what usually happens in Uttar Pradesh, I will take a few minutes to spell out the reality. The sugar industry is the single largest industry in Uttar Pradesh; more importantly, it represents a combination of agriculture and industry. While this combination could have singularly represented the foundation for sustainable rural rejuvenation, we find that over the last decade, this reality has been exploited

to address narrow expedient ends. Considering that cane has the single largest effect on the rural community of the state, each State Government has selected to increase cane prices beyond what the Central Government has usually recommended. The result: by the time the cane is delivered to sugar companies the cost of this raw material – usually accounting for around 90 percent of the total production cost of a miller – is starkly unviable at worst and marginally affordable at best.

Q WHAT IS WRONG WITH THIS STATE OF AFFAIRS?

What is wrong is that there is absolutely no linkage between

MAGIC OF MARKET LINKAGE

No overview of the Indian sugar industry could be considered complete without a reference to what is transpiring in Uttar Pradesh and its spillover impact on the rest of the country's farmers, millers and consumers.

Uttar Pradesh accounts for almost 27 percent of India's sugar production. Any policy shift in the largest sugar producing state in India has an immediate and extensive impact on the sector within India and abroad.

Over the last few years, high cane pricing has extensively influenced the dynamics related to cane growing in Uttar Pradesh with across-the-board implications.

This reality has extended to sugar production: Uttar Pradesh produced 7.5 million tonnes of sugar in 2012-13, 6.5 million tonnes in 2013-14 and projected to decline further in 2014-15.

Correspondingly, India's sugar production declined from 24.8 million tonnes in 2012-13 to 23.5 million tonnes in 2013-14 to a projected 24 million tonnes in 2014-15.

Reading between these two sets of numbers, you will realise that Uttar Pradesh could potentially account for a decline in the country's sugar production.

As an extension of this reality, it would be reasonable to assume that had this decline not occurred in Uttar Pradesh, the country may have been spared of what appears to be the beginning of a decline in its sugar inventory.

This decline has begun to harden realisations. In the last two months of the financial year under review,

A SUGAR COMPANY OUTPERFORM THE INDUSTRY

REVIEW THE COMPANY'S 2013-14 PERFORMANCE

sugarcane costs and sugar realisations, as a result of which one segment of the business is government-dictated whereas the other is market-driven. For the industry growth to be equitable and sustainable, we believe that it is critical for cane costs to be based on market-realities with adequate provisions that protect the interest of growers, millers and consumers. As it turned out, India nursed one of the highest opening stocks of sugar of around 8.8 million tonnes in October 2013 (about 3 million tonnes more than the usual opening balance for a season), which moderated sugar realisations. The reality was our sugar realisations declined by an average

of ₹ 2,319 per tonne, dropping below production costs across a good part of 2013-14. What was challenging with this scenario was that while sugar realisations strengthened by just 8 percent across three years, sugarcane costs increased over 70percent, affecting the viability of the entire sector.

WHAT HAVE BEEN THE IMPLICATIONS OF SUCH A SCENARIO IN THE LAST FIVE YEARS?

This is where the story gets even more interesting and ironic. It would have been reasonable to assume that each time the government raised the price of cane the millers would have to pay the farmers; the farmers would have

reported sizeable income increase. The surprising point is that the opposite has occurred: because millers have not been able to afford this sharp hike, a number of them have reported a decline in cash flows and profits, impairing their ability to remunerate farmers timely, and in some cases, at all. Consequently on 19th November 2013 when most millers should have normally commenced crushing for the new sugar season, more than 60 of the state's 99 private mills sat idle. Besides, it would have been usual for all the cane that had been purchased in the previous year to have been paid for; on the contrary, the cane arrears carried forward from the previous

average sugar realisations across the country strengthened with the country's consumers having to pay an aggregate increment. This in turn was precipitated by a production drop in Uttar Pradesh.

This decline was not climate-induced; if anything, India's climatic conditions for cane growing have been broadly acceptable over the last few years. This decline was precipitated by *ad hoc* cane price increases imposed by the State Government that millers needed to pay farmers. These increases cannot be economically justified; they have been

considerably higher than what the market or millers can bear and the time has come when these arbitrary increases have begun to hurt the very citizenry they were intended to enrich.


So what is the solution?

At Dhampur, we are convinced that the time is ripe to correct the man-made skew that is likely to have knocked off 3.7 percent of the country's sugar output, eating into the incomes of farmers, millers, lending institutions and the exchequer.

If farmers were to be remunerated on the basis of the price millers sold sugar at, as opposed to a price evolved by the State Government. And if farmers were to be remunerated on the basis of the quality the cane they supplied as opposed to quantity, India's sugar industry would not only have enough to meet the country's appetite but also emerge as a consistent supplier to the world.

There are just two magical words that can make all the difference.

Market linkage.



season amounted to a sizeable figure, easily the largest quantum we have ever seen. The result was that Dhampur (among other sugar producers in Uttar Pradesh) was compelled to suspend operations upto 20 days at the start of the 2013-14 sugar season, translating into idling assets and wasted opportunities.

Q WHAT ARE SOME OF THE OTHER IMPLICATIONS?

The fact that this is a skewed playing field is understandable from the fact that whereas there is no linkage between cane costs and sugar realisations in Uttar Pradesh, a semblance of linkage is already emerging in some of the other sugar producing states of the country. Some of these State Governments are coming round to the idea that for the growth of the sector to be sustainable, it is imperative for farmers to be remunerated not through *ad hoc* cost increases but through a model, which makes it possible for a share of marketplace realisations to be passed on to cane growers. In our view, such a perspective is fair, progressive and sustainable, evolving the farmer's role from a vendor to a partner.

What is important is that the sugar manufacturers are not the only ones saying so. The Rangarajan Committee was appointed by the Central Government to explore sectoral sustainability. The Committee, headed by the renowned economist


Dr. C. Rangarajan, recommended the complete removal of levy sugar obligation and the abolition of regulated release mechanism for sugar sales (sugar sector decontrol). The Committee also suggested the phasing-out of cane area reservation and the 'minimum distance criteria' between mills. The Committee's most critical recommendation was the rationalisation of cane pricing by linking cane price to the value realised from sugar and byproducts (to be determined on the basis of quality over quantity). This model can incentivise farmers to raise better cane, which in turn could lead to the introduction of scientific agricultural practices. So while we are pleased that following 2013, a partial decontrol was implemented; we are also disappointed that the decontrol was partial and not complete.

However it would only be fair to indicate that the Central Government


extended an incentive (subsidy) of ₹ 3,300 per tonne to export raw sugar, applicable for the export of four million tonnes of raw sugar during 2013-14 and 2014-15. The Central Government also provided ₹ 6,600 crore through excise loans to clear cane price arrears. The Uttar Pradesh Government decided to waive the entry tax, purchase tax and society commission on sugar/sugarcane for the current crushing season, which will translate into a profit of around ₹ 11 per quintal for the millers. The State Government is also considering formulating an appropriate cane price formula, linking cane prices proportionately with sugar prices and recovery.

Q COMING BACK TO 2013-14. HOW DID THE COMPANY ADDRESS THE CHALLENGING SECTORAL REALITY?

Much of what we achieved during the year under review was the result of management foresight. As early as a couple of decades ago, the Dhampur management recognised the need to broad-base its business – from a singular dependence on sugar manufacture to the effective utilisation of byproducts. The Company selected to balance its investments; over the last decade, most of Dhampur's investments were made in non-sugar assets, making us one of the most integrated sugar corporates in India. What happened was that we came to a point where 32.51 percent of the Company's revenues were derived



Dhampur Sugar Mills Limited was the first sugar company in the country to install a sugar refinery.



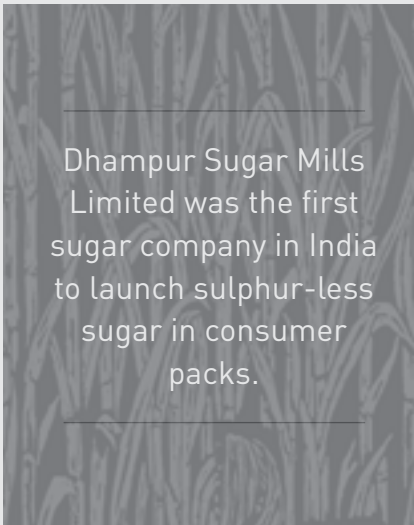
from non-sugar businesses during the year under review. Of every tonne of cane crushed at Dhampur, we were able to generate 93 kilograms of sugar, 15.1 BL of RS/Ethanol, 7.7 kilograms worth of chemicals and 132 KW of power. The progressive evolution from sugar manufacture to a broad-based sugarcane enterprise was perhaps the principal reason behind our reporting better results than our peers. Dhampur reported an operating profit of ₹ 134.15 crore at a time when a number of sugar corporates remained in the red.

Q WHAT WERE SOME OTHER INITIATIVES THROUGH WHICH THE COMPANY STRENGTHENED ITS BUSINESS IN 2013-14?

Dhampur strengthened its business through select downstream initiatives. One, we enhanced our power export capability by 35.5 MW which is currently in its trial run stage, increasing our overall power generation capacity to 205 MW, making us possibly the largest power generation capacity among the sugar companies of India. We invested ₹ 131 crore in capacity de-bottlenecking and other improvements, which reinforced power generation capacity by 35.5 MW. Correspondingly, our enhanced turnover derived from power generation will reflect from the next season. We expect this business to play a larger role with the true impact of the additional capacity becoming palpable 2014-15 onwards.

Dhampur strengthened its chemicals business by enhancing its distillery capacity by 1,00,000 LPD. Besides, the Company extended to the IMFL segment, which was launched during the course of the financial year under review. We expect this business to play a bigger role following the commissioning of the incremental capacity on the one hand and increased IMFL revenues across a wider geographic footprint.

The performance of the Company's sugar business was challenged by factors that have been explained in the preceding paragraphs. The Company reported a loss in its sugar operations despite the efficient utilisation of depreciating assets. In view of this, the Company focused on running a tight ship. For instance, the Company strengthened cane management; reinforced in-plant initiatives focused on maximisation of recovery and improved inventory management



Dhampur Sugar Mills Limited was the first sugar company in India to launch sulphur-less sugar in consumer packs.

through strategically timed sugar releases.

Q HOW IS DHAMPUR PREPARED TO GROW ITS BUSINESS IN 2014-15?

At Dhampur, we are optimistic of doing better during the current financial year because even as Uttar Pradesh is expected to crush a lower cane quantity over the previous year, Dhampur expects to crush the same quantity that it did in 2013-14. We expect this to translate into higher revenues based on higher realisations, translating into reasonable viability for our sugar business. Besides, we possess the highest integrated capacity among Uttar Pradesh sugar mills, which is distributed almost evenly across our five mills. We expect to grow our ethanol turnover following an increase in ethanol prices from ₹ 27 per litre in 2012-13 to ₹ 37 per litre in 2013-14; we expect to leverage the value of our power generation business by the use of multi-fuel boilers that can work through the year and capitalise on attractive power purchase agreements with the State Government. The result is that we are fairly optimistic of our performance in 2014-15 - the last man standing during the year under review could well be the first off the blocks as soon as the sectoral mood revives.



FOCUSING ON CRUSHING

ONE OF THE MOST VALUABLE LESSONS THAT WE HAVE learnt over the decades in India's sugar industry is that when the going is good invest in relationships; when the going is challenging invest in relationships.

The result is that over the last few years even as the Uttar Pradesh sugar industry was marked by declining viability, Dhampur continued to work closely with more than 1,80,000 farmers across its five command areas.

The Company invested in seed selection, subsidised seed distribution, set up demonstration farms and provided timely guidance on superior planting practices. More than anything, the Company provided farmers with the assurance that the Company would buy all the cane that they would be able to provide.

The result of this trust building exercise is expected to be visible during the 2014-15 sugar season. Even as Uttar Pradesh is expected to suffer a decline in sugar output, Dhampur expects to protect its 2013-14 crushing performance without any decline.

"Necessity of action takes away the fear of the act, and makes bold resolution the favorite of fortune." - Francis Quarles







INVESTING IN THE DOWNTURN

ONE OF THE MOST EFFECTIVE DIFFERENTIATORS BETWEEN corporates that succeed and corporates that don't is their investing discipline.

The successful corporates invest during the downtrend, convinced that it is best to commission assets when the best bargains are available and capitalise when markets revive.

This is precisely what Dhampur demonstrated during a weak 2013-14.

The Company invested substantially in enhancing its power generation, ethanol and chemical manufacturing capacities. The Company's investment in non-sugar businesses accounted for a major portion of the outlay.

The Company's investments in these businesses are relatively de-risked. While the investment in power generation will generate annuity revenues with a tax hedge, the investment in ethanol has been secured by contracts with large Indian oil marketing companies.

The Company expects that these investments will generate attractive revenues in the coming years.

"Character is the ability to carry out a good resolution long after the excitement of the moment has passed." - *Cavett Robert*



SMART DIVERSIFICATION

INDIAN AGRICULTURE HAS BEEN HISTORICALLY ORGANIC-ORIENTED BUT a rampant increase in demand has slowly caused it to veer towards the inorganic. This has not only adversely affected soil quality but also human/ animal health as well.

It was in this context that finding an environment-friendly solution became a priority for the government and bio-fertilisers/biopesticides offered a sigh of relief to some extent in this regard.

Bio-fertilisers are eco-friendly and highly cost-effective and improve soil quality. There has been entry of new units and significant capacity build up has taken place over the years. However, the production is limited to actual demand.

To capitalise on this new opportunity and further expand the Company's portfolio, Dhampur Sugar Mills Ltd. diversified into producing and marketing bio-fertilisers (fermentation-based) in liquid form since 2012.

The Company embarked on this path with an array of 14 products with a total production capacity of 3.6 lac litres per annum by developing a state-of-the-art liquid biofertiliser unit at Rajpura (10,000 square feet) and promoting it aggressively among farmers.

The usage of liquid bio-fertilisers showed encouraging results in terms of both increase in yield and income. Recently, the Potash mobilisers, Zinc and Sulphur solubilisers and Manganese solubiliser fungal culture have been identified and put to use after educating the farmers and confirming their impact on crop growth. The learning shall be used to take corrective measures and formulating further strategies.

The future appears to be bright for organic agri-inputs and they are expected to play a crucial role in accomplishing a healthy, sustainable and environment-friendly means of agriculture. Harping on this, the Company plans to invest substantially in this sector and generate sizeable revenues in the future.

"To make our way, we must have firm resolve, persistence, tenacity. We must gear ourselves to work hard all the way. We can never let up." - *Ralph Bunche*



OUR PRESENCE



■ Dhampur revolutionised use of the pressure evaporation system with falling film type evaporator bodies.

■ Dhampur was one of the earliest to commission a power generation plant and the first to 'export' surplus power to the State Electricity Grid.

44,500

Cane crushed
(metric tonnes)

3,00,000

Alcohol/Ethanol
(litres)

4,200

Sugar
(metric tonnes)

**WHAT
DHAMPUR
CAN
PRODUCE
IN A DAY**

169

Power generation
(MW/hr)

1,000

Bio-fertilisers
(litres)

■ Dhampur was the first sugar company in India to produce alcohol through the encillium process (National Physical Laboratory, Pune).

■ Dhampur pioneered in-house pressure feeder technology, a trend now followed by a majority of Indian sugar corporates.

WE HAVE ENDURED AND GROWN ON ACCOUNT OF OUR ROBUST BUSINESS MODEL.

Prudent capacity expansion

Over the years, the Company has invested in capacity expansion – in sugar, power generation and distillery businesses. As a result, the Company has been able to moderate its capital costs, which stands lower than the prevailing greenfield benchmark.

Capacity broad-basing

The Company was one of the first in India to demonstrate the vision to evolve from a standalone sugar corporate to a multi-business sugar enterprise. The result is that non-sugar revenues have increased from 17.24 percent in 2008-09 to 32.51 percent in 2013-14.

Multi-location

The Company selected to widen its geographic footprint – from one mill in 1986 to five in 2013-14 - with the objective to enhance de-risking on one hand and encash on cane availability from other command areas, on the other. Resultantly, the Company emerged as one of the largest integrated sugar producers in India.

Annuity revenues

The Company generated 14.34 percent of its 2013-14 gross revenues from the power generation segment backed by a power purchase agreement with the Uttar Pradesh Government.

BUSINESS SEGMENT REVIEW

Our businesses

Business division	Total installed capacity	Revenue generated (₹ crore)		Percentage of total revenue, 2013-14
		2013-14	Growth from 2012-13 (%)	
Sugar	44,500 (TCD)	1605.88	31.88	67.49
Power generation [#]	169 (MW)	345.82	–	14.34
Distillery	3,00,000 (LPD)	438.32	32.98	18.17

[#] Power generation will become 205 MW on completion of Power Plant at Rajpura Unit.

Value-addition

The Company selected to graduate from the commodity end of the sugar industry through the manufacture of value-added white sugar and double refined sulphur-less sugar, fetching realisations higher than the prevailing commodity average.

Locational advantage

The Company has selected to invest exclusively in Uttar Pradesh with the objective to capitalise on the state's competitive advantage in the area of cane growing. The Company's plants are proximate to rich sugarcane-growing belts making it possible for the units to source 100 percent of their requirements from a radius of around 20 to 25 kilometres.

Relationships

The Company's enduring farmer relationships incentivised the increased growth of cane. The result was that the Company increased its crushing capacity in phases to 44,500 TCD.

Scale

The Company has selected to invest in scale, emerging as one of the largest producers of sugar, power generation, ethanol and cane-derived chemicals in India with corresponding economies-of-scale.

Technology

The Company selected to invest in cutting-edge technology ushering in energy conservation, higher output, higher plant availability, lower downtime and a qualitatively superior finished product.

Our growth

	2011-12	2012-13	2013-14
	Capacity	Capacity	Capacity
Sugar (TCD)	39,500	44,500	44,500
Power generation (MW)	150	169	169 [#]
Distillery (LPD)	2,70,000	3,00,000	3,00,000

[#] Power generation will become 205 MW on completion of Power Plant at Rajpura Unit.

SUGAR

Status within the Company: Largest

67.49 percent of revenues, 2013-14

Revenue growth during 2013-14: 31.88 percent

Overview

Dhampur is one of the oldest and perhaps the most extensively integrated sugar enterprises in India today.

The Company possesses a cane crushing capacity of 44,500 TCD, power generation capacity of 169 MW[#] and distillery capacity of 3,00,000 LPD. Besides, the Company possesses one of India's largest sugar refining capacities of 1,700 TPD, benefiting from one of the lowest cost conversion structures following the availability of captive power during the off-season.

During the year under review, average sugar realisations declined below production costs for a number of months. Consequently, the proportion of EBITDA contributed by the sugar business declined substantially during the year under review. However, in the last quarter of the financial year under review, average realisations strengthened when it became increasingly evident that the country would experience a decline in its sugar production starting the 2014-15 sugar season. The Company strengthened the viability of its sugar operations through the manufacture of refined sugar.

Competencies

- The Company is one of the largest private sector sugar manufacturers in India.
- All the Company's sugar manufacturing units are located in Uttar Pradesh, one of the most preferred cane growing states in India.
- The Company's cane crushing units draw their cane from within a radius of around 20 to 25 kms, translating into low logistical costs.
- The Company invested in cutting-edge sugar manufacturing technology, making it possible to launch branded double-refined sulphur-less sugar for the first time in India.
- The Company accesses cane from more than 1,80,000 farmers, with whom it enjoys multi-decadal relationships.

Talking points, 2013-14

- The Company crushed 40.62 lac tonnes of cane (45.11 lac tonnes in 2012-13)
- 3.75 lac tonnes of finished sugar was produced
- 4.15 lac tonnes of sugar was marketed, 40 percent higher than in the previous year
- Achieved average realisation of ₹30,963 per tonne
- Refined sugar output stood at 1.55 lac tonnes

- Stabilised production at the newly-acquired JK Sugar Mills, strengthening throughput

Outlook

Going ahead, the Company intends to protect its sugar production in the 2014-15 sugar season (even as the country experiences a projected decline). The Company expects to increase the emphasis on cane development, contribute to sectoral policy discussions towards influencing fair cane pricing, ensure effective cost management, optimise energy consumption, maintain its crushing period and strengthen its refinery, distillery and power generation operations.

(# Power generation will become 205 MW on completion of Power Plant at Rajpura Unit.)





DISTILLERY

Status within the Company: Second largest
18.17 percent of revenues, 2013-14
Revenue growth, 2013-14: 32.98 percent

Overview

Dhampur extended to the distillery business as early as the Nineties with the objective to enhance byproduct utilisation, increase revenues, widen value-addition and de-risk its business model. Over the years, the Company has enhanced capacity, widened its product and strengthened its sectoral presence.

The Company was the first in India to produce alcohol through the encillium process (developed in association with National Chemical Laboratory, Pune) in 1992. Progressively, the Company ventured into manufacturing value-added sugar derivatives like Ethyl Acetate and Acetic Anhydride, becoming one of the largest manufacturers of chemicals and sugarcane derivatives. Over the years, the Company has widened its product mix to include Ethanol, Rectified Spirits, ENA (Extra Neutral Alcohol), carbon dioxide and bio-fertilisers, among others.

The Company possesses a distillery capacity of 3,00,000

LPD. The Company produces rectified spirits and ethanol for oil marketing companies and chemicals for the paints and pharmaceutical sector. Besides, it possesses the capability to convert gases generated in the distillery (Methane) into power.

During the year under review, average Ethanol/RS/ENA realisations improved from ₹ 30.94 per litre to ₹ 36.93 per litre. Consequently, the proportion of EBITA contributed by the distillery business increased from 21.84 percent in 2012-13 to 69.26 percent during the year under review. The Company strengthened the viability of its distillery business through the introduction of branded Indian Made Foreign Liquor (IMFL), towards the year-end.

Competencies

- The Company is among the largest Indian manufacturers of ethanol and derivative products from sugarcane.
- The Company possesses flexibility in switching the manufacture of products (Ethanol, Rectified Spirits

and chemicals) depending on prevailing market conditions.

- The Company's varied product basket makes it possible to address the growing needs of varied sectors, strengthening its de-risking capabilities.

Talking points, 2013-14

- Reported ₹ 438.32 crore worth of sales, up by 32.98 percent over 2012-13 on account of higher volumes and enhanced realisations
- Strengthened realisations per litre thanks to a firm increase in ethanol prices

- Achieved sales of 595.84 lac litres of RS/ENA/Ethanol and sales of 333.25 lac kilograms of chemicals

- The Company extended into the country's IMFL segment

- Stabilised production at the expanded bio-fertiliser unit

Outlook

Going ahead, the Company intends to strengthen its R&D spending to enhance product customisation, expand its bio-fertiliser capacity and widen the product basket to address different segments.

Dhampur reported ₹ 438.32 crore worth of sales, up by 32.98 over 2012-13 on account of higher volumes and enhanced realisations



POWER GENERATION

Status within the Company: Third largest
14.34 percent of revenues, 2013-14

Overview

Dhampur enjoys one of the largest aggregate power generation capacities of 169 MW* within India's sugar industry. The Company utilises the bagasse generated power in sugar manufacture for onward power generation, a part of which is consumed within and a larger part 'exported' to the State Electricity Grid in exchange for predefined revenues. The revenues from power generated are tax-free, generating an attractive internal rate of return considerably higher than the prevailing funds cost within the country.

During the year under review, average 'exported' unit of power realised ₹ 4.31 compared with ₹ 4.26 per unit in the previous year. Consequently, the proportion of EBITA contributed by the power generation business remained at around 40 percent during the year under review. The Company strengthened the viability of its power generation business through use throughout the year on account of the use of multi-fuel boilers.

Dhampur was India's first sugar company to install a 105 kg/square centimetres boiler and 30 MW turbines, increasing the yield ratio of steam from bagasse. The Company's energy-saving devices optimise bagasse intake, enabling power plant operations for a longer duration.

Competencies

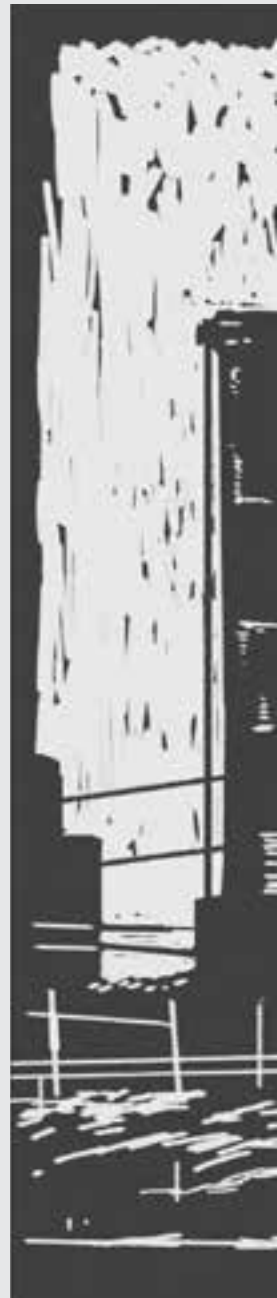
- Dhampur was the first in the industry to install turbines and high pressure boilers of 105 kg/square centimetres with an hourly steam production capacity of 170 tonnes. This helped the Company increase its steam output, which in turn helped generate more power and related revenues.
- The Company's boilers run on bagasse and alternative fuels like coal and rice husk (abundantly available), ensuring the possibility of year-long generation.
- The Company's export of power to the State Electricity Grid is secured through remunerative power purchase agreements with an annual tariff escalation clause.

Talking points, 2013-14

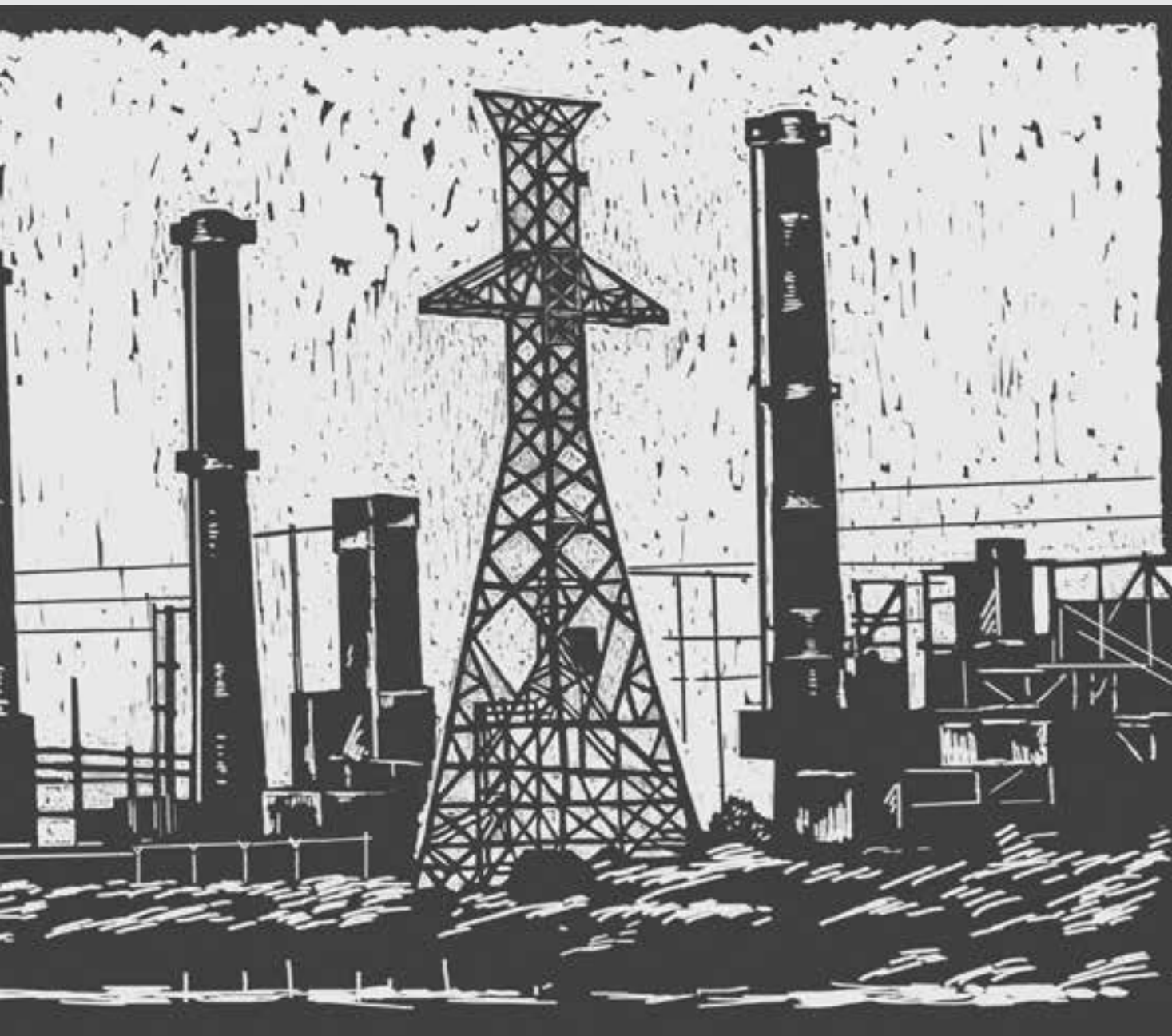
- Successfully expanded power generation capacity by 35.5 MW at the Rajpura unit which is expected to be commissioned by June 2014
- Exported 33.25 crore units of power to the State Electricity Grid at an average tariff of ₹ 4.31 per unit against ₹ 4.26 per unit in 2012-13
- Optimised bagasse usage with the help of newly-installed bagasse dryers, which translated into year-round plant availability and corresponding economies-of-scale
- Enhanced machine-time efficiency thereby increasing the yield ratio of steam from bagasse

Outlook

The Company will focus on reducing steam consumption through comprehensive asset utilisation of the acquired plant (JK Sugar Mills), explore new areas to market power under the open access license scheme, sustain power generation through the year and guarantee predictability in a cyclical environment.



(# Power generation will become 205 MW on completion of Power Plant at Rajpura Unit.)



Operational advantages

- Captive electrical supply
- Security of supply
- Steam raising capabilities

Financial advantages

- Reduced primary energy costs
- Stabilised electricity costs over a fixed period
- Received Renewable Energy Certificate (REC)

Environmental advantages

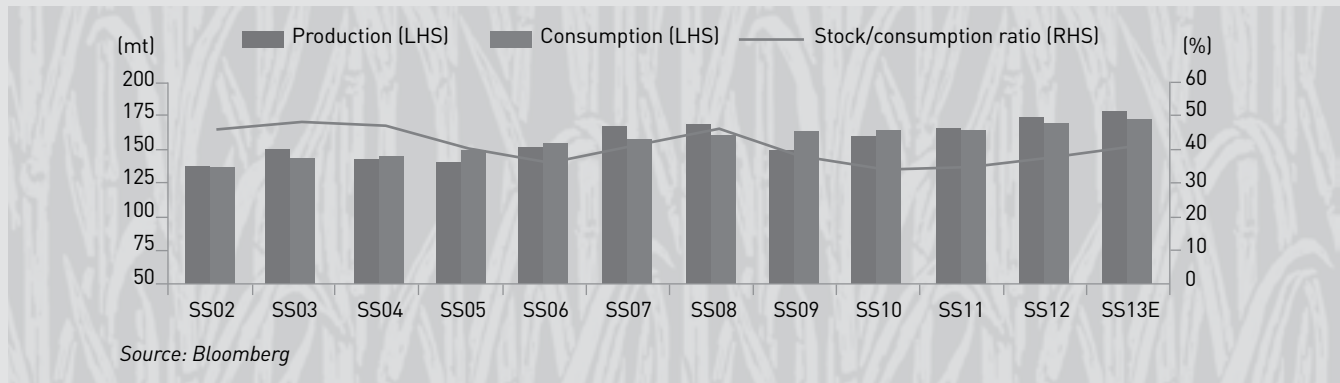
- Improved fuel efficiency
- Reduced CO₂ emissions
- Ensured zero transmission losses

INDUSTRY OVERVIEW

Global sugar scenario

Globally, an excess sugar production moderated realisations. World sugar production in 2013-14 was estimated by the FAO at 180 million tonnes compared to 175.2 million tonnes in the previous year. The global price of raw sugar declined from USD 416 per tonne to USD 388.01 per tonne in the first half of 2013, making Indian exports less competitive and imports attractive (*Source: Food Outlook FAO, June 2013*).

Global sugar Demand and Supply



(Source: Indian Agriculture Commodities-Sugar, Outlook, 2013)

Indian sugar industry

India is the second largest sugar producer in the world, after Brazil. Sugarcane production is expected to increase from 341.2 million MT in 2012-13 to 345.92 million MT in 2013-14 owing to increased sugarcane acreage. Uttar Pradesh, Maharashtra, Karnataka and Tamil Nadu account for nearly 80 percent of the country's sugarcane production.

For sugar year 2014, ICRA expects India's sugar production to decline following a lower sugar production in Uttar Pradesh on account of excessive rains and diversion of the crop to alternative sweeteners (like jaggery) while sugar production in Maharashtra is likely to get affected by the previous year's drought. Moreover, lower rainfall in Tamil Nadu is also likely to

adversely impact sugar production.

There was a delay in the commencement of cane crushing in 2013-14 due to a delay in fixing cane prices by the government. Uttar Pradesh mills started crushing only from December 2013 onwards. ISMA estimates sugar production for 2013-14 to be around 23.8 million tonnes, a marginal decline from 25.14 million tonnes in 2012-13. (*Source: Business-Standard, June, 2014*)

The sugar marketing year of 2013-14 opened with a stock of 8.6 million tonnes of sugar (6.2 million tonnes in 2012-13) and enough for four-and-a half months worth of consumption. However, this is expected to decline following increased consumption on the one hand and lower cane output on the other, which has already begun to

strengthen realisations.

Acreage: India's sugarcane acreage was estimated at around 52.89 lac hectares in the sugar season 2013-14, almost 9 percent higher than the Agriculture Ministry's initial estimate (48.53 lac hectares) and acreage of around 50 lac hectares in 2012-13. Adverse weather moderated yields from 71.6 tonnes per hectare in 2012-13 to 66.9 tonnes of cane per hectare in 2013-14.

Cane price: The fixing of cane price in SY14 caused considerable tussle between State Governments, cane farmers and millers, which delayed crushing in key states (Uttar Pradesh, Maharashtra and Karnataka). The FRP (fair and remunerative prices) for SY14 season reported the highest increase at 23.5 percent to ₹ 210

per quintal from ₹ 170 per quintal in the previous season. The Uttar Pradesh Government sustained its state advised price (SAP) pricing for sugarcane at ₹ 280 per quintal for the normal variety of cane for SY 2014.

Sugar consumption: India's sugar consumption has remained at 20-22 million tonnes since 2007-08. India remained the world's largest sugar consumer, accounting for a third more than the European Union and 60 percent more than China. India's sugar consumption grew at an annual 3.5 percent over the decade; Indian per capita consumption was placed at 20-22 kilograms against the global average of 24 kilograms.

Domestic sugar demand and supply: India's sugar production was estimated to have declined in 2013-14. As per industry estimates, 2013-14 sugar production was estimated at 24 million tonnes. While the gap between production and consumption declined, domestic sugar availability is expected to remain ample, partly due to a comfortable opening stock. (Source: *Indian Sugar Mills Association*)

Sugar realisations: India's free market sugar realisations had strengthened in May-November 2012 (peaking at around ₹ 36,000/MT) but declined to around ₹ 30,000/MT by December 2013. Supply pressures until March 2013 and the announcement of a sugar decontrol in April 2013 resulted in large-scale sugar release by the financially weak mills with large cane arrears, depressing realisations. In the medium-term, sugar price trends will continue to be determined by a domestic sugar balance, international crude oil prices (which determine the raw sugar-ethanol mix in Brazil) and government export-import policies.

Partial decontrol

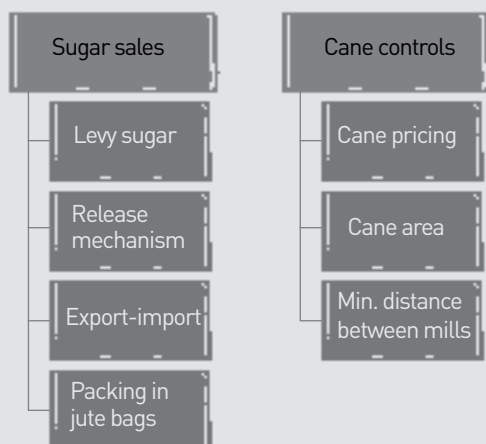
Levy sugar system: A positive step in the decontrol process for farmers and industry was a removal of the 10 percent 'levy sugar', which entailed sugar supply by the industry to the Public Distribution System (PDS). The PDS now procures sugar from the open market at prevailing market prices, through State Governments. This decision has helped save the

sugar industry about ₹ 3,000 crore annually. Besides, the Cabinet Committee on Economic Affairs (CCEA) refused to approve any increase in excise duty to fund the government's additional subsidy burden, which will help control inflation.

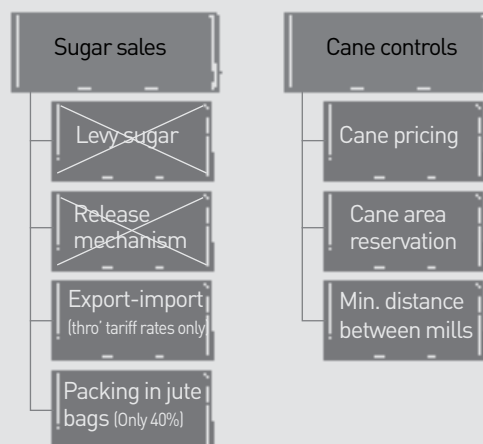
Monthly release mechanism: The government removed the regulated release mechanism for non-levy sugar (or free sale sugar). Each factory can now sell freely in the open market, depending upon prices and their cash flow imperatives.

Cane pricing: A formula linking sugarcane costs with sugar/byproduct realisations, as recommended by the Rangarajan Committee, was not addressed in the first phase of decontrol. The Government and the Commission of Agricultural Costs and Prices (CACP) issues an all-India sugarcane price called 'Fair and Remunerative Price' (FRP) before the start of each sugar season, which is a formula-linked cane price to encourage higher productivity. However, some states desire to

Control scenario before (April 2013)



Partial de-control scenario (post-April 2013)



KEY RANGARAJAN COMMITTEE RECOMMENDATIONS

- Removal of levy sugar obligations
- Abolition of the regulated release mechanism for sugar sales
- Implementation of no quantity and time restrictions on exports and imports
- Rationalisation of cane pricing policy
- Linkage of cane prices to value realised from sugar and byproducts
- Phasing out of cane area under reservation
- Doing away with the 'minimum distance criteria' between mills
- Removal of control on molasses and free-up of power sales
- Elimination of jute packing restrictions on sugar

remunerate their farmers better and fix a cane price above the Central Government-advised FRP, which is known as the State Advised Price (SAP). A few years ago, the Union Ministry of Food proposed that State Governments fix cane prices higher than the calculated Central Government cane price, the only caveat being that there would be an amendment in the Sugarcane Control Order (1966) through Clause 3B that any sugarcane cost (SAP) over the Central Government's price (FRP) would have to be paid by the State Government. This amendment has still not been implemented.

Proposed reforms: The Rangarajan Committee proposed a formula-based cane price linked to sugar price and all byproducts. This would be beneficial for all stakeholders, eliminating cane arrears and reducing cyclicity. However, this aspect of the sugar sector is yet to be fully addressed.

The Committee has also proposed to bring Ethanol under 'declared goods' so as to ease in inter-state movements. The blending of Ethanol with petrol has been encouraged by the Central Government to save foreign exchange and promote an environment-friendly fuel option.

Sugar industry byproducts

Sugar industry byproducts (chemicals and power) have generated attractive revenues for the sugar industry. Principal byproducts derived from sugar manufacture comprise molasses, bagasse and press mud, accounting for about 40 percent of crushed sugarcane by weight. An increasing number of sugar mills have moved to an integrated business model that revolves around the effective utilisation of byproducts (molasses and bagasse) leading to enhanced incomes.

Power generation: India is the second

largest sugarcane producer in the world next only to Brazil. Bagasse-based power generation potential in sugar mills is estimated at 5,000 MW and is likely to reach 9,700 MW by 2017. As per the MNRE database, the total installed capacity of bagasse power generation was 2,393 MW as on 31st October 2013. It is estimated that four million units of electricity per MW is generated every year.

Ethanol: The sugar industry urged the government to implement the ethanol blending programme as mandated by the Cabinet Committee on Economic Affairs (CCEA). The CCEA mandated oil marketing companies (OMCs) to blend at least 5 percent of ethanol with petrol. Indian OMCs bought substantial amount of ethanol from the country's sugar mills for blending in the last couple of years. Though ethanol prices varied in regions, the OMCs paid around ₹ 35-37 (\$0.56-\$0.60) per litre.

India: Ethanol used as fuel and other industrial chemicals (million litres)

Calender Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
Beginning stocks	483	747	1,396	1,672	1,241	1,061	757	908	582
Production	1,898	2,398	2,150	1,073	1,522	1,681	2,154	2,064	1,906
Imports	30	15	70	280	92	39	34	35	40
Exports	24	14	4	4	14	29	22	20	30
Consumption	1,640	1,750	1,940	1,780	1,780	1,995	2,015	2,405	2,110
Ending stocks	747	1,396	1,672	1,241	1,061	757	908	582	388

[Source: FAS/New Delhi Estimates based on information from trade sources]

Internal control systems and their adequacy

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

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

India is the second largest sugarcane producer in the world next only to Brazil. Bagasse-based power generation potential in sugar mills is estimated at 5,000 MW and is likely to reach 9,700 MW by 2017.

SOCIAL RESPONSIBILITY AT DHAMPUR

At Dhampur Corporate Social Responsibility (CSR) is not a tacked on approach. Dhampur believes in progress on every front. In line with this philosophy, the Company has interwoven social consciousness with business responsibility. During the last year, the CSR wing at Dhampur was involved in a number of projects in the realm of education.

Dhampur's human resource agenda

for the year aimed at strengthening four key areas: building a robust and diverse talent pipeline, enhancing individual and organisational capabilities in a bid to be future-ready, driving greater employee engagement and strengthening employee relations through the espousal of progressive shopfloor practices. The Company took proactive measures like organising training drills, human resource review processes and employee engagement initiatives.

It would also be worthwhile to mention the admirable show put up by the in-house teams in the fields of contract bridge and squash. This performance showcased the skills of our employees in two diversely different sports demanding different sets of expertise and also helped boost organisational morale during what was a very challenging year on the corporate front. The bridge team kept the Dhampur flag flying high at the following tournaments:

Sl. No	Bridge tournament	DSM team position
1	Madhava Prasad Memorial (Corbett Park)	Won
2	Padampat Singhania Memorial Invitational Pairs	Won
3	Lohia Memorial Bridge Championship 2014	Won
4	Mohanlal Bhartiya Memorial Grand Prix 2014	Won
5	4 th Tolani Summer Nationals 2014	Runners-up

In the realm of squash the Company has taken massive strides. During the years, a number of national-level players have been produced from the villages in and around Dhampur. Including, Ravi Dixit, currently India #4, Kush Kumar, the 2013 winner at the Asian Youth Games held in China and now Ranjit Singh who has been chosen to represent India at the Asian Championships being held in Iran. Apart from this many have got employment as squash coaches in eminent schools across metropolitan cities.

Empowering the nation's youth

The Company has promoted education and sports amongst youths from economically disadvantaged families, emphasising, that one should feel happy, confident, and ambitious without becoming arrogant.

In the field of education, three English-medium schools have been established by the Company – at Dhampur, Asmoli and Gunnaur - places where nearly 50 percent of the population are minority. The operative philosophy being that there should be no discrimination on the basis of caste, religion or gender. Special efforts have been made by students and the teachers alike to ensure that a holistic environment prevails.

FINANCIAL REVIEW, 2013-14

Accounting policy

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

Profit and loss statement

The Company's revenues stood at ₹ 1,897.78 crore in 2013-14 as against ₹ 1,532.87 crore in 2012-13. There has been an increase of 23.80%. The Company has generated its revenues primarily from three sectors - sugar, power generation and distillery.

- **Sugar:** Total revenues from sugar sector stood at ₹ 1,627.71 crore in 2013-14 against ₹ 1,232.46 crore in 2012-13, contributing 67.49% of the total revenue.
- **Power generation:** The power generation segment contributed 14.34% of the total revenue standing at ₹ 345.82 crore in 2013-14 as compared to ₹ 355.30 crore in 2012-13. The Company generated 53.62 crore units of power and exported 33.25 crore units during the present fiscal.
- **Distillery:** The Company's distillery segment brought in 18.17% of the revenue and stood at ₹ 438.32 crore in 2013-14 in comparison to ₹ 329.62 crore in 2012-13, an increase of almost 33% largely owing to increase in sales volume and average realisations.

Other income

The Company's other income includes rent, interest income and income from dividend. In the present year it stood at ₹ 5.97 crore which was 0.31% of the total revenue in comparison to ₹ 7.39 crore in 2012-13.

EBITDA

The EBITDA has decreased from ₹ 228.68 crore in 2012-13 to ₹ 134.15 crore in 2013-14, due to lower realisation from the sugar segment.

Operating costs: The total operating costs of the Company stood at ₹ 1,694.62 crore in 2013-14.

Raw material costs: The raw material costs of the Company stood at ₹ 1,343.70 crore in 2013-14 compared to ₹ 1,517.79 crore in 2012-13, the decrease was largely owing to a fall in sugarcane crushed and also due to a delay in the start of the crushing operations.

Employee benefit expenses: Employee benefit expenses stood at ₹ 73.34 crore in 2013-14 in comparison to ₹ 71.10 crore in 2012-13.

Other expenses: The major components under the other expenses head include consumption of stores, packaging material expenses, power and fuel, repairs and maintenance, rent, insurance amongst others. During the financial year, other expenses stood at ₹ 185.62 in comparison to ₹ 168.12 crore in 2012-13, increasing by nearly 10% largely owing to an increase in the packaging

material expenses for export of chemicals and also due to a rise in cane development expenses.

Interest costs: The interest costs of the Company stood at ₹ 142.21 crore in 2013-14 compared to ₹ 112.67 crore in 2012-13 and increase is due to enhanced utilisation of working capital limit because of a high inventory level during the year.

Balance Sheet-

Networth: The Company's networth stood at ₹ 443.76 crore as on 31st March 2014.

Share capital: The Company's share capital comprised 5,72,14,935 Equity Shares of ₹ 10 each and 4,13,940. 6% cumulative redeemable preference shares of ₹ 100 (fully paid-up), 4,69,013 1%-redeemable preference shares of ₹ 100 each (fully paid-up) and 18,01,817 8%-cumulative redeemable preference shares of ₹ 100 each (fully paid-up). The promoter group held 53.46 % in the Company as on 31st March 2014.

Reserves and surplus: The Company's reserves and surplus stood at ₹ 360.87 crore as on 31st March, 2014 against ₹ 403.70 crore as on 31st March, 2013.

Borrowings: The Company's borrowings comprise long-term borrowings (current and non-current) and short-term borrowings. As on 31st March 2014, it stood at ₹ 1,335.34 crore against ₹ 1,439.12 crore as on 31st March 2013.

Gross block including capital work-in-progress: The Company's gross block stood at ₹ 1,933.32 crore as on 31st March, 2014 against ₹ 1,662.16 crore as on 31st March, 2013, an increase due to expansion plan and the establishment of a new power plant at the Rajpura unit.

Depreciation: The Company's accumulated depreciation stood at ₹ 640.27 crore as on 31st March, 2014 against ₹ 569.78 crore in 2012-13.

Working capital management

Current assets: The Company's total current assets stood at ₹ 1,425.89 crore as on 31st March, 2014 against ₹ 1,538.47 crore as on 31st March, 2013.

Inventory: Inventory of finished goods along with raw materials as on 31st March 2014 decreased from ₹ 1,331.26 crore as on 31st March 2013 to ₹ 1,224.34 crore as on 31st March 2014.

Trade receivables: Trade receivables as on 31st March 2014 stood at ₹ 119.26 crore against ₹ 144.06 crore as on 31st March 2013.

Cash and cash equivalents: The Company's cash and cash equivalents stood at ₹ 19.53 crore as on 31st March, 2014.

Short-term loans and advances: The Company's short-term loans and advances stood at ₹ 35.24 crore in 2013-14 against ₹ 54.71 crore in 2012-13.

Other current assets: The Company's other current assets increased by significantly from ₹ 4.71 crore as on 31st March, 2013 to ₹ 27.52 crore as on 31st March, 2014, owing to a significant increase in reimbursement receivable of sugar cane commission from the State Government.

Current liabilities: The Company's total current liabilities reduced to ₹ 1,721.13 crore as on 31st March 2014 against ₹ 1,749.54 crore as on 31st

March 2013.

Short-term borrowings: The Company's short-term borrowings stood at ₹ 665.40 crore as on 31st March 2014 against ₹ 905.52 as on 31st March 2013.

Trade payables: The Company's trade payables stood at ₹ 858.40 crore as on 31st March 2014 compared to ₹ 618.41 crore as on 31st March 2013.

Other current liabilities: The Company's other current liabilities stood at ₹ 186.91 crore as on 31st March, 2014 against ₹ 199.40 crore as on 31st March, 2013.

Short-term provisions: The Company's short-term provisions stood at ₹ 10.42 crore as on 31st March, 2014 as against ₹ 25.86 crore as on 31st March, 2013.

RISK MANAGEMENT

Working capital risk

The operations of the capital-intensive sugar industry may be affected by inadequate working capital.

Risk mitigation

- The Company generates revenues from multiple products – sugar, power and chemicals facilitating steady cash inflows.
- Dhampur's focus on premium products (refined sugar and value-added distillery products) coupled with growing sales derived from power generation are expected to grow realisations, margins and cash flows.
- The Company liquidates its inventory by the close of the sugar year as a result of which its working capital borrowing is largely repaid in a timely fashion.

Locational risk

An inappropriate location could impact profitability; a considerable distance between cane harvesting and crushing locations could moderate recovery.

Risk mitigation

- Dhampur's mills are located within a 50 km (average) command area, well-connected to railway lines and roadways, which ensures cane delivery within 30 hours post-harvest.
- The Company established several cane gate centres in its command area for larger and quicker cane intake, freeing land for farmers to plant the second crop faster.
- The Company also formed dedicated teams to efficiently handle logistical issues between farmers and factories, accelerating cane transfer.

An economic slowdown could impact sugar offtake.

Risk mitigation

India's low per capita sugar consumption of around 20.2 kilograms compared with a global average per capita sugar consumption of 24 kilograms provides room for growth, especially since the domestic market is underserved and is home to 1.2 billion individuals.

Cyclical risk

The sugar industry in India is cyclical in terms of realisations.

Risk mitigation

- The Company's investment in sugar byproducts (ethanol and power) mitigated the impact of cyclicity.
- The proportion of non-sugar revenues comprised 32.51 percent of the Company's total revenues for the year 2013-14 compared to 17.24 percent in 2008-09, indicating a higher protection against cyclicity.
- The Company's ability to convert raw sugar into white sugar through its 1,700 TPD sugar refining capacity enables it to extend working beyond the conventional sugar season.

Raw material procurement risk

Fluctuation in raw material prices as a result of adverse climatic conditions can result in lower realisations and therefore crop switch over.

Risk mitigation

- The Company's plant is centrally located in Uttar Pradesh's rich cane producing belt.
- The Company's multi-location presence (Dhampur, Asmoli, Mansurpur, Rajpura and Meerganj) across Central and Western Uttar Pradesh ensures adequate sugarcane availability.
- The Company trains farmers in cropping techniques that can enhance cane yield.

Regulatory risk

Unfavourable government policies could derail business plans.

Risk mitigation

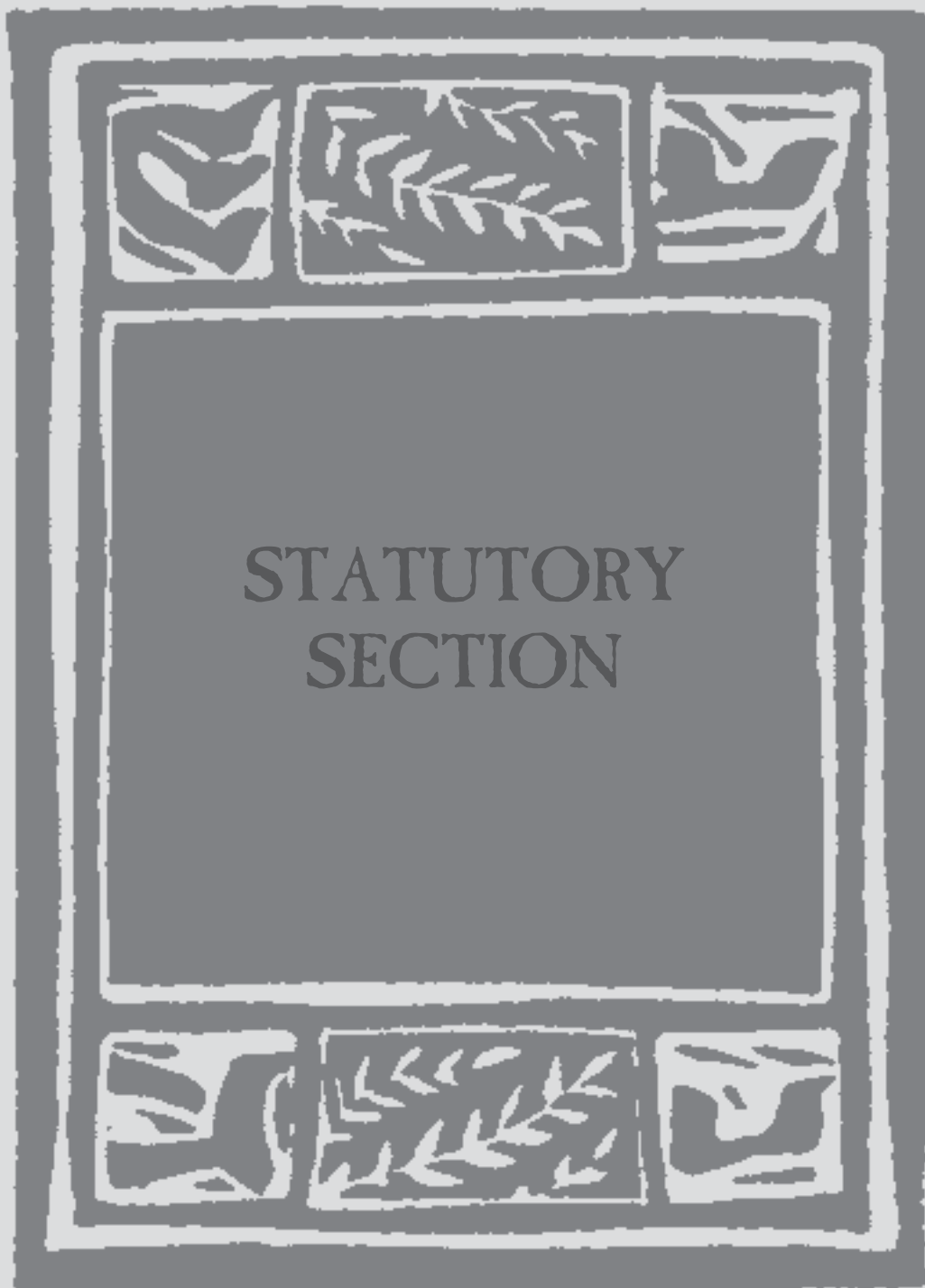
- The government formed the Rangarajan Committee so as to usher in progressive decontrol in the sugar sector. The industry expects the government to take and implement more such relevant measures to revive the industry.
- Mandate by the Central Government to blend ethanol (5 percent) with automotive fuel could catalyse ethanol sale.

Competition risk

The Company may not be able to mobilise adequate cane in a competitive environment.

Risk mitigation

- The Company sources cane directly from more than 1,80,000 farmers across its various command areas.
- It maintains enduring relationships with the farmers.
- It implemented farmer support programmes comprising the subsidised supply of seeds and other agricultural products.





Dear members,

Your Directors are pleased to present their 79th Annual Report together with the Company's audited accounts for the year ended 31st March, 2014.

Financial results

(₹ in crores)

	31st March, 2014	31st March, 2013
Total turnover	1897.05	1532.87
Operating profit (before interest, depreciation, extraordinary items and tax)	137.13	228.73
Interest	142.21	112.67
Depreciation	75.88	76.76
Extraordinary items	0.00	0.00
Profit before tax	(80.96)	39.30
Provision for tax	5.59	(16.54)
Profit after tax	(75.37)	22.76
Proposed dividend	0.26	8.89
Tax on proposed dividend	0.04	1.51
Transferred to debenture redemption reserve	0.00	1.26
Transferred to general reserve	0.00	15.00
Balance brought forward	17.37	21.27
Surplus carried to Balance Sheet	(58.30)	17.37

Operational performance:

Sugar units:

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

Sugar operations at a glance

	31st March, 2014	31st March, 2013
Cane crushed (lac-qtls.)	406.24	451.16
Recovery (per cent)	9.27	9.35
Finished sugar produced (lac-qtls.)	37.51	41.68

Co-generation operations at a glance

	31st March, 2014	31st March, 2013
Power generated (MW)	5,37,485	5,74,853
Sale to UPPCL (MW)	3,32,549	3,77,547

Chemical operations at a glance

Production	31st March, 2014	31st March, 2013
RS/ENA/Ethanol (in lacs BL)	612.89	381.87
Chemicals (net) (in lacs KG)	311.77	381.31

Subsidiaries and promoted company:

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

Public deposits:

Public deposits as on 31st March, 2014 stood at ₹ 29.63 crore as against ₹ 24.86 crore as on 31st March, 2014. There were unclaimed deposits amounting to ₹ 1.04 crore pertaining to 189 depositors as on that date. Out of these, depositors with deposits aggregating ₹ 0.04 crore have subsequently claimed/renewed their deposits. However, the balance amount of ₹ 1.00 crore still remains unclaimed.

Directors:

Shri Priya Brat, Shri M. P. Mehrotra, Shri Ashwani K. Gupta, Shri B. B. Tandon, Shri Harish Saluja and Shri Rahul Bedi will be appointed as Independent Directors for a period of five years with effect from 1st April, 2014 in compliance with the provisions of Section 149, 150, 152 and Schedule IV of Companies Act, 2013 .

Mr. Sandeep Sharma shall be appointed as Director of the Company w.e.f 15th June, 2014.

During the year Nomination by IDBI Limited in the Board was withdrawn and accordingly Mr. M. K. Jain, nominee of IDBI Limited ceased to be Director of the Company w.e.f 08th March, 2014.

Mr. J. P. Sharma, has resigned from the Directorship of the Company w.e.f 31st March, 2014.

Directors' responsibility statement:

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

- That the applicable Accounting Standards have been followed in the preparation of the Annual Accounts;
- That the Directors have selected such accounting policies

and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the Company's state of affairs at the end of the financial period and of the profit or loss of the Company for that period;

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

Auditors and Auditors' Report:

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

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

M/s S. S. Kothari Mehta & Company, Chartered Accountants, New Delhi, Branch Auditors will retire at the ensuing Annual General Meeting and being eligible are proposed to be re-appointed as Branch Auditors of the Meeraganj unit of the Company for the year 2014-15.

Corporate Governance:

In compliance with Clause 49 of the Listing Agreement with the stock exchanges, a detailed Corporate Governance Report has been given elsewhere in this report, along with the Management Discussion and Analysis report, which form an integral part of the Annual Report.

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

Particulars of Employees:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Company Members and others entitled thereto. Members interested in obtaining such particulars may write to the Company Secretary at the Company's Registered Office.

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

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

Industrial relations:

The industrial relations remained cordial during the period.

Acknowledgements:

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

By order of the Board of Directors

Place: New Delhi
Date: 21-05-2014

V. K. Goel
Chairman

ANNEXURE - I. TO DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2014

Conservation of energy:

a) Energy conservation measures taken for saving steam:

1. Bagasse drying plants set up at Mansurpur and Rajpura plants use waste heat from boiler flue gas. This reduces the moisture content of bagasse and improves its calorific value, leading to additional bagasse saving for the same steam generation and hence increased power generation from this renewable fuel.

2. Environment friendly generation of power and steam from waste generated from the distillery. Installed 4 MW gas engines for generating power and steam from purified biogas produced from distillery spent wash. The engines have a waste heat boiler to recover waste heat from the exhaust gases making the system even more energy efficient.

b) Form - A

I. Power and fuel consumption		31st March, 2014	31st March, 2013
1	Electricity		
A	Purchased: Units (kwh)	40,91,170	33,99,725
	Total value (₹)	2,50,30,749	2,04,87,120
	Rate (₹/Unit)	6.12	6.03
B	Own generation:		
i.	Through diesel generator:		
	Units (KWh)	11,23,904	9,61,009
	Unit per liter of diesel	3.07	2.90
	Cost/unit	17.87	15.84
ii.	Through steam turbine:		
	Units (KWh)	14,10,35,657	13,18,24,541
	Unit per liter of fuel/oil/gas	Steam produced mainly by use of own and purchased bagasse, paddy husk and coal.	

I. Power and fuel consumption		31st March, 2014	31st March, 2013
2	Coal		
	Quantity (tonnes)	13,813.11	-
	Total cost (₹ in lac)	825.90	-
	Average rate (₹/tonnes)	5979	-
3	Furnace oil		
	Quantity (lts.)	-	-
	Total cost (₹)	-	-
	Average rate	-	-
4	Other/Internal generation:		
	Quantity (tonnes)	-	-
	Total cost (₹)	-	-
	Average rate	-	-
II Consumption per unit of production			
A	Sugar (qtls.)	37,50,577	41,67,850
	- Electricity (kwh/qtls.)	38.99	32.68
	- Furnace oil	-	-
	- Coal (tonnes)	-	-
B	Chemical (qtls.)	-	-
	- Electricity (kwh/qtls.)	24.80	25.74
	- Furnace oil	-	-
	- Coal (tonnes)	-	-

Technology absorption:

Research and development

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

Liquid bio-fertilizers act as supplement for crop nutrition and assist in reducing chemical fertilizer dosage to maintain soil fertility. It is 100% organic. The Plant capacity of liquid bio-fertilizer unit has been increased to 3.6 lac litres per annum.

Development of new varieties of early maturing seeds for higher sugar recovery, yield in sugarcane and for early commencement of crushing operations.

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

Improved farm yields and soil nutrition.

3. Future plan of action:

To add different liquid bio-fertilizers which will further improve farm yields and soil nutrition.

4. Expenditure on R&D:

₹ 8.81 crore compared with previous year's ₹ 2.77 crore

Technology absorption, adoption and innovation:

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

Bagasse dryer drawing and design imported and implemented.

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

a) Technology imported

– No.

b) Year of import

– N.A.

c) Has technology been fully absorbed

– N.A.

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

– N.A.

Foreign exchange earnings and outgo

a) Activities related to exports:

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

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

b) Total foreign exchange used and earned:

(₹ in crore)

	Current Year	Previous Year
Export and foreign exchange earnings	177.11	189.25
Imports and expenditure in foreign currency	30.07	3.30



REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

- Transparency in policies and action.
- Independence to develop and maintain a healthy work culture.
- Accountability for performance.
- Responsibility towards the society and for its core values.
- Growth for stakeholders.

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

BOARD OF DIRECTORS:

The Company's Board of Directors comprises Promoters, Executives, Non-Executives, Nominee(s) and Independent Directors. There are 11 Directors on the Board as on 31st March, 2014, of whom four are whole-time Directors, including Chairman and Vice Chairman.

During the period from 1st April, 2013 to 31st March, 2014, six Board meetings were held on:

- 21st May, 2013
- 25th July, 2013
- 7th August, 2013
- 13th November, 2013
- 13th February, 2014
- 19th February, 2014

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

Name of Director(s)	Category	No. of Board meeting attended	Last AGM attended	No. of other directorships and committee memberships/chairmanships		
				Other directorships	Committee memberships	Committee chairmanships
Shri V. K. Goel	P,C & ED	6	Yes	4	None	None
Shri A. K. Goel	P & VC	5	Yes	1	1	None
Shri Gaurav Goel	P & MD	6	Yes	10	2	None
Shri Gautam Goel	P & MD	5	Yes	4	None	None
Shri A. K. Gupta	ID & NED	5	Yes	13	2	1
Shri M. P. Mehrotra	ID & NED	6	Yes	14	6	4
Shri Harish Saluja	ID & NED	5	No	6	1	None

Name of Director(s)	Category	No. of Board meeting attended	Last AGM attended	No. of other directorships and committee memberships/chairmanships		
				Other directorships	Committee memberships	Committee chairmanships
Shri Rahul Bedi	ID & NED	5	No	None	None	None
Shri J. P. Sharma (ceased w.e.f 31.03.2014)	WTD	1	Yes	1	None	None
Shri Priya Brat	ID & NED	6	No	3	7	2
Shri B. B. Tandon	ID & NED	5	No	14	8	3
Shri S.K Wadhwa	ID & NED	6	No	None	None	None
Shri M.K Jain (ceased w.e.f 08.03.2014)	ID & NED	6	No	None	None	None

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

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

a) Mr. Rahul Bedi: Independent Director, aged 62 years. Experienced Journalist. He is the India Correspondent for the Daily Telegraph, UK and the Irish Times, Dublin. He specializes in military and security-related issues. An MA in English Literature from Delhi University he was also at Oriel College, Oxford as the Reuters Fellow in the mid 1980's. He has co-authored several books. In the 1970's he was Assistant Master at The Mayo College, Ajmer and The Doon School where he taught English, History and Mathematics.

Age : 62 Years
Qualification : Post Graduate
Experience : 35 years

b) Shri Priya Brat : Independent Director of the Company. He is a science graduate and started his career as an academician but has been a banker since 1959 and retired as Dy. MD of State Bank of India. During his remarkable career he has been associated with several major financial institutions. He

has been on the boards of State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Travancore, State Bank of Saurashtra, M.P.State Development Corporation, M.P. State Electronic Development Corporation and OPTEL.

Age : 78 Years
Qualification : M.Sc (Hons)
Experience : 55 years

Directorship in other companies : 1) Dhanuka Agritech Limited, 2) Eicher Motors Limited, 3) South Asian Enterprises Limited, 4) Trinova India Private Limited .

c) Mr. M. P. Mehrotra, Independent Director. He is a Chartered Accountant with experience of over 44 years and with vast exposure of finance and taxes. He has wide experience as an Auditor and Tax Consultant and is an expert on Companies Act and Income Tax Act. He is the founder Partner of Mehrotra & Mehrotra and member of several prominent organizations such as Central Board of Trustees, Employees' Provident Fund Organization (EPFO), Ministry of Labour, Govt. of India, Task Force for MOUs, Ministry of Heavy Industries & Public Enterprises, Govt. of India, Advisory Committee, Handlooms,

Ministry of Textiles, Govt. of India, PHDCCI and ASSOCHAM and several others. He has been Director, Canara Bank and Trustee, Cochin Port Trust.

Age : 77 Years
Qualification : Chartered Accountant
Experience : 46 years

Directorship in other companies:

1) VLS Finance Ltd. 2) South Asian Enterprises Ltd. 3) Empee Distilleries Ltd. 4) Delton Cables Ltd. 5) SBICAP Securities Ltd. 6) Baroda Pioneer Asset Management Co. Ltd. 7) Moonrock Hospitality Pvt. Ltd. 8) Maxim Infracom Pvt. Ltd. 9) VLS Commodities Ltd. 10) Empee Sugars & Chemicals Ltd., 11) Lino Pensione (P) Ltd., 12) Vinu Promoters (P) Ltd., 13) GOL Offshore Limited .

d) Shri Harish Saluja is a Director of the Company since 1980. He is a Chartered Accountant with an experience of about 38 years and with a vast exposure to the financial market in India.

Age : 76 Years
Qualification : Graduate
Experience : 45 years

Directorship in other companies : 1) Saraswati Properties Limited 2) Revive Realty Private Limited 3) Real Value Energy Limited 4) Norbury Consultants Private Limited 5) Revive Containers Private Limited 6) Revive Infra Private Limited

e) Shri B. B. Tandon is a Director of the Company since 2008. He was a member of Indian Administrative Services (IAS) 1965-2001, Election Commissioner of India w.e.f. 13.06.2001 to 15.05.2005, member of the Delimitation Commission w.e.f. 12.07.2002 to 15.05.2005 and Chief Election Commissioner of India w.e.f. 16.05.2005 to 29.06.2006. He was also invited as International Election Observer to observe the Second Cambodian General Election held in July, 2003. He also served as a member of the "Commission on Constitutional and Electoral Reforms" set up by the Govt. of Mauritius in November, 2001. He also headed the working group on comprehensive revision of the Companies Act, 1956, which recommended several changes/amendments in the said Act. Having joined the service in 1965, Shri Tandon held various top-level posts in the Government of India including as Addl. Secretary.- Ministry of Company Affairs and at State level as Principal Secretary

(Power) - Govt. of Himachal Pradesh. He has also served on the Board of several Public Sector Undertakings.

Age : 73 Years
Qualification : M.A., LL.B, IAS
Experience : 46 years

Directorship in other companies: 1) Ambuja Cement Foundation, 2) Adani Power Limited 3) Birla Corporation Limited 4) Oriental Carbon & Chemicals Ltd, 5) Jaiprakash Power Ventures Limited 6) Filatex India Ltd, 7) Bhushan Steel Limited, 8) V L S Finance Limited, 9) Exicom Tele-Systems Limited, 10) Ambience Private Limited, 11) Jaypee Infratech Limited, 12) ACB (India) Limited, 13) Schrader Duncan Limited, 14) Jinbhuvish Power Generations Private Limited

f) Mr. Ashwani K Gupta : Independent Director. Mr. Ashwani Kumar Gupta is Chartered Accountant of 1977 batch. He has experience of over 37 years and is acknowledged as one of the leading Finance, Treasury, Real Estate, Securitisation, Reconstruction of Assets Experts in the Industry today and is on the Board of various prestigious companies. Mr. Gupta is Regional Council Member of Central India Regional Council of Institute of Chartered Accountants of India. He has been Government Nominee on the Board of Joint Sector Companies and RBI nominee on the Board of Bank.

Age : 60 Years
Qualification : CA
Experience : 37 years

Directorship in other companies : 1) Ashlay Infrastructure Private Limited, 2) Best Techno Parks Private Limited, 3) Mani Infradev Limited 4) Kapareva Development Private Limited 5) Lallooji & Sons Private Limited 6) Urvi Homes Private Limited 7) Mani Capitals Limited 8) Norbury Consultants Private Limited 9) Ultimate Infraventures Private Limited 10) Realvalue Energy Private Limited 11) AKG Consultants Private Limited 12) Saransh Investment Pte. Ltd. (Singapore)

AUDIT COMMITTEE:

The Committee discharges such duties and functions generally as set out in Companies Act, 2013 and Clause 49 of the Listing Agreement with the stock exchanges and such other functions as may be specifically delegated to the Committee by the Board from time to time. The constitution of the Audit Committee

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

During the period from 1st April, 2013 to 31st March, 2014, five Audit Committee meetings were held on:

- 1) 21st May, 2013
- 2) 25th July, 2013
- 3) 7th August, 2013
- 4) 13th November, 2013
- 5) 13th February, 2014

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

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

The Committee, *inter-alia*, reviewed the financial statements including Auditors' Reports for the year ended 31st March, 2014 and recommended its adoption, records of related party transactions, reports related to compliance of laws and risk management.

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

THE NOMINATION AND REMUNERATION COMMITTEE:

As per the requirement of Companies Act, 2013, The remuneration Committee has been renamed as "The Nomination and Remuneration Committee".

The Nomination and Remuneration Committee recommends/reviews the appointment and remuneration of Directors and Senior Management and performs the functions as laid down in Companies Act, 2013 and clause 49 of the Listing Agreement.

During the period from 1st April, 2013 to 31st March, 2014, one Remuneration Committee meeting was held on:

- 1) 21st May, 2013

Details of the composition of the Remuneration Committee and

the attendance at the meeting held is as follows:

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

Details of remuneration paid to Directors for the period of Year ended 31st March, 2014

Name of Director(s)	Category	Salary and perquisites (₹ in lac)	Sitting fee (₹ in lac)
Shri V. K. Goel	P,C & ED	48.09	-
Shri A. K. Goel	P & VC	48.20	-
Shri Gaurav Goel	P & MD	48.03	-
Shri Gautam Goel	P & MD	48.10	-
Shri A. K. Gupta	ID & NED		2.35
Shri M. P. Mehrotra	ID & NED		2.18
Shri Harish Saluja	ID & NED		1.30
Shri Rahul Bedi	ID & NED		0.95
Shri J. P. Sharma	WTD	3.07	-
Shri Priya Brat	ID & NED	-	2.55
Shri B. B. Tandon	ID & NED	-	1.02
Shri. M. K. Jain	ID,ND & NED		1.15
Shri S. K. Wadhwa	ID,ND & NED		1.15

** Payment to Non-Executive Directors are paid sitting fees for attending Board Meetings and Committee Meetings.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

As per the requirement of Companies Act, 2013, Investors' Grievance Committee has been renamed as Stakeholder's Relationship Committee.

The Committee comprises of Shri A. K. Gupta, Chairman; Shri Priya Brat; and Shri Harish Saluja.

The Committee, *inter-alia*, reviews issue of duplicate certificates

and oversees and reviews all matters connected with the Company's transfers of securities. It looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends among others.

It oversees the performance of the Company's Registrar and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. Besides, it monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992. The Board delegated the power of approving transfer of securities to Shri Gaurav Goel, the Company's Managing Director.

Besides the committee shall have such terms of reference, role, responsibility and powers as specified in Section 178 of the Companies Act, 2013 and as specified in the Listing Agreement, as amended from time to time.

During the period from 1st April, 2013 to 31st March, 2014, four Investors Grievance Committee meetings were held on:

- 1) 21st May, 2013
- 2) 7th August, 2013
- 3) 13th November, 2013
- 4) 13th February, 2014

The attendance at the meetings are as follows:

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

STATUS OF INVESTORS' GRIEVANCES:

The total number of letters/complaints received is 265 and all of them have been dealt with to the satisfaction of shareholders during the period ended 31st March, 2014 and no demat request/transfer was pending as on that date.

COMPLIANCE OFFICER

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

Secretary, is the Compliance Officer of the Company.

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

CORPORATE SOCIAL RESPONSIBILITY

As per the requirement of Companies Act, 2013, The Committee named as Corporate Social Responsibility Committee (CSR Committee) has been formed consisting of Mr. VK Goel, Chairman, Mr. Gaurav Goel, Managing Director and Mr. Ashwani K Gupta, Independent Director.

The Committee will formulate and monitor the implementation of the framework of the Company's Corporate Social responsibility Policy.

GENERAL MEETINGS:

Details of Annual General Meetings are as follows:

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

Year	Location	Date	Time
2012-13	Registered office P.O. Dhampur (Bijnor)	20th September, 2013	2.00 p.m.
2011-2012	Registered office P.O. Dhampur (Bijnor)	30th August, 2012	2.00 p.m.
2009-2011	Registered office P.O. Dhampur (Bijnor)	1st August, 2011	2.00 p.m.

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

Yes- Reappointment of Mr. V.K Goel as Chairman.

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

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

DISCLOSURES

i. The Company does not have any materially significant related party transactions i.e. transactions of the Company

of material nature, with its Promoters, Directors, the management, their subsidiaries and relatives, among others that may have potential conflict with the interest of the Company at large. However, disclosures of transactions with related parties are set out in the notes to Accounts, forming part of Annual Report.

- II. The Company has followed the existing Accounting standards and other applicable laws and regulations.
- III. The Company has laid down procedures for Risk Assessment and Minimization, and the same is periodically reviewed by the Board. The Company has adequate internal control systems to identify risk and ensuring their effective control.
- IV. The Company has duly complied with the requirements of regulatory authorities on capital markets and no penalties/strictures were imposed against it during the last three years.
- V. There was no public issue or rights issue during the year.
- VI. Shri. Ashwani K Gupta and Shri Harish Saluja , Non – Executive Directors hold 8237 and 3000 Equity Shares in the Company as on 31st March, 2014.

MEANS OF COMMUNICATION

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

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

GENERAL SHAREHOLDER INFORMATION

79th Annual General Meeting:

Date: 26th September, 2014

Time: 2 p.m.

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

Tentative financial calendar

Board meeting to approve quarterly financial results:

Period quarter ending	Proposed Board meeting dates
30th June, 2014	End July, 2014
30th September, 2014	End October, 2014
31st December, 2014	End January, 2015
31st March, 2015	End May, 2015
Annual General Meeting for the period ended September, 2015 31st March, 2015 :	

Date of Book Closure

From Monday, 22nd September, 2014 to to Friday, 26th September, 2014 (both days inclusive)

Listing on stock exchanges

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

The annual listing fees for the year 2014-15 have been duly paid to all the above stock exchanges.

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

The Equity Shares available for dematerialization are as follows
ISIN No.INE041A01016 with NSDL and CDSL.

Stock market data from 1st April, 2013 to 31st March, 2014

Months	National Stock Exchange		Bombay Stock Exchange	
	High (H)	Low (H)	High (H)	Low (H)
April, 2013	51.90	41.65	52.00	41.80
May, 2013	45.95	40.70	47.00	40.55
June, 2013	42.00	34.50	44.95	31.15
July, 2013	42.60	31.60	43.95	31.45
August, 2013	34.95	28.00	37.85	27.70
September, 2013	34.90	29.50	34.80	29.05
October, 2013	34.50	30.05	34.60	30.05
November, 2013	43.65	27.90	43.60	28.00
December, 2013	41.10	31.05	41.75	32.15
January, 2014	35.65	29.00	35.20	28.85
February, 2014	33.20	28.00	31.75	28.40
March, 2014	41.60	30.60	41.90	31.00

REGISTRARS & SHARE TRANSFER AGENTS

M/s Alankit Assignments Limited, Alankit House, 2E/21 Jhandewalan Extension, New Delhi 110 055

Ph: 011-42541953, Fax: 011-42541201 E-mail: rta@alankit.com

SHARE TRANSFER SYSTEM

At present, the share transfers which are received in physical

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

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

9. Distribution of shareholding as on 31st March, 2014

Sl. No	Shareholding of normal value of ₹ 10 each	No. of share-holders	Per cent of total shareholders	Share amount (₹)	Per cent of total equity
1	1 to 5000	42104	91.445	42535960	7.434
2	5001 to 10000	1996	4.335	16007410	2.798
3	10001 to 20000	904	1.963	13669230	2.389
4	20001 to 30000	305	0.662	7800310	1.363
5	30001 to 40000	146	0.317	5214150	0.911
6	40001 to 50000	136	0.295	6418800	1.122
7	50001 to 100000	179	0.389	13400790	2.342
8	100001 to ABOVE	273	0.593	467102700	81.64
	TOTAL	46043	100	572149350	100

Sl.No.	CATEGORY	HOLDING	%
1	Promoter	7712604	13.48
2	Associate Company	13297273	23.24
3	Director and Relatives	85364	0.15
4	Person Acting in Concert	9490396	16.59
5	Banks/FI	2049878	3.58
6	FII	58447	0.10
7	Corporate Bodies	7427323	12.98
8	Resident Indian Public	16077784	28.10
9	NRI/OCB/Foreign Nationals	1011217	1.77
10	Mutual Funds	3515	0.01
11	Trust	1134	0.00
	Grand Total	57214935	100.00

DEMATERIALIZATION OF SHARES

Over 99.12 per cent of the outstanding shares have been dematerialized up to 31st March, 2014. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f October/November, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

CODE OF CONDUCT

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

Non-mandatory requirements:

NON MANDATORY REQUIREMENTS

Mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the Company. Non mandatory requirements are as under:

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

Nomination and Remuneration Committee: The Company has already constituted Remuneration Committee, which has been renamed as Nomination and Remuneration Committee w.r.t the requirements of Companies Act, 2013. The Committee comprises of Non-Executive Chairman and Independent Directors.

Shareholders Rights: The quarterly/half-yearly results are published in the newspapers and hosted on the Company's website www.dhampur.com and corpiling websites, therefore the same are not sent to shareholders individually.

Audit Qualifications : The Company is always striving towards ensuring the unqualified financial statements.

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

Whistle Blower Policy : As per the requirement of Companies Act, 2013, the Company has opted for Whistle Blower Mechanism and Whistle Blower Policy has been formed and is being made available on Company's website.

PLANT LOCATIONS:

Sugar units: Dhampur, Dist. Bijnor (U.P.) Asmoli, Dist. Sambal (U.P.) Mansurpur, Dist. Muzaffarnagar (U.P.) Rajpura, Dist. Sambal (U.P.) Meerganj, Dist. Bareilly (U.P)

Chemical units: Dhampur, Dist. Bijnor (U.P.), Asmoli, Dist. Sambhal (U.P)

Co-generation units: Dhampur, Dist. Bijnor (U.P.), Asmoli, Dist. Sambal (U.P.) Mansurpur, Dist. Muzaffarnagar (U.P.), Rajpura, Dist. Sambal (U.P.), Meerganj, Dist. Bareilly (U.P)

ADDRESS FOR CORRESPONDENCE:

Dhampur Sugar Mills Limited

CIN: L15249UP1933PLC000511

241 Okhla Industrial Estate, Phase – III, New Delhi 110 020

Ph: 011-30659400, Fax: 011-26935697

E-mail: investordesk@dhampur.com

Declaration on the Code of Conduct

Pursuant to Clause 49 of the Listing Agreement with stock exchanges, I, Arhant Jain, Executive President (Finance) & Company Secretary of Dhampur Sugar Mills Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2014.

CERTIFICATE BY CEO/CFO FOR THE PERIOD FROM 1ST APRIL, 2013 TO 31ST MARCH, 2014

THE BOARD OF DIRECTORS, DHAMPUR SUGAR MILLS LIMITED

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

- a) We have reviewed the Balance Sheet, Profit and Loss Account, Cash Flow Statement and the Director's report for the period from 1st April, 2013 to 31st March, 2014 and based upon our knowledge and information certify that :-
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain the statement that might be misleading,
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards and other applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal control for financial reporting for the company and we have:
 - i) Evaluated the effectiveness of the internal control system of the company;
 - ii) Disclosed to the Auditors and Audit Committee of the Board, deficiencies in the design or operation of internal controls, if any of which we are aware, and;
 - iii) Necessary steps taken/proposed to be taken to ratify these deficiencies.
- d) We have indicated to Auditors and the Audit Committee of the Board that there have been:
 - i) no significant changes in internal control over the financial reporting during the period,
 - ii) no significant changes in accounting policies during the period
 - iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place: New Delhi
Date: 21.05.2014

Vijay Kumar Goel
Chairman

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

CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of
Dhampur Sugar Mills Limited**

I have examined the compliance of conditions of Corporate Governance by Dhampur Sugar Mills Limited for the period ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock exchange(s).

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

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

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

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

Place: Kanpur

Date: 21.05.2014

Saket Sharma

Company Secretary

C.P. No. 2565

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of
Dhampur Sugar Mills Limited

Report on the Consolidated Financial Statements

We have audited the attached consolidated financial statements of Dhampur Sugar Mills Limited ("the Company") and its Subsidiary (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on the financial statement of the subsidiary as noted below, the attached consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:

- i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2014;
- ii) in the case of the Consolidated Profit and Loss Account, of the Loss of the Group for the year ended on that date; and
- iii) in the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date

Other Matter

We did not audit the financial statements of the subsidiary viz. Dhampur International Pte. Limited and Dhampur Global Pte. Limited (Subsidiary of Dhampur International Pte. Limited) whose consolidated financial statements reflect total assets of ₹ 18.69 crores as at 31st March, 2014 and total revenues of ₹ 39.48 Crores for the year ended on that date (these figures include intra group balances and intra group transactions eliminated on consolidation). The figures of this subsidiary has been incorporated on the basis of unaudited financial statements. We also did not audit the financial statements of Meerganj Unit whose financial statements reflect total assets of ₹ 232.20 Crores as at 31st March, 2014 and total revenue of ₹ 197.97 Crores during the financial year. The financial statements of Meerganj unit are audited by the other auditors. In conduct of our audit, we have taken note of accounts audited by other auditors.

Our opinion is not qualified in respect of these matters.

For **S. VAISH & CO.**, For **MITTAL GUPTA & CO.**,
Chartered accountants Chartered Accountants
FRN 00001C FRN 01874C

(S.P.AGRAWAL)	(B. L. GUPTA)
Place: Kanpur	Partner
Dated: 21-05-2014	M No. 07269

CONSOLIDATED BALANCE SHEET as at 31st March, 2014

(₹ in crores)

Particulars	Note No.	As at 31.03.2014		As at 31.03.2013	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1A	80.41		83.36	
Reserves and surplus	2	360.87		403.70	
Money received against Equity share warrants	1B	2.48	443.76	0.00	487.06
Non-current liabilities					
Long-term borrowings	3	544.74		391.57	
Deferred tax liabilities	4	0.00		5.59	
Other long-term liabilities	7	5.15		5.44	
Long-term provisions	5	19.95	569.84	18.03	420.63
Current liabilities					
Short-term borrowings	6	665.40		905.52	
Trade payables	7	858.40		618.41	
Other current liabilities	7	186.91		199.40	
Short-term provisions	8	10.42	1721.13	25.86	1749.19
Total			2734.73		2656.88
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	9	1086.02		1073.01	
Capital work-in-progress		207.03		19.42	
Non-current investments	10	1.97		0.78	
Long-term loans and advances	11	13.59		24.95	
Other non-current assets	12	0.23	1308.84	0.25	1118.41
Current assets					
Inventories	13	1224.34		1311.26	
Trade receivables	14	119.26		144.06	
Cash and cash equivalents	15	19.53		23.73	
Short-term loans and advances	11	35.24		54.71	
Other current assets	12	27.52	1425.89	4.71	1538.47
Total			2734.73		2656.88
Significant Accounting Policies					
Notes on Financial Statements	1 to 34				

This is the Balance Sheet referred to in our report of even date For and on behalf of the Board of Directors

For S. Vaish & Co., For Mittal Gupta & Co.

(S. P. Agrawal) (B. L. Gupta)
 Partner Partner
 Chartered Accountants Chartered Accountants
 Place : Kanpur
 Dated : 21-05-2014

Arhant Jain V. K. Goel A. K. Goel
 Executive President (Finance) Chairman Vice Chairman
 & Secretary

Gaurav Goel Gautam Goel A. K. Gupta M.P.Mehrotra
 Managing Director Managing Director Director Director

CONSOLIDATED PROFIT AND LOSS STATEMENT for the year ended 31st March, 2014

(₹ in crores)

Particulars	Note No.	Year ended 31.03.2014	Year ended 31.03.2013
INCOME			
Revenue from operations	16	1897.78	1532.87
Less : Excise duty and other taxes		74.98	1822.80
Other income	17	5.97	7.39
Total revenue		1828.77	1488.61
EXPENSES			
Cost of Raw materials consumed	18	1343.70	1517.79
Purchases of Stock-in-Trade	16	22.33	24.68
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	19	69.63	(521.76)
Employee benefits expense	20	73.34	71.10
Other expenses	21	185.62	168.12
Total expenses		1694.62	1259.93
Earnings before interest, tax depreciation and amortization		134.15	228.68
Depreciation and amortization expense		75.88	78.19
Less : transferred from general reserve		0.00	75.88
Finance costs	22	142.21	112.67
Profit before exceptional and extraordinary items and tax		(83.94)	39.25
Exceptional items {Net gain/(loss)}		-	(8.19)
Less : transferred from general reserve		0.00	8.19
Profit before extraordinary items and tax		(83.94)	39.25
Extraordinary items {Net gain/(loss)}		0.00	0.00
Profit/(loss) before tax		(83.94)	39.25
Tax expense:			
Current tax/Income tax adjustments		0.32	(5.97)
Less: MAT credit entitlement		(0.32)	5.95
Deferred tax assets/(liability) (Net)		5.59	(16.52)
Profit/(loss)		(78.35)	22.71
Earning per equity share (nominal value of share ₹ 10/- each)			
Basic (₹ per share)		(14.04)	3.61
Diluted (₹ per share)		(13.34)	3.61
Significant Accounting Policies			
Notes on Financial Statements	1 to 34		

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

For and on behalf of the Board of Directors

For S. Vaish & Co.,

For Mittal Gupta & Co.

(S. P. Agrawal)

Partner

Chartered Accountants

Place : Kanpur

Dated : 21-05-2014

(B. L. Gupta)

Partner

Chartered Accountants

Gaurav Goel
Managing Director

Arhant Jain
Executive President (Finance)
& Secretary

Gautam Goel
Managing Director

V. K. Goel
Chairman

A. K. Gupta
Director

A. K. Goel
Vice Chairman

M.P. Mehrotra
Director

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax and exceptional items	(83.94)	39.25
Adjustment for:		
Depreciation	75.88	76.76
Loss on sale of fixed assets (net)	(1.43)	(0.81)
Finance costs	142.21	112.67
Interest and other investment income	(4.12)	(0.71)
Molasses storage fund	0.13	0.19
Provision for doubtful debts	0.00	7.95
	212.67	196.05
Operating profit before working capital changes	128.73	235.30
Adjustments for:		
Trade and other receivables	25.41	72.70
Inventories	86.94	(542.02)
Trade and other payables	238.24	90.56
	350.59	(378.76)
Cash generated from operation	479.32	(143.46)
Taxes refund/(paid)	(1.05)	(5.15)
Net cash from operating activities (A)	478.27	(148.61)
B. Cash flow from investing activities :		
Purchases of fixed assets	(219.11)	(89.08)
Loans (net)	0.00	12.43
Sale of fixed assets	4.09	3.03
Purchases/Sale of investments (Net)	(1.85)	2.01
Interest and other investment income	4.18	1.04
Net cash used in investing activities (B)	(212.69)	(70.57)

CONSOLIDATED PROFIT AND LOSS STATEMENT for the year ended 31st March, 2014

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
C. Cash flow from financing activities :		
Redemption of preference shares	(2.94)	(0.78)
Money Received against Share Warrant	2.48	0.00
Proceeds from borrowings (net)	(103.30)	345.02
Dividend including dividend distribution tax	(10.34)	(8.11)
Finance costs paid	(156.84)	(115.60)
Net cash used in financing activities (C)	(270.95)	220.53
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(5.37)	1.35
Opening Balance of Cash and Cash Equivalents	17.10	4.56
Opening Balance from Amalgamated Company	0.00	11.19
Closing balance of Cash and Cash Equivalents	11.73	17.10

Reconciliation of Cash & Cash Equivalents :

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Closing Balance of Cash & Cash Equivalents as per Cash Flow Statement	11.73	17.10
Add: Balance in Unpaid Dividend account	0.34	0.28
Add: Deposit pledged against margin money/guarantee	3.94	2.77
Add: Deposit with original maturity more than 3 months but upto 12 months	3.52	3.58
Closing Balance of Cash & Cash Equivalents as per Note No - 15	19.53	23.73

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

For and on behalf of the Board of Directors

For S. Vaish & Co.,

For Mittal Gupta & Co.

(S. P. Agrawal)

Partner

Chartered Accountants

Place : Kanpur

Dated : 21-05-2014

(B. L. Gupta)

Partner

Chartered Accountants

Gaurav Goel
Managing Director

Arhant Jain
Executive President (Finance)
& Secretary

Gautam Goel
Managing Director

V. K. Goel
Chairman

A. K. Gupta
Director

A. K. Goel
Vice Chairman

M.P.Mehrotra
Director

SYSTEM OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

I System of Accounting:

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

II Significant Accounting Policies :

1 Principles of consolidation

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

The consolidated financial statements have been prepared on following basis :

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

Name of the Subsidiary Company	Country of Incorporation	% of Voting Power held 31st March, 2014	Financial year ended on
Dhampur International Pte Limited (DIPL)	Singapore	100.00%	31st March, 2014
Dhampur Global Pte Limited	Singapore	100.00% (hold by DIPL)	31st March, 2014

- f) These consolidated financial statements are based, in so far as they relate to amounts included in respect of the subsidiary, on the unaudited financial statements prepared for consolidation.

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

3 Other Significant Accounting Policies :

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

1A Share capital

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
Authorized shares				
11,38,26,000 equity shares of ₹ 10/- each		113.83		113.83
69,17,400 preference shares of ₹ 100/- each		69.17		69.17
Issued , subscribed and paid-up shares				
Equity				
5,72,14,935 (5,39,05,975) equity shares of ₹ 10/- each fully paid-up	57.21		53.91	
3,25,496 equity shares forfeited	0.07		0.07	
Less : Calls in arrears	#	57.28	#	53.98
Preference				
4,13,940 (4,13,940) 6% Cumulative redeemable preference shares of ₹ 100/- each fully paid-up		2.76		4.14
{Amount pending for redemption - ₹ 66.67 (₹ 100.00) per share}				
4,69,013 (4,69,013) 1% Cumulative redeemable preference shares of ₹ 100/- each fully paid-up		2.35		3.91
{Amount pending for redemption - ₹ 50.00 (₹ 83.33) per share}				
18,01,817 (0) 8% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up		18.02		0.00
0 (33,08,960) Equity share pending for allotment		-		3.31
0 (18,01,817) 8% Cumulative Redeemable Preference share pending for allotment		-		18.02
TOTAL		80.41		83.36

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

Particulars	31.03.2014		31.03.2013	
	No.	(₹ in crores)	No.	(₹ in crores)
Authorized shares				
Equity shares				
At the beginning of the period	113826000	113.83	97000000	97.00
Added as per scheme of amalgamation	-	-	16826000	16.83
Outstanding at the end of the period	113826000	113.83	113826000	113.83
Preference shares				
At the beginning of the period	6917400	69.17	5100000	51.00
Added as per scheme of amalgamation	-	-	1817400	18.17
Outstanding at the end of the period	6917400	69.17	6917400	69.17
Issued , subscribed and paid-up shares				
Equity shares				
At the beginning of the period	53905975	53.91	53905975	53.91
Issued during the period	3308960	3.30	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

1A.a Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below (contd.)

Particulars	31.03.2014		31.03.2013	
	No.	(₹ in crores)	No.	(₹ in crores)
Outstanding at the end of the period	57214935	57.21	53905975	53.91
Preference shares				
At the beginning of the period	882953	8.83	882953	8.83
Issued during the period	1801817	18.02	-	-
Outstanding at the end of the period	2684770	26.85	882953	8.83

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

Particulars	31.03.2014		31.03.2013	
	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid-up				
Goel Investments Ltd.	11255515	19.67	11255515	20.88
Sonitron Ltd.	4940716	8.64	4940716	9.17
Shudh Edible Products Ltd.	4549680	7.95	4549680	8.44
Mr. Gautam Goel	3492339	6.10	3481038	6.46
Mr. Gaurav Goel	3461379	6.05	3452843	6.41
6% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	413940	100.00	413940	100.00
1% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	469013	100.00	469013	100.00
8% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
JK Tyre & Indurties Limited	1801817	100.00	-	-

1A.c Calls unpaid of equity shares

Particulars	31.03.2014		31.03.2013	
	No.	₹	No.	₹
i) Calls unpaid by directors and officers	Nil	Nil	Nil	Nil
ii) Calls unpaid by others	2185	10705	2185	10705

1A.d Terms/right attached to equity shares

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

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

1A.e 33,08,960 Equity shares of ₹ 10 each and 18,01,817 8% Cumulative Redeemable Preference shares of ₹ 100 each were allotted during the year to the shareholders of J K Sugar Ltd pursuant to the scheme of amalgamation without payment being received in cash.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

1A.f Right attached to Preference shares

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

1A.g Terms of redemption of Preference shares

- (i) 4,13,940 - 6% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 3 equal yearly installments commencing from December, 2013.
- (ii) 4,69,013 - 1% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 12 equal quarterly installments commencing from December, 2012.
- (iii) 18,01,817 - 8% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 3 equal yearly installments commencing from April 01, 2014.

1A.h The Board of directors recommended the following dividend :

Particulars	31.03.2014	31.03.2013
Proposed dividend per equity share of ₹ 10/- each	₹ 0.00	₹ 1.25
Proposed dividend per 6% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ 5.51	₹ 6.00
Proposed dividend per 1% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ 0.71	₹ 1.00
Proposed dividend per 8% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ 0.00	₹ 8.00

1B Money received against Equity share warrants

Deferred tax liabilities	(₹ in crores)	
	As at 31.03.2014	As at 31.03.2013
Money recieved against Equity share warrants		
30,00,000 (0) Equity share warrants of ₹ 8.25 per warrant	2.48	0.00
TOTAL	2.48	0.00

1B. a Terms of share warrants issue:

1. The holder(s) of each warrant shall have an option to apply for and be allotted One equity share of ₹ 10 each at premium of ₹ 23 per share i.e. ₹ 33 per share at any time within 18 months from the date of allotment of warrant. i.e. 26th March 2014.
2. Application money of ₹ 8.25 per warrant shall be adjusted against the price payable subsequently for acquiring by exercising the option. Application money of ₹ 8.25 per warrant shall be forfeited if the option to acquire shares is not exercised.
3. The Equity shares issued and allotted upon exercise of option will be fully paid and will rank pari passu with the existing equity shares.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014
2 Reserves and surplus

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
Capital reserve				
Balance as per last account	10.64		2.96	
Add : Transferred from amalgamation reserve	0.00	10.64	7.68	10.64
Securities Premium Reserve				
Balance as per last account	319.96		317.67	
Addition on amalgamation of JKSL	0.00		2.69	
Less: Provision for premium on redemption of Zero Coupon				
Non-convertible Debentures	0.00	319.96	(0.40)	319.96
Reserve for construction of Molasses Storage Tank				
Balance as per last account	1.44		2.31	
Addition on amalgamation of JKSL	0.00		0.53	
Add: Provided during the period	0.13		0.19	
Less: Transferred to General Reserve	0.00	1.57	(1.59)	1.44
Debenture redemption reserve				
Balance as per last account	2.40		0.00	
Addition on amalgamation of JKSL	0.00		1.14	
Less : Transferred to general reserve	(2.40)		0.00	
Add : Transferred from general reserve	0.00	0.00	1.26	2.40
Amalgamation reserve				
Reserve credited on amalgamation of JKSL	0.00		8.72	
Less : Transferred to capital reserve on amalgamation	0.00		(7.68)	
Less : Adjustment of expenses incurred on amalgamation	0.00	0.00	(1.04)	0.00
Revaluation Reserve				
Balance as per last account	0.00		0.00	
Add: During the year (Refer Note No. - "9. A")	35.69	35.69	0.00	0.00
General reserve				
Balance as per last account	52.03		78.31	
Add : Transferred from Reserve for Construction of Molasses Storage Tank	0.00		1.59	
Add: Transferred from statement of profit & loss	0.00		15.00	
Add: Transferred from Debenture Redemption Reserve	2.40		0.00	
Debit balance of Profit/Loss of JKSL upto 31-03-2012 on amalgamation	0.00		(33.25)	
Less: Transferred to statement of profit & loss	0.00	54.43	(9.62)	52.03
Surplus				
Balance as per last account	17.23		21.18	
Profit/(loss) for the year	(78.35)		22.71	
Less : Appropriations				

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

2 Reserves and surplus (Contd.)

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
Proposed equity dividend	0.00		7.15	
Dividend on preference shares	0.26		1.74	
Tax on dividend	0.04		1.51	
Transferred to debenture redemption reserve	0.00		1.26	
Transferred to general reserve	0.00		15.00	
Net surplus		(61.42)		17.23
TOTAL		360.87		403.70

3 Long-term borrowings

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Non-current	Current	Non-current	Current
Debentures - Secured				
Zero Coupon Non-convertible debentures including premium	0.00	0.00	0.00	2.40
Term loans				
Secured				
Rupee term loans from banks	334.81	83.55	275.57	66.20
Rupee term loans from banks SEFASU	109.53	0.00	0.00	0.00
Foreign currency term loan from bank (ECB)	0.00	0.00	0.00	21.72
Zero coupon rupee term loans from banks	2.06	4.12	6.19	4.12
Rupee term loans from sugar development fund	68.66	32.60	102.64	39.15
	515.06	120.27	384.40	131.19
Unsecured				
Deposits - from directors & their relatives	0.00	2.03	1.98	1.60
- from public	2.30	2.55	4.48	1.98
Buyers' credit from banks	27.02	0.00	0.00	4.86
Deferred payment liabilities	0.36	0.35	0.71	0.00
	29.68	4.93	7.17	8.44
Total	544.74	125.20	391.57	142.03

3.a Nature of security

Term loans (excise) from banks of ₹ 109.53 crores under the Government sponsored subvention scheme for extending Financial assistance to Sugar Undertakings, 2014 (SEFASU, 2014) will be secured by third parri passu charge on all movable and immovable asstes of the company and personal guarantee of promoter directors.

Term loans from bank of ₹ 1.25 crores are secured by subservient sixth charge on all movable and immovable assets of the company.

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

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

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

(₹ in crores)					
Particulars	ROI (%) as on 31.03.2014	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured					
Term Loans from banks	14.75	30.00	0.00	0.00	0.00
	13.25	5.00	5.00	2.36	0.00
	13.00	35.00	35.00	35.00	35.00
	12.75	18.00	15.50	15.50	15.50
	12.00	40.20	40.20	38.45	35.16
	9.00	0.43	0.03	-	-
	7.00	0.41	0.00	-	-
	100% Intt. Subvention	0.00	6.09	36.51	66.93
Sub-total		129.04	101.82	127.82	85.66
Zero coupon rupee term loans from banks		2.06	0.00	0.00	0.00
Rupee term loans from sugar development fund	7.50	0.73	0.73	0.73	0.00
	7.00	8.15	8.33	8.33	8.33
	4.00	11.49	7.28	7.28	7.28
Sub-total		20.37	16.34	16.34	15.61
Total secured		151.47	118.16	144.16	101.27
Unsecured Deposits	11 to 12	2.30	-	-	-
Buyers Credit from Bank	1.55	0.00	27.02	-	-
Deferred payment liabilities		0.36			
Grand-total		154.13	145.18	144.16	101.27

4 Deferred Tax (Liability)/Asset (Net)

(₹ in crores)		
Particulars	As at 31.03.2014	As at 31.03.2013
Deferred Tax Asset :		
i) On account of timing difference of expenses which are allowable under		
Income Tax Laws in subsequent years	0.00	8.1
ii) On account of carried forward losses and unabsorbed depreciation	0.00	97.24
	0.00	105.34
Deferred Tax Liability :		
i) On account of differences in written down value of fixed assets	0.00	110.93
Net Deferred Tax (Liability)/Asset	0.00	(5.59)

'In View of prudence and lack of virtual certainty that the Deferred Tax Asset will be realised in future, Deferred tax liability to the extent of ₹ 5.59 crore has been reversed and recognised as asset during the year and balance Net Deferred tax asset to the extent of ₹ 15.33 crore has not been recognised during the year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

5 Long-term provisions

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits :		
Provision for gratuity	19.95	18.03
Total	19.95	18.03

6 Short-term borrowings

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Secured		
Cash credit from banks	563.47	774.01
Rupee loans from banks	79.76	115.00
	643.23	889.01
Unsecured		
Deposits - from related parties	5.29	0.00
- from public	16.41	14.09
Loans and advances from related parties	0.47	2.42
	22.17	16.51
Total	665.40	905.52

6.a Nature of security

All Cash credit limits from banks other than District Co-operative Banks of ₹ 467.38 Crores are secured by pledge of stocks of sugar and hypothecation of consumable stores and spare parts, chemicals, molasses etc. and by parri passu third charge over the fixed assets of the company and personal guarantee of promoter directors.

Cash credit accounts from District Co-operative Banks of ₹ 96.09 Crores are secured by pledge of stocks of sugar.

Rupee loans from banks of ₹ 49.76 Crores are secured by pledge of stock of sugar and personal guarantee of promoter directors and ₹ 30 Crores by subservient charge on Fixed assets & Current Assets of the company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

7 Trade payables and Other Current Liabilities

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Non-current	Current	Non-current	Current
Trade payables (refer note 30 of dues to micro and small enterprises)	0.00	858.40	0.00	618.41
Other liabilities				
Current maturities of long term borrowings (refer note 3)	0.00	125.20	0.00	142.03
Interest accrued but not due on borrowings	5.15	5.80	5.44	7.67
Interest accrued and due on borrowings	0.00	4.95	0.00	1.10
Unpaid dividend	0.00	0.34	0.00	0.28
Unpaid matured deposits and interest accrued thereon	0.00	1.21	0.00	0.73
Advance from customers	0.00	8.58	0.00	2.55
Others :				
Security deposits	0.00	3.62	0.00	2.58
Statutory dues payable	0.00	37.21	0.00	42.46
sub-total	5.15	186.91	5.44	199.40
Total	5.15	1045.31	5.44	817.81

8 Short-term provisions

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits		
Provision for employees	10.12	9.51
Other provisions		
Provision for tax	-	5.95
Provision for dividend (including dividend distribution tax)	0.30	10.40
Total	10.42	25.86

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

9 Tangible assets

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Railway sidings	Weighbridge	Computers	Office Equipments	Electrical Appliances	Vehicles	Live Stock	Farm Asset & Equipment	Total
Cost													
As on 01-04-2013	47.86	159.95	1382.75	10.58	0.00	7.40	8.26	2.29	7.81	15.45	0.01	0.45	1642.81
Additions (Refer Note No. - "9.A")	38.59	5.21	41.25	0.83	0.00	0.11	1.38	0.12	0.47	1.58	0.00	0.01	89.55
Disposals	0.00	0.87	9.38	0.03	0.00	0.00	0.07	0.01	0.01	0.49	0.00	0.00	10.86
Other adjustments : - Exchange differences	0.00	0.00	2.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.76
Other adjustments : - Borrowing costs	0.00	0.10	1.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.03
As at 31-03-2014	86.45	164.39	1419.31	11.38	0.00	7.51	9.57	2.40	8.27	16.54	0.01	0.46	1726.29
Depreciation													
As on 01-04-2013	0.00	30.03	507.71	5.33	0.00	5.59	6.55	1.75	3.37	9.10	0.00	0.30	569.73
Charges for the year	0.00	3.98	67.01	1.03	0.00	0.25	0.97	0.10	0.72	1.81	0.00	0.01	75.88
Disposals	0.00	0.02	4.94	0.02	0.00	0.00	0.05	0.00	0.00	0.31	0.00	0.00	5.34
As at 31-03-2014	0.00	33.99	569.78	6.34	0.00	5.84	7.47	1.85	4.09	10.60	0.00	0.31	640.27
Net Block													
As at 31-03-2013	47.86	129.92	875.04	5.25	0.00	1.81	1.71	0.54	4.44	6.35	0.01	0.15	1073.08
As at 31-03-2014	86.45	130.40	849.53	5.04	0.00	1.67	2.10	0.55	4.18	5.94	0.01	0.15	1086.02

9.A Revaluation of Tangible Assets:

The Company has revalued the land of its "Meerganj Unit" as on 07.10.2013 on the basis of replacement value, valued by an independent certified valuer.

Accordingly a sum of ₹ 35.69 Crores (included as addition of land in Note No. -9) being the excess of the current replacement value of ₹ 42.22 Crores over the existing book value of ₹ 6.53 Crores has been credited to revaluation reserve.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

10 Non-current Investments

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
		Current		Current
Trade Investments :-				
Ramganga Sanyukta Sahkari Kheti Samiti Limited (Unquoted)				
01 (01) Equity share of ₹ 100/- each fully paid-up		#		#
Other Investments :-				
In Other Companies :				
Investment in Equity shares (fully paid-up unless otherwise stated)				
Kashipur Sugar Mills Limited (Quoted)				
0 (7562061) Equity shares of ₹ 10/- each	0.00		0.00	
VLS Finance Limited (Quoted)				
263142 (263142) Equity shares of ₹ 10/- each	0.44		0.44	
South Asian Enterprises Limited (Quoted) (**)				
250000 (250000) Equity shares of ₹ 10/- each	#		#	
(At cost less provision for diminution in value ₹ 0.25 crores (P.Y. ₹ 0.25 crores))				
Glenesia Industries Limited (Unquoted)				
0 (500000) Equity shares of ₹ 10/- each	0.00	0.44	0.05	0.49
Investment in Mutual fund				
Baroda Pioneer PSU Bond Fund - Monthly Dividend Plan (Quoted)				
294056 (274830) Units of ₹ 10/- each		0.31		0.29
Neuberger Berman Investment Funds PLC		1.22		0.00
Total		1.97		0.78

(₹ in crores)

Disclosure of non-current investments	As at 31.03.2014	As at 31.03.2013
Aggregate amount of quoted investments	1.97	0.73
Aggregate amount of unquoted investments	0.00	0.05
Total investments net of provision for diminution	1.97	0.78
Aggregate provision for diminution in value of investments (**)	0.25	0.25
Aggregate market value of quoted investments	1.86	0.57

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

11 Long and short term loans and advances

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Non-current	Current	Non-current	Current
(Unsecured considered good unless otherwise stated)				
Capital advances	1.72	0.00	12.12	0.00
Security deposits:-				
Considered good	3.16	0.94	3.12	0.50
Considered doubtful	0.00	0.00	0.26	0.00
Less : Provision for doubtful	0.00	0.00	(0.26)	0.00
Loans and advances to related parties :				
Considered good	0.00	0.11	0.00	0.11
Other loans and advances :				
Advances recoverable in cash or in kind:				
Considered good	0.00	11.05	0.00	22.55
Considered doubtful	0.00	0.00	0.00	1.13
Less : Provision for bad/ doubtful	0.00	0.00	0.00	(1.13)
Balances with excise authorities	0.00	18.68	0.00	23.95
Income tax and wealth tax payments	0.00	1.07	0.00	5.65
MAT credit entitlement	8.71	0.00	9.03	0.00
Payments of taxes under protest/appeal	0.00	1.45	0.68	0.00
Prepaid expenses	0.00	1.94	0.00	1.95
Total	13.59	35.24	24.95	54.71

12 Other non-current and current assets

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Non-current	Current	Non-current	Current
(Unsecured considered good unless otherwise stated)				
Others :				
Inventory - Loose tools and equipments	0.23	0.00	0.25	0.00
Claim Receivable :-				
- Considered good	0.00	26.93	0.00	4.06
- Considered doubtful	0.00	0.00	0.00	1.50
- Provision for doubtful	0.00	0.00	0.00	(1.50)
Interest receivable	0.00	0.59	0.00	0.65
Total	0.23	27.52	0.25	4.71

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014
13 Inventories

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Raw materials	6.58	24.07
Goods-in-process	35.64	29.67
Standing cane and other crops	0.33	0.22
Finished goods (including trial run stock of ₹ 0.29 Crore)	1140.64	1217.83
Traded goods	0.79	0.39
Stores, Spare parts, Gunny/P.P. bags, Chemicals etc.	40.35	39.08
Renewable Energy Certificate	0.01	0.00
Total	1224.34	1311.26

14 Trade receivables

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding six months from the date they are due for payment :				
- Considered good	0.53		1.53	
- Considered doubtful	0.00		6.88	
- Provision for doubtful	0.00	0.53	(6.88)	1.53
Other receivables		118.73		142.53
Total		119.26		144.06

15 Cash and cash equivalents

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
Cash and cash equivalents				
Balances with banks :				
On Current accounts	8.67		14.82	
On unpaid dividend account	0.34	9.01	0.28	15.10
Cash on hand		3.06		2.28
Other bank balances :				
Deposits pledged against margin money/guarantee	3.94		2.77	
Deposits with original maturity more than 3 months but upto 12 months	3.52	7.46	3.58	6.35
Total		19.53		23.73

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

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

(₹ in crores)

Particulars	Opening stock	Purchases	Sales	Closing stock
Revenue from operations				
Sale of Products				
Finished goods				
Sugar	1080.19	-	1282.27	1020.88
Previous year	(614.07)	-	(961.81)	(1080.19)
Molasses	66.76	-	7.93	64.61
Previous year	(34.93)	-	(11.04)	(66.76)
Chemicals	31.87	-	423.59	26.20
Previous year	(16.55)	-	(320.95)	(31.87)
Farm produce	0.05	-	1.24	0.10
Previous year	(0.05)	-	(1.12)	(0.05)
Power	0.00	-	129.97	0.00
Previous year	0.00	-	(160.46)	0.00
Others	38.96	-	6.64	28.56
Previous year	(26.65)	-	(28.91)	(38.96)
Sub-total finished goods	1217.83		1851.64	1140.35
Previous year	(692.25)		(1484.29)	(1217.83)
Traded goods				
P. P. Bags		4.93	5.01	
Previous year		(11.35)	(10.59)	
Other purchases	0.39	17.40	20.48	0.79
Previous year	(0.26)	(13.33)	(13.50)	(0.39)
Sub-total traded goods	0.39	22.33	25.49	0.79
Previous year	(0.26)	(24.68)	(24.09)	(0.39)
Stock-in-process :				
Sugar (Qtls.)	22.10			26.82
Previous year	(10.35)			(22.10)
Molasses (Qtls.)	1.36			2.01
Previous year	(0.47)			(1.36)
Chemicals (Qtls.)	6.21			6.81
Previous year	(5.61)			(6.21)
Standing crops	0.22			0.33
Previous year	(0.33)			(0.22)
Sub-total Stock-in-process	29.89			35.97
Previous year	(16.76)			(29.89)
Total (Gross) (A)	1248.11	22.33	1877.13	1177.11
Previous year	(709.27)	(24.68)	(1508.38)	(1248.11)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

Other operating revenue

Particulars	(₹ in crores)	
	Year ended 31.03.2014	Year ended 31.03.2013
Miscellaneous income	1.20	5.11
Scrap sale	2.25	1.96
Balances written back	0.61	1.92
Insurance claim received	0.07	0.05
Purchase Tax Remission	6.54	0.00
Provision no longer required written back/ adjustments relating to earlier years	0.12	8.68
Duty Draw Back / Sale of export licence (OGL)	9.86	6.77
Other operating revenue (B)	20.65	24.49
Total Revenue from operations (Gross) (A+B)	1897.78	1,532.87

17 Other income

Particulars	(₹ in crores)	
	Year ended 31.03.2014	Year ended 31.03.2013
Rent	1.30	1.10
Profit on sale of assets	0.04	0.86
Interest income	4.29	0.69
Excess provision written back	0.10	1.14
Foreign exchange differences (net)	0.41	3.58
Profit on sale of Investments	(0.25)	0.00
Dividend income	0.08	0.02
Total	5.97	7.39

18 Cost of Raw materials consumed

Particulars	(₹ in crores)	
	Year ended 31.03.2014	Year ended 31.03.2013
Sugar cane	1161.46	1311.13
Molasses consumed	85.11	66.28
Bagasse / coal / rice husk & other fuel consumed	19.14	52.54
Chemicals and others	77.99	87.84
Total	1343.70	1517.79

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

19 (Increase)/Decrease in inventories

(₹ in crores)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Inventories at the end of the year		
Finished goods	1140.35	1217.83
Stock-in-process	35.97	29.89
Traded goods	0.79	0.39
	1177.11	1248.11
Inventories at the beginning of the year		
Finished goods	1217.83	692.25
Stock-in-process	29.89	16.76
Traded goods	0.39	0.26
	1248.11	709.27
Net excise duty on account of (Increase)/decrease in inventories	(1.37)	17.08
(Increase)/Decrease in inventories	69.63	(521.76)

20 Employees benefits expense

(₹ in crores)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Salaries , wages and bonus (including contract labour)	62.16	57.84
Contribution to provident and other funds	5.19	5.23
Workmen and staff welfare expenses	1.63	3.96
Gratuity	3.52	3.24
Voluntary retirement compensation	0.84	0.83
Total	73.34	71.10

21 Other expense

(₹ in crores)				
Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
Consumption of stores, spares and other manufacturing expense		29.90		29.17
Packing material expense		25.09		16.60
Expenditure on crops		0.53		0.39
Power and fuel		5.54		6.33
Repairs and maintenance :				
Plant and machinery	30.97		29.55	
Buildings	2.86		2.48	
Others	1.88	35.71	1.33	33.36
Rent		6.00		4.67
Rates and taxes		4.98		6.06
Charity and donation		0.16		0.18

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014
21 Other expense (contd.)

(₹ in crores)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
Insurance		2.17		1.89
Molasses fund		0.13		0.19
Selling expenses :				
Commission to selling agents	9.61		11.61	
Other selling expense	25.70	35.31	23.19	34.80
Payment to auditors :				
Audit fee	0.18		0.18	
Tax audit fee	0.05		0.03	
Income Tax Matters & Other Certification Fees	0.05		0.05	
Reimbursement of expenses	0.03	0.31	0.01	0.27
Miscellaneous expenses		27.73		23.03
Cane development expense		9.15		2.77
Expenses relating to earlier year		0.39		0.07
Balances written-off		0.92		0.26
Provision for doubtful debts		0.00		7.95
Directors sitting fee		0.13		0.10
Loss on sale of fixed assets		1.47		0.03
Total		185.62		168.12

22 Finance costs

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Interest	147.46	111.12
Documentation and other bank charges	6.02	1.83
Foreign exchange difference	5.05	3.02
	158.53	115.97
Less : Interest & Documentation charges capitalized during the period	(16.32)	(3.30)
Total	142.21	112.67

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

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

(₹ in crores)		
Particulars	2013-2014	2012-2013
Opening Balance	1.30	2.25
(a) Raw Material Consumed	7.57	-
(b) Consumption of Stores & other Manufacturing Expenses	0.16	-
(c) Power & Fuel	1.34	-
(d) Payments to and Provision for Employees	0.71	-
(e) Administrative and Other Expenses	1.06	-
(f) Interest Finance and Loan Raising Expenses	16.32	3.30
Total	28.46	5.55
Less:		
(g) Borrowing Cost Capitalised during the year	(2.03)	(4.25)
(h) Stock of Finished Goods	(0.29)	-
(i) Sale of Power	(8.37)	-
Balance Pre-Operative Expenses Pending for Allocation	17.77	1.30

24 The accounts have been prepared without accounting for any incentive entitlements under U.P. Sugar Incentive Promotion Policy, 2004 as the scheme has been subsequently withdrawn by the State Government. The Company has filed writ petition before Hon'ble Allahabad High Court (Lucknow Bench) for enforcement of the scheme and settlement of incentive claims. As per the erstwhile incentive policy, the company is eligible for capital subsidy of ₹ 89.89 crores i.e. @10% of the investments made (already vetted ₹ 50.80 crores) and for reimbursement of taxes and other charges aggregating to ₹ 56.07 crores upto 31st March, 2014 (including ₹ 1.95 crores for the current year).

25 In the opinion of the Board, current assets and loans and advances have realisable value in the ordinary course of business at least equal to the value at which they are stated in the balance sheet.

26 Employees Benefits :

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

(i) In respect of Short Term Employee Benefits :

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

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

(₹ in crores)		
	2013-2014	2012-2013
A) Change in Obligation over the year ended 31.03.2014		
Present value of defined obligation as on 01.04.2013	19.76	16.68
Addition on amalgamation of JKSL	-	1.25
Current Service Cost	1.21	1.13
Interest Cost	1.58	1.42
Actuarial Gains/Losses	(0.26)	0.15
Benefits Paid	(0.73)	(0.87)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014
(ii) In respect of defined Benefit Scheme (Based on actuarial valuation) of Gratuity : (Contd.)

	(₹ in crores)	
	2013-2014	2012-2013
Present value of defined obligation as on 31.03.2014	21.58	19.76
B) Expenses recognised during the year ended 31.03.2014		
Current Service Cost	1.21	1.13
Interest Cost	1.58	1.42
Actuarial Gains/Losses	(0.26)	0.15
Current Service Cost & Actuarial losses in respect of seprated employees	0.99	0.54
Total	3.52	3.24
C) Principal Actuarial Assumptions :		
Mortality Table (LIC)	1994-96 (duly modified)	
Discount Rate (per Annum)	8.50%	(8.50%)
Rate of Escalation in Salary (per Annum)	6.00%	(6.00%)

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

(iii) Defined Contribution Plan :

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

	(₹ in crores)	
	2013-2014	2012-2013
Employer's Contribution to Provident Fund :	2.84	2.85
Employer's Contribution to Pension Fund :	2.35	2.37

27 Segment Reporting:

	(₹ in crores)				
Particulars	Sugar	Chemicals	Co-gen	Others	Total
1. Segment Revenue (Including Excise Duty)					
a) External Sales	1313.25	433.46	128.89	22.18	1897.78
Previous year	(1030.30)	(327.22)	(160.60)	(14.75)	(1532.87)
b) Inter Segment Sales	292.63	4.86	216.93	39.76	554.18
Previous year	(187.41)	(2.40)	(194.70)	-	(384.51)
c) Total Revenue	1605.88	438.32	345.82	61.94	2451.96
Previous year	(1217.71)	(329.62)	(355.30)	(14.75)	(1917.38)
2. Segment Results					
(Profit(+)/Loss(-) before tax and interest from each segment)	(79.42)	51.71	106.84	(4.47)	74.66
Previous year	(19.84)	(36.90)	(111.65)	(0.61)	(169)
Less : Finance costs					142.20
Previous year					(112.67)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

27 Segment Reporting: (Contd.)

(₹ in crores)

Particulars	Sugar	Chemicals	Co-gen	Others	Total
Less/ Add :Other Unallocable Expense/Income					
Net off Unallocable Income/Expenses					16.40
Previous year					(17.08)
Net Profit(+)/Loss(-) Before Tax					(83.94)
Previous year					(39.25)
Less: Tax expense (Net)					5.59
Previous year					(16.54)
Net Profit after Tax (Before Adjustment of Mnority Interest)					(78.35)
Previous year					(22.71)
Share of Profit/Loss to Minority					-
Previous year					-
Net Profit after Tax (after adjustment of Minority Interest)					(78.35)
Previous year					(22.71)
3. Other Information					
a) Segment Assets	1856.33	271.30	575.70	23.50	2726.83
Previous year	(1852.76)	(230.61)	(546.17)	(11.87)	(2641.41)
Unallocable Corporate Assets					11.59
Previous year					(15.47)
Total Assets					2738.42
Previous year					(2656.88)
b) Segment Liabilities	1086.19	20.18	10.20	12.55	1129.12
Previous year	(681.03)	(23.23)	(1.80)	(0.25)	(706.31)
Unallocable Corporate Liabilities					1165.55
Previous year					(1463.51)
Total Liabilities					2294.67
Previous year					(2169.82)
c) Capital Expenditure	70.98	39.86	133.91	1.52	246.27
Previous year	(36.04)	(28.45)	(10.50)	-	(74.99)
d) Depreciation	38.67	6.82	30.10	0.29	75.88
Previous year	(40.37)	(6.09)	(30.29)	(0.01)	(76.76)
e) Non Cash Expenditure other than Depreciation	2.40	-	-	-	2.40
Previous year	(10.45)	(5.96)	(0.01)	-	(16.42)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

28 Earnings per Share (EPS) :

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
i) Net Profit/ Loss(-) after Extra Ordinary Items & Provision for Taxes				
(Used as numerator for calculating EPS)				
	₹ in crores	(80.33)	₹ in crores	20.68
ii) Weighted average No.of Equity Shares outstanding during the period:				
(Used as denominator for calculating E.P.S.)				
- for Basic EPS				
- for Diluted EPS	No.	57214935	No.	57214935
	No.	60214935	No.	57214935
iii) Earning per Share beofre and after Extra Ordinary Items				
- Basic				
- Diluted	₹	(14.04)	₹	3.61
(Equity Share of Face value of ₹ 10 each)	₹	(13.34)	₹	3.61

29 Related Party Disclosures:

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

i) Enterprises where control exists:

Associates -

Kashipur Sugar Mills Limited

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

- 1 Goel investments Limited
- 2 Ujjwal Rural Services Ltd.
- 3 Saraswati Properties Limited

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

- 1 Sonitron Limited
- 2 Shudh Edible Products Limited
- 3 India Green Fuel Private Limited
- 4 Dhampur Molasses Transport (Regd.)
- 5 J.P. & Sons (Regd.)

iv) Key Management Personnel and their relatives

- 1 Mr.Vijay Kumar Goel, Executive Director
Mrs Deepa Goel (Wife)
- 2 Mr. Ashok Kumar Goel, Vice Chairman
Mrs Vinita Goel (Wife)
- 3 Mr. Gaurav Goel, Managing Director
Mrs Priyanjali Goel (Wife)
- 4 Mr. Gautam Goel, Managing Director
Mrs Bindu Vashist Goel (Wife)
- 5 Mr. J.P. Sharma, Whole Time Director
Mr. Mukul Sharma (Son)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

29 Related Party Disclosures: (Contd.)

- 6 Mr. Arhant Jain, Executive President (Finance) & Company secretary
Mrs. Brij Bala Jain (Mother), Mr. Arvind Jain (Brother), Mrs. Anita Jain (Wife), Mr. Anubhav Jain (Son), Mr. Ashish Jain (Son), Arhant Jain (HUF), Anubhav Jain (HUF), Ashish Jain (HUF), Arvind Jain (HUF)
- 7 Mr. Sandeep Sharma, Executive President
Mrs. Poonam Sharma (Wife), Mr. Rahul Sharma (Son), Ms. Sona Sharma (Daughter) Sandeep Sharma (HUF)
- 8 Mr. Priya Brat, Director
Mrs. Shakuntala Brat (Wife), Ms Anu Mahendru (Daughter)
- 9 V. K. Goel, H.U.F
- 10 A.K. Goel, H.U.F.
- 11 Gaurav Goel, H.U.F
- 12 Gautam Goel, H.U.F

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014

(₹ in crores)

Sl. No.	Particulars	Enterprises where control exists Associate		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
		2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Transactions during year ended 31.03.2014							
1	Loans/advances given	#	2.03	-	16.58	-	-
	Kashipur Sugar Mills Limited	#	2.03	-	-	-	-
	Goel Investment Limited	-	-	-	2.69	-	-
	India Greenfuel Private Limited	-	-	-	0.86	-	-
	Saraswati Properties Limited	-	-	-	4.85	-	-
	Shudh Edible Products Limited	-	-	-	4.60	-	-
	Ujjwal Rural Services Limited	-	-	-	3.57	-	-
2	Reciepts towards Loan /Advances given	-	-	-	16.58	-	-
	Goel Investment Limited	-	-	-	2.69	-	-
	India Greenfuel Private Limited	-	-	-	0.86	-	-
	Saraswati Properties Limited	-	-	-	4.85	-	-
	Shudh Edible Products Limited	-	-	-	4.60	-	-
	Ujjwal Rural Services Limited	-	-	-	3.57	-	-
3	Prov. for doubtful write back net off loss on investments	-	1.14	-	-	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014 (Contd.)

(₹ in crores)

Sl. No.	Particulars	Enterprises where control exists Associate		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
		2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
4	Loans taken	-	-	5.57	21.14	-	-
	Goel Investment Limited	-	-	1.72	12.46	-	-
	India Greenfuel Private Limited	-	-	0.13	-	-	-
	Saraswati Properties Limited	-	-	1.36	0.92	-	-
	Shudh Edible Products Limited	-	-	1.58	5.64	-	-
	Sonitron Limited	-	-	-	0.02	-	-
	Ujjwal Infracon Limited	-	-	0.14	-	-	-
	Ujjwal Rural Services Limited	-	-	0.64	2.10	-	-
5	Loans repaid	-	-	6.23	20.80	-	-
	Goel Investment Limited	-	-	1.95	12.38	-	-
	India Greenfuel Private Limited	-	-	0.13	-	-	-
	Saraswati Properties Limited	-	-	1.44	0.81	-	-
	Shudh Edible Products Limited	-	-	1.95	5.52	-	-
	Sonitron Limited	-	-	0.06	-	-	-
	Ujjwal Infracon Limited	-	-	0.14	-	-	-
	Ujjwal Rural Services Limited	-	-	0.56	2.10	-	-
6	Unsecured Deposits Taken (Fixed Deposit)	-	-	-	-	4.67	3.71
	Mr. Vijay Kumar Goel	-	-	-	-	-	-
	Mrs. Deepa Goel	-	-	-	-	0.13	0.15
	Mr. Ashok Kumar Goel	-	-	-	-	-	0.83
	Mrs Vinita Goel	-	-	-	-	0.36	0.38
	Mrs Priyanjali Goel	-	-	-	-	0.47	0.09
	Mrs Bindu Vashist Goel	-	-	-	-	0.26	0.05
	Mr. J.P. Sharma	-	-	-	-	-	-
	Mr. Arhant Jain	-	-	-	-	0.07	-
	Mrs. Brij Bala Jain	-	-	-	-	0.40	0.36
	Mrs. Anita Jain	-	-	-	-	0.24	0.21
	Mr. Anubhav Jain	-	-	-	-	0.21	0.18
	Mr. Ashish Jain	-	-	-	-	0.88	0.62
	Arhant Jain (HUF)	-	-	-	-	0.33	0.29
	Ashish Jain (HUF)	-	-	-	-	0.07	0.03
	Anubhav Jain (HUF)	-	-	-	-	0.05	0.03
	Arvind Jain (HUF)	-	-	-	-	0.18	0.14

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014 (Contd.)

(₹ in crores)

Sl. No.	Particulars	Enterprises where control exists Associate		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
		2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
	Mr. Sandeep Sharma	-	-	-	-	-	-
	Mrs. Poonam Sharma	-	-	-	-	0.02	-
	Mr. Rahul Sharma	-	-	-	-	-	-
	Ms. Sona Sharma	-	-	-	-	0.02	-
	Sandeep Sharma (HUF)	-	-	-	-	0.04	0.02
	Mr. Priya Brat	-	-	-	-	-	-
	Mrs. Shakuntala Brat	-	-	-	-	-	0.03
	V.K. Goel (HUF)	-	-	-	-	0.21	0.09
	A.K. Goel (HUF)	-	-	-	-	0.24	0.11
	Gaurav Goel (HUF)	-	-	-	-	0.25	0.10
	Gautam Goel (HUF)	-	-	-	-	0.24	-
7	Unsecured Deposits Matured (Fixed Deposit)	-	-	-	-	2.93	3.24
	Mr. Vijay Kumar Goel	-	-	-	-	-	-
	Mrs. Deepa Goel	-	-	-	-	0.11	-
	Mr. Ashok Kumar Goel	-	-	-	-	-	0.82
	Mrs Vinita Goel	-	-	-	-	0.29	0.34
	Mrs Priyanjali Goel	-	-	-	-	0.21	0.08
	Mrs Bindu Vashist Goel	-	-	-	-	0.21	-
	Mr. J.P. Sharma	-	-	-	-	-	-
	Mr. Arhant Jain	-	-	-	-	-	-
	Mrs. Brij Bala Jain	-	-	-	-	0.36	0.36
	Mrs. Anita Jain	-	-	-	-	0.21	0.22
	Mr. Anubhav Jain	-	-	-	-	0.24	0.17
	Mr. Ashish Jain	-	-	-	-	-	0.40
	Arhant Jain (HUF)	-	-	-	-	0.29	0.30
	Ashish Jain (HUF)	-	-	-	-	0.05	0.03
	Anubhav Jain (HUF)	-	-	-	-	0.03	0.02
	Arvind Jain (HUF)	-	-	-	-	0.14	0.14
	Mr. Sandeep Sharma	-	-	-	-	-	-
	Mrs. Poonam Sharma	-	-	-	-	-	-
	Mr. Rahul Sharma	-	-	-	-	-	-
	Ms. Sona Sharma	-	-	-	-	0.01	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014 (Contd.)

(₹ in crores)

Sl. No.	Particulars	Enterprises where control exists Associate		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
		2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
	Sandeep Sharma (HUF)	-	-	-	-	0.02	0.02
	Mr. Priya Brat	-	-	-	-	-	0.01
	Mrs. Shakuntala Brat	-	-	-	-	-	0.05
	V.K. Goel (HUF)	-	-	-	-	0.17	0.10
	A.K. Goel (HUF)	-	-	-	-	0.20	0.02
	Gaurav Goel (HUF)	-	-	-	-	0.20	0.10
	Gautam Goel (HUF)	-	-	-	-	0.20	0.10
8	Sale of Goods	-	-	4.43	2.17	-	-
	Dhampur Molasses Transport	-	-	3.23	0.95	-	-
	J.P. & Sons	-	-	1.19	1.22	-	-
9	Subscription of Equity Share warrants	-	-	1.24	-	1.24	-
	Mr. Gaurav Goel	-	-	-	-	0.62	-
	Mr. Gautam Goel	-	-	-	-	0.62	-
	M/s Saraswati Properties Ltd.	-	-	1.24	-	-	-
10	Rent paid	-	-	3.60	3.60	-	-
	Goel Investment Limited	-	-	0.12	0.12	-	-
	Saraswati Properties Limited	-	-	1.48	1.48	-	-
	Shudh Edible Products Limited	-	-	1.98	1.98	-	-
	Ujjwal Rural Services Limited	-	-	0.02	0.02	-	-
11	Remuneration paid	-	-	-	-	2.37	4.75
	Mr. Vijay Goel	-	-	-	-	0.48	2.08
	Mr. Ashok Kumar Goel	-	-	-	-	0.48	0.88
	Mr. Gaurav Goel	-	-	-	-	0.48	0.88
	Mr. Gautam Goel	-	-	-	-	0.48	0.48
	Mr. J.P. Sharma	-	-	-	-	0.04	0.03
	Mr. Arhant Jain	-	-	-	-	0.10	0.10
	Mr. Sandeep Sharma	-	-	-	-	0.14	0.14
	Mr. Mukul Sharma	-	-	-	-	0.10	0.09
	Mr. Arvind Jain	-	-	-	-	0.07	0.07
12	Interest expense	-	-	-	-	0.86	0.43
	Mr. Vijay Kumar Goel	-	-	-	-	0.02	-
	Mrs. Deepa Goel	-	-	-	-	0.04	0.03
	Mr. Ashok Kumar Goel	-	-	-	-	0.13	0.10

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014 (Contd.)

(₹ in crores)

Sl. No.	Particulars	Enterprises where control exists Associate		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
		2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
	Mrs. Vinita Goel	-	-	-	-	0.10	0.07
	Mrs. Priyanjali Goel	-	-	-	-	0.04	0.04
	Mrs. Bindu Goel	-	-	-	-	0.04	0.03
	Mr. J.P. Sharma	-	-	-	-	#	#
	Mr. Arhant Jain	-	-	-	-	0.01	-
	Mrs. Brij Bala Jain	-	-	-	-	0.05	-
	Mrs. Anita Jain	-	-	-	-	0.03	-
	Mr. Anubhav Jain	-	-	-	-	0.03	-
	Mr. Ashish Jain	-	-	-	-	0.09	-
	Arhant Jain (HUF)	-	-	-	-	0.04	-
	Ashish Jain (HUF)	-	-	-	-	#	-
	Anubhav Jain (HUF)	-	-	-	-	-	-
	Arvind Jain (HUF)	-	-	-	-	0.02	-
	Mr. Sandeep Sharma	-	-	-	-	#	-
	Mrs. Poonam Sharma	-	-	-	-	#	-
	Mr. Rahul Sharma	-	-	-	-	#	-
	Ms. Sona Sharma	-	-	-	-	-	-
	Sandeep Sharma (HUF)	-	-	-	-	0.01	-
	Mr. Priya Brat	-	-	-	-	#	0.01
	Mrs. Shakuntala Brat	-	-	-	-	-	-
	V.K. Goel (HUF)	-	-	-	-	0.04	0.03
	A.K. Goel (HUF)	-	-	-	-	0.05	0.04
	Gaurav Goel (HUF)	-	-	-	-	0.06	0.04
	Gautam Goel (HUF)	-	-	-	-	0.07	0.04
13	Loss on investments/investment written-off	-	8.19	-	-	-	-
14	Transportation Expenses	-	-	12.37	13.20	-	-
	Dhampur Molasses Transport	-	-	7.88	12.42	-	-
	J.P. & Sons	-	-	4.49	0.78	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014 (Contd.)

(₹ in crores)

Sl. No.	Particulars	Enterprises where control exists Associate		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
		2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
	Amount due to/from Related Parties:						
1	Unsecured Loans/ Deposits from Related Parties	-	-	-	-	7.55	3.58
	Mr. Vijay Kumar Goel	-	-	-	-	-	-
	Mrs. Deepa Goel	-	-	-	-	0.28	0.25
	Mr. Ashok Kumar Goel	-	-	-	-	0.88	0.88
	Mrs Vinita Goel	-	-	-	-	0.75	0.68
	Mrs Priyanjali Goel	-	-	-	-	0.56	0.30
	Mrs Bindu Vashist Goel	-	-	-	-	0.31	0.26
	Mr. J.P. Sharma	-	-	-	-	0.02	0.02
	Mr. Arhant Jain	-	-	-	-	0.07	-
	Mrs. Brij Bala Jain	-	-	-	-	0.40	-
	Mrs. Anita Jain	-	-	-	-	0.24	-
	Mr. Anubhav Jain	-	-	-	-	0.93	-
	Mr. Ashish Jain	-	-	-	-	0.88	-
	Arhant Jain (HUF)	-	-	-	-	0.33	-
	Ashish Jain (HUF)	-	-	-	-	0.06	-
	Anubhav Jain (HUF)	-	-	-	-	0.05	-
	Arvind Jain (HUF)	-	-	-	-	0.19	-
	Mr. Sandeep Sharma	-	-	-	-	-	-
	Mrs. Poonam Sharma	-	-	-	-	0.10	-
	Mr. Rahul Sharma	-	-	-	-	0.01	-
	Ms. Sona Sharma	-	-	-	-	0.02	-
	Sandeep Sharma (HUF)	-	-	-	-	0.03	-
	Mr. Priya Brat	-	-	-	-	0.09	0.03
	Mrs. Shakuntala Brat	-	-	-	-	-	-
	V.K. Goel (HUF)	-	-	-	-	0.30	0.26
	A.K. Goel (HUF)	-	-	-	-	0.35	0.30
	Gaurav Goel (HUF)	-	-	-	-	0.35	0.30
	Gautam Goel (HUF)	-	-	-	-	0.35	0.30

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014 (Contd.)

(₹ in crores)

Sl. No.	Particulars	Enterprises where control exists Associate		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
		2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
2	Loans and Advances from related parties	-	-	0.12	0.78	0.34	1.64
	Goel Investment Limited	-	-	0.01	0.24	-	-
	Saraswati Properties Limited	-	-	0.03	0.11	-	-
	Shudh Edible Products Limited	-	-	#	0.37	-	-
	Sonitron Limited	-	-	-	0.06	-	-
	Ujjwal Rural Services Limited	-	-	0.08	-	-	-
	Mr. Vijay Kumar Goel	-	-	-	-	0.06	0.82
	Mr. Ashok Kumar Goel	-	-	-	-	0.21	0.40
	Mr. Gaurav Goel	-	-	-	-	0.05	0.41
	Mr. Gautam Goel	-	-	-	-	0.02	0.01
3	Current Liabilities	-	-	0.92	-	-	-
	J.P. & Sons	-	-	0.92	-	-	-
4	Loans/Advances Receivables Net of Provision	0.11	0.11	-	-	-	-
	Kashipur Sugar Mills Limited	0.11	0.11	-	-	-	-
5	Security Deposits	-	-	2.19	2.19	-	-
	Goel Investment Limited	-	-	0.50	0.50	-	-
	Saraswati Properties Limited	-	-	0.65	0.65	-	-
	Shudh Edible Products Limited	-	-	0.99	0.99	-	-
	Ujjwal Rural Services Limited	-	-	0.05	0.05	-	-

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

- Sundry creditors include a sum aggregating ₹ 3.83 crores (₹ 2.79 crores) due to micro and small enterprises is on account of principal only.
- The amount of interest paid by the company in terms of Section 16, alongwith the amount of payments made to the micro and small enterprise beyond the appointed date during the period - ₹ Nil.
- The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act. - ₹ Nil.
- The amount of interest accrued and remaining unpaid - ₹ Nil.
- The amount of further interest remaining due and payable even in succeeding years - ₹ Nil.

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

31 Derivative instruments

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

As at	No. of Contracts	US Dollar Equivalent (Million)	INR Equivalent (₹ in crores)
31.03.2014	0	0.00	0.00
31.03.2013	11	7.50	40.71

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

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

Particulars	As at 31.03.2014		As at 31.03.2013	
	US Dollar Equivalent (Million)	INR Equivalent (₹ in crores)	US Dollar Equivalent (Million)	INR Equivalent (₹ in crores)
a) Amounts payable in foreign currency on account of the following :				
Capital Imports	0.00	0.00	0.90	4.86
Stock-in-trade/Raw materials	0.00	0.00	0.00	0.00
Advance from customers	0.00	0.00	0.29	1.60
Loans Payable	8.83	52.88	8.00	43.42
b) Amounts receivable in foreign currency on account of the following :				
Export receivable	1.20	7.19	2.49	13.50

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

33 Renewable Energy Certificate

Under the rules & regulations notified by Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, the company is eligible for Renewable energy certificates (RECs) in respect of captive consumption of renewable energy w.e.f. Nov. 2011.

The company is entitled for 346534 RECs upto 31st March 2014, out of which 218558 RECs has been awarded and remaining RECs are under certification. The company has treated 112738 RECs i.e. awarded but remained unsold as at the end of the period as stock in trade and valued it at estimated cost of ₹ 1/- per REC.

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

I Contingent Liabilities

Claims/disputed liabilities not acknowledged as debt :

	(₹ in crores)	
	As at 31.03.2014	As at 31.03.2013
A) In respect of some pending cases of employees under labour laws	Amount not ascertainable	Amount not ascertainable

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

34 CONTINGENT LIABILITIES AND COMMITMENTS : NOT PROVIDED FOR IN RESPECT OF : (Contd.)

I Contingent Liabilities

Claims/disputed liabilities not acknowledged as debt :

B) Details of disputed liabilities/demands :

(₹ in crores)

Sl. No.	Particulars	Period to which amount relates	Forum where matter is pending	31.03.2014	31.03.2013
1	Additional U.P.Trade Tax,Central Sale	1997-98 to 2004-05	High Court	5.02	4.82
	Tax and Entry Tax Liability	1990-91 to 2007-08	Joint Commissioner appeal	14.39	10.36
		1996-97, 1999-2000, 2000-01	Trade Tax Tribunal	1.40	0.01
	Sub-total			20.81	15.19
2	Cenvat Credit on Inputs, Capital	1994-95, 1995-96, 2001-02, 2002-03			
	items and Services against which	2003-04, 2004-05, 2005-06, 2006-07	Commissioner (A) & CESTAT	29.61	31.17
	₹ Nil (₹ 0.81 crore) have been deposited	1995-96, 1996-97, 1998-99 to 2003-04	High Court	0.49	0.51
	Sub-total			30.10	31.68
3	Excise duty on Molasses, Scrap	1997-98,2000-01 to 2002-03	Commissioner (A) & CESTAT	0.17	0.04
	and Pressmud				
	Sub-total			0.17	0.04
4	Purchase Tax Penalty	1998-1999	High Court	0.37	0.37
	Sub-total			0.37	0.37
5	Stamp duty demand under Uttar	1992.1993	Registrar of Stamp Duty	0.25	0.25
	Pradesh Stamp Act against which	2003-2004	Registrar of Stamp Duty	0.26	0.26
	₹ 0.13 crore have been deposited	2005-2006	High Court	0.00	0.00
	Sub-total			0.51	0.51
	Grand Total			51.96	47.79

C Excise Department has served show cause notices on the company for levy of duty of ₹ 72.35 crores on sale of Rectified Spirit; of ₹ 19.38 crores on sale of Electricity and of ₹ 4.31 crores for reversal of CENVAT credit taken by the company on certain capital goods and inputs. All the notices are at personal hearing stage. The company is legally advised that no duty is leviable on these cases.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

34 CONTINGENT LIABILITIES AND COMMITMENTS : NOT PROVIDED FOR IN RESPECT OF : (Contd.)

II Commitments

- A** Uncalled liability on investments in partly paid-up shares - Nil (Nil)
- B** Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 0.22 crores (₹ 51.93 crore).

As per our report of even date

For S. Vaish & Co.,

For Mittal Gupta & Co.

(S. P. Agrawal)

Partner

Chartered Accountants

Place : Kanpur

Dated : 21-05-2014

(B. L. Gupta)

Partner

Chartered Accountants

For and on behalf of the Board of Directors

Arhant Jain

Executive President (Finance)
& Secretary

V. K. Goel

Chairman

A. K. Goel

Vice Chairman

Gaurav Goel

Managing Director

Gautam Goel

Managing Director

A. K. Gupta

Director

M.P.Mehrotra

Director

STATEMENT PURSUANT TO SECTION 212(8)

of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2014

Name of the Subsidiary	Dhampur International Pte Ltd.		Dhampur Global Pte Ltd.	
%age holding	100%		100% subsidiary of Dhampur International Pte Ltd.	
Country of Registration	Singapore		Singapore	
Reporting Currency	USD	INR (crore)	USD	INR (crore)
Exchange Rate	1.00	59.91	1.00	59.91
Share capital	2,007,609	12.03	1,000	.0059
Reserve	(523,829)	(3.14)	-	-
Total Assets	3,195,260	19.14	-	-
Total Liabilities	3,195,260	19.14	-	-
Investment other than	-	-	-	-
Investment in subsidiary				
Turnover	6,694,920	40.11	-	-
Profit/(Loss)Before	(500,508)	(3.00)	-	-
Taxation				
Provision for Taxation	-	-	-	-
Profit/(Loss) after	(500,508)	(3.00)	-	-
Taxation ⁴				
Proposed Dividend	-	-	-	-

Note

1. Financial information has been extracted from the standalone audited financial statement for the Eighteen months ending March 31, 2014.
2. Total liabilities are inclusive of share capital and Reserves.
3. Dhampur Global Pte Ltd was incorporated on 03/04/2013.

STANDALONE SECTION

STATEMENT PURSUANT TO SECTION 212 (3)

of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2014

(₹ in crores)

1.	Name of the subsidiary companies:	Dhampur International Pte Ltd. (Singapore)	Dhampur Global Pte Ltd. (Singapore)
2.	Financial year of the subsidiary company ended on:	31.03.2014 (Eighteen Months)	#
3.	Holding Company's interest (No. of shares/Extent of Holding)	2,010,000 100%	1000 100%
4.	Net Aggregate amount of the subsidiary's profit/loss so far as it concerns the company and not dealt with in the company's accounts:	Dhampur International Pte Ltd.	Dhampur Global Pte Ltd.
	for the financial year	(3.00)	-
	for the previous financial years	(0.14)	-
5.	Net aggregate amount of Profit /losses are dealt with, or provision is made for those losses in the company's accounts.		
	For the subsidiary's financial year ended 31.03.2014	-	-
	For its previous financial year since it became subsidiary of the company.	-	-
6.	Material changes between the end of subsidiaries financial year & the end of holding co.'s Financial year	-	-

For and on behalf of the Board of Directors

Arhant Jain
Executive President (Finance)
& Secretary

V.K. Goel
Chairman

A.K. Goel
Vice Chairman

Gaurav Goel
Managing Director

Gautam Goel
Managing Director

A.K. Gupta
Director

M.P. Mehrotra
Director

Independent Auditors Report

To the Members of

Dhampur Sugar Mills Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Dhampur Sugar Mills Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ('the Act') [which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs]. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the State of Affairs of

the unit as at 31st March 2014;

- (ii) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. On the basis of the written representations received from the directors as on March, 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

Other Matter

We did not audit the financial statements of Meerganj Unit whose financial statements reflect total assets of ₹ 232.20 Crores as at 31st March, 2014 and total revenue of ₹ 197.97 Crores during the financial year. The financial statements of Meerganj unit are audited by the other auditors. In conduct of our audit, we have taken note of accounts audited by other auditors.

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

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

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

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

Place : Kanpur

Dated : 21st May, 2014

Annexure to the Independent Auditors' Report

The Annexure referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Dhampur Sugar Mills Limited (the Company) for the year ended 31st March, 2014:

- | | |
|--|--|
| <p>i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets have been physically verified by the management at the end of the period. In our opinion the frequency of verification is reasonable considering the size of the Company and nature of its business.</p> <p>(c) The Company has not disposed off a substantial part of its fixed assets during the period and the going concern status of the Company is not affected.</p> <p>ii) (a) The inventories have been physically verified during the period by the management. In our opinion, the frequency of verification of inventory is reasonable.</p> <p>(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.</p> <p>iii) (a) The Company had granted interest free unsecured loans/advances to one company covered in the register maintained under section 301 of the Companies Act, 1956.</p> <ul style="list-style-type: none"> - The maximum amount involved during the period is ₹0.11 Crores. - The year end balance due is ₹0.11 Crores. <p>(b) In our opinion, the other terms and conditions on which interest free unsecured loans/advances have been granted to a company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.</p> <p>(c) The payments of principal amount are regular, wherever stipulated.</p> <p>(d) There is no overdue amount of loans/advances, more than rupee one lac, granted to company listed in the register maintained under section 301 of the Companies Act, 1956.</p> <p>(e) The Company had taken interest free unsecured loans/advances from seven companies covered in the register maintained under section 301 of the Companies Act, 1956.</p> | <ul style="list-style-type: none"> - The maximum amount involved during the period is ₹2.26 Crores. - The year end balance due is ₹0.12 Crores. <p>(f) In our opinion, the other terms and conditions on which interest free loans/advances have been taken from companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.</p> <p>(g) The payments of principal amount are regular, wherever stipulated.</p> <p>iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.</p> <p>v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under section 301 of the Companies Act, 1956.</p> <p>(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements exceeding the value of rupees five lac in respect of each party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.</p> <p>vii) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and section 58AA of the Companies Act, 1956 or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.</p> <p>viii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> |
|--|--|

- viii) We have broadly reviewed the cost accounting records maintained by the company pursuant to Companies (Cost Accounting Records) Rules 2011 prescribed by Central Government under section 209 (1) (d) of Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- ix) (a) As explained to us, the statutory dues payable by the Company comprises mainly of Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-tax, Sales-tax (VAT), Wealth-tax, Service-tax, Custom Duty, Excise Duty, Cess, Entry tax, Purchase tax and other material statutory dues applicable to it. According to the records of the Company and information and explanations given to us, the Company has been generally regularly depositing the aforesaid undisputed statutory dues with the appropriate authorities. There are no undisputed statutory dues as referred to above as at 31st March, 2014 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there were no dues on account of Income Tax and Wealth Tax which were not deposited on account any dispute. However, the particulars of Service-tax, Sales-tax (VAT), Custom Duty, Excise Duty, Entry tax, Stamp duty and other statutory material dues, which have not been deposited on account of any dispute, are as referred to in the details of Contingent Liabilities in Note No. "36"
- x) The accumulated losses of the company at the end of the financial year are less than 50% of its net worth. The Company has incurred cash losses during the financial year covered by the audit but not incurred any cash loss in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, there is no default in repayment of dues to any Financial Institution and Bank during the period under report, as per the terms of the respective loans.
- xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society; as such the provisions of paragraph 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, accordingly the provisions of paragraph 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions; as such the provisions of paragraph 4(xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xvi) The term loans obtained by the Company have been applied for the purposes for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that as at 31st March, 2014, short-term funds of ₹ 301.63 Crores have been used for long term uses.
- xviii) In our opinion, the price at which preferential allotment of 30,00,000 Equity share warrants has been made to the parties covered in the register maintained under section 301 of the Companies Act, 1956 is not prejudicial to the interest of the company.
- xix) The Company has not issued any debentures during the period.
- xx) The Company has not raised any money during the period by public issue.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the course of our audit.

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

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

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

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

Place : Kanpur
Dated : 21st May, 2014

BALANCE SHEET as at 31st March, 2014

(₹ in crores)

Particulars	Note No.	As at 31.03.2014		As at 31.03.2013	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1A	80.41		83.36	
Reserves and surplus	2	363.99		403.84	
Money received against Equity share warrants	1B	2.48	446.88	0.00	487.20
Non-current liabilities					
Long-term borrowings	3	544.74		391.57	
Deferred tax liabilities	4	0.00		5.59	
Other long-term liabilities	7	5.15		5.44	
Long-term provisions	5	19.95	569.84	18.03	420.63
Current liabilities					
Short-term borrowings	6	665.40		905.52	
Trade payables	7	856.75		618.28	
Other current liabilities	7	181.06		199.40	
Short-term provisions	8	10.42	1713.63	25.86	1749.06
Total			2730.35		2656.89
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	9	1085.95		1073.01	
Capital work-in-progress		207.03		19.42	
Non-current investments	10	11.55		11.58	
Long-term loans and advances	11	13.59		24.95	
Other non-current assets	12	0.23	1318.35	0.25	1129.21
Current assets					
Inventories	13	1224.34		1311.26	
Trade receivables	14	110.25		144.06	
Cash and cash equivalents	15	14.93		12.87	
Short-term loans and advances	11	34.96		54.78	
Other current assets	12	27.52	1412.00	4.71	1527.68
Total			2730.35		2656.89
Significant Accounting Policies					
Notes on Financial Statements	1 to 36				

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

For and on behalf of the Board of Directors

For S. Vaish & Co.,

For Mittal Gupta & Co.,

(S.P. Agrawal)
Partner
Chartered Accountants

(B. L. Gupta)
Partner
Chartered Accountants

Arhant Jain
Executive President (Finance)
& Secretary

V.K. Goel
Chairman

A.K. Goel
Vice Chairman

Gaurav Goel
Managing Director

Gautam Goel
Managing Director

A.K. Gupta
Director

M.P. Mehrotra
Director

Place : Kanpur
Dated : 21st May, 2014

PROFIT AND LOSS STATEMENT for the year ended 31st March, 2014

(₹ in crores)

Particulars	Note No.	Year ended 31.03.2014		Year ended 31.03.2013	
INCOME					
Revenue from operations	16	1897.05		1532.87	
Less : Excise duty and other taxes		74.98	1822.07	51.65	1481.22
Other income	17		6.59		7.39
Total revenue			1828.66		1488.61
EXPENSES					
Cost of materials consumed	18		1343.70		1517.79
Purchases of Stock-in-Trade	16		22.33		24.68
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	19		69.63		(521.76)
Employee benefits expense	20		72.70		71.10
Other expenses	21		183.17		168.07
Total Expenses			1691.53		1259.88
Earnings before interest, tax depreciation and amortization			137.13		228.73
Depreciation and amortization expense		75.88		78.19	
Less : transferred from general reserve		0.00	75.88	(1.43)	76.76
Finance costs	22		142.21		112.67
Profit before exceptional and extraordinary items and tax			(80.96)		39.30
Exceptional items {Net gain/(loss)}		0.00		(8.19)	
Less : transferred from general reserve		0.00	0.00	8.19	0.00
Profit before extraordinary items and tax			(80.96)		39.30
Extraordinary items {Net gain/(loss)}			0.00		0.00
Profit/(loss) before tax			(80.96)		(39.30)
Tax expense:					
Current tax / Income Tax Adjustments			0.32		(5.97)
Less: MAT credit entitlement			(0.32)		5.95
Deferred tax assets/(liability) (Net)			5.59		(16.52)
Profit/(loss)			(75.37)		22.76
Earning per equity share (nominal value of share ₹ 10/- each)					
Basic (₹ per share)			(13.52)		3.62
Diluted (₹ per share)			(12.85)		3.62
Significant Accounting Policies					
Notes on Financial Statements	1 to 36				

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

For and on behalf of the Board of Directors

For S. Vaish & Co.,

For Mittal Gupta & Co.,

(S.P. Agrawal)
Partner
Chartered Accountants

(B. L. Gupta)
Partner
Chartered Accountants

Arhant Jain
Executive President (Finance)
& Secretary

V.K. Goel
Chairman

A.K. Goel
Vice Chairman

Gaurav Goel
Managing Director

Gautam Goel
Managing Director

A.K. Gupta
Director

M.P. Mehrotra
Director

Place : Kanpur
Dated : 21st May, 2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in crores)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit/(Loss) before tax and exceptional items		(80.96)		39.30
Adjustment for:				
Depreciation	75.88		76.76	
Loss on sale of fixed assets (net)	(1.43)		(0.81)	
Finance costs	142.21		112.67	
Interest and other investment income	(4.75)		(0.71)	
Molasses storage fund	0.13		0.19	
Provision for doubtful debts	0.00		7.95	
		212.04		196.05
Operating profit before working capital changes		131.08		235.35
Adjustments for:				
Trade and other receivables	34.69		72.70	
Inventories	86.94		(542.02)	
Trade and other payables	231.38	353.01	90.45	(378.87)
Cash generated from operation		484.09		(143.52)
Taxes refund/(paid)		(1.05)		(5.15)
Net cash from operating activities (A)		483.04		(148.67)
B. Cash flow from investing activities :				
Purchases of fixed assets		(219.11)		(89.08)
Loans (net)		0.08		12.40
Sale of fixed assets		4.09		3.03
Purchases / Sale of investments (Net)		(0.63)		(8.76)
Interest and other investment income		4.36		1.04
Net cash used in investing activities (B)		(211.21)		(81.37)
C. Cash flow from financing activities :				
Redemption of preference shares		(2.94)		(0.78)
Money Received against share warrant		2.48		-
Proceeds from borrowings (net)		(103.30)		345.02
Dividend including dividend distribution tax		(10.34)		(8.11)
Finance costs paid		(156.84)		(115.60)
Net cash used in financing activities (C)		(270.94)		(220.53)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(0.89)		(9.51)
Opening Balance of Cash and Cash Equivalents		6.24		4.56
Opening Balance from Amalgamated Company		0.00		11.19
Closing Balance of Cash and Cash Equivalents		7.13		6.24

Reconciliation of Cash & Cash Equivalents :

Particulars	As at 31.03.2014	As at 31.03.2013
Closing Balance of Cash & Cash Equivalents as per Cash Flow Statement	7.13	6.24
Add: Balance in Unpaid Dividend account	0.34	0.28
Add: Deposit pledged against margin money/guarantee	3.94	2.77
Add: Deposit with original maturity more than 3 months but upto 12 months	3.52	3.58
Closing Balance of Cash & Cash Equivalents as per Note No - 15	14.93	12.87

This is the Cash Flow Statement referred to in our report of even date **For and on behalf of the Board of Directors**

For S. Vaish & Co.,

For Mittal Gupta & Co.,

(S.P. Agrawal)

Partner

Chartered Accountants

(B. L. Gupta)

Partner

Chartered Accountants

Arhant Jain

Executive President (Finance)
& Secretary

V.K. Goel

Chairman

A.K. Goel

Vice Chairman

Gaurav Goel

Managing Director

Gautam Goel

Managing Director

A.K. Gupta

Director

M.P. Mehrotra

Director

Place : Kanpur

Dated : 21st May, 2014

Dhampur Sugar Mills Limited

Significant Accounting Policies

A Corporate Information

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

B Basis of Preparation of Financial Statements

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

C Use of Estimates

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

D Fixed Assets

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

E Depreciation and Amortisation

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

F Foreign Exchange Transactions

- Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- Non monetary foreign currency items are carried at cost.
- Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

G Inventories

- Raw material, process chemicals, stores and spares, packing material and traded goods are carried at weighted average cost.
- Finished Goods except molasses are carried at lower of cost and net realisable value.
- Stock of finished farm products, molasses and bagasse are carried at estimated selling price.
- Standing cane and other crops are carried at cost.
- Goods in process is carried at lower of cost and net realisable value.
- Loose tools and instruments are carried at depreciated value.
- Renewable Energy Certificate are carried at lower of cost and net realisable value.

H Excise Duty

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

I Employees Benefits

a) Defined contribution plan

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

b) Defined Benefit Plan

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

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

d) Employee separation cost

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

J Leases

(a) Lease rentals in respect of operating lease, if any, are expensed with reference to lease term, except for rentals pertaining to the period upto the date of commissioning of the assets which are capitalised.

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

K Investments:

a) Current investments are carried at lower of cost and net realisable value.

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

L Revenue Recognition :

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

M Borrowing Costs

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

N Provision for Current and Deferred Tax :

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

O Impairment of Assets :

The carrying amount of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount.

An impairment is charged to the profit and loss account in the year in which an asset is identified as impaired. Impairment losses recognised in prior accounting periods are reversed if there is any change in the estimate of the recoverable amount.

P Provisions, Contingent Liabilities and Assets :

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

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

Contingent assets are not recognised in the financial statements.

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014
"1.A" Share Capital

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
Authorized				
11,38,26,000 equity shares of ₹ 10/- each		113.83		113.83
69,17,400 preference shares of ₹ 100/- each		69.17		69.17
Issued , subscribed and paid-up				
Equity shares				
5,72,14,935 (5,39,05,975) equity shares of ₹ 10/- each fully paid-up	57.21		53.91	
3,25,496 equity shares forfeited	0.07		0.07	
Less : Calls in arrears	#	57.28	#	53.98
Preference shares				
4,13,940 (4,13,940) 6% Cumulative redeemable preference shares of ₹ 100/- each fully paid-up {Amount pending for redemption - ₹ 66.67 (₹ 100.00) per share}		2.76		4.14
4,69,013 (4,69,013) 1% Cumulative redeemable preference shares of ₹ 100/- each fully paid-up {Amount pending for redemption - ₹ 50.00 (₹ 83.33) per share}		2.35		3.91
18,01,817 (0) 8% Cumulative Redeemable preference shares of ₹ 100/- each fully paid-up		18.02		0.00
0 (33,08,960) Equity share pending for allotment		0.00		3.31
0 (18,01,817) 8% Cumulative Redeemable Preference share pending for allotment		0.00		18.02
TOTAL		80.41		83.36

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

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	No.	(₹ Crores)	No.	(₹ Crores)
Authorized shares				
Equity shares				
At the beginning of the period	113826000	113.83	97000000	97.00
Added as per scheme of amalgamation	-	-	16826000	16.83
Outstanding at the end of the period	113826000	113.83	113826000	113.83
Preference shares				
At the beginning of the period	6917400	69.17	5100000	51.00
Added as per scheme of amalgamation	-	-	1817400	18.17
Outstanding at the end of the period	6917400	69.17	6917400	69.17
Issued , subscribed and paid-up shares				
Equity shares				
At the beginning of the period	53905975	53.91	53905975	53.91
Issued during the period	3308960	3.30	-	-
Outstanding at the end of the period	57214935	57.21	53905975	53.91
Preference shares				
At the beginning of the period	882953	8.83	882953	8.83
Issued during the period	1801817	18.02	-	-
Outstanding at the end of the period	2684770	26.85	882953	8.83

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

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

Particulars	As at 31.03.2014		As at 31.03.2013	
	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid-up				
Goel Investments Ltd.	11255515	19.67	11255515	20.88
Sonitron Ltd.	4940716	8.64	4940716	9.17
Shudh Edible Products Ltd.	4549680	7.95	4549680	8.44
Mr. Gautam Goel	3492339	6.10	3481038	6.46
Mr. Gaurav Goel	3461379	6.05	3452843	6.41
6% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	413940	100.00	413940	100.00
1% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
IFCI Ltd.	469013	100.00	469013	100.00
8% Cumulative Redeemable Preference shares of ₹ 100 each fully paid-up				
JK Tyre & Indurties Limited	1801817	100.00	-	-

"1.A.c" - Calls unpaid of equity shares

Particulars	As at 31.03.2014		As at 31.03.2013	
	No.	Amt. (in ₹)	No.	Amt. (in ₹)
i) Calls unpaid by directors and officers	Nil	Nil	Nil	Nil
ii) Calls unpaid by others	2185	10705	2185	10705

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

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

"1A. e" - 33,08,960 Equity shares of ₹ 10 each and 18,01,817 8% Cumulative Redeemable Preference shares of ₹ 100 each were allotted during the year to the shareholders of J K Sugar Ltd pursuant to the scheme of amalgamation without payment being received in cash.

"1A. f" - Right attached to Preference shares

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

"1A. g" - Terms of redemption of Preference shares

- (i) 4,13,940 - 6% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 3 equal yearly installments commencing from December, 2013.
- (ii) 4,69,013 - 1% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 12 equal quarterly installments commencing from December, 2012.
- (iii) 18,01,817 - 8% Cumulative Redeemable Preference Shares of ₹ 100 each are redeemable in 3 equal yearly installments commencing from April 01, 2014.

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

"1A. h" - The Board of directors recommended the following dividend :

Particulars	As at 31.03.2014	As at 31.03.2013
Proposed dividend per equity share of ₹ 10/- each	₹ 0.00	₹ 1.25
Proposed dividend per 6% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ 5.51	₹ 6.00
Proposed dividend per 1% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ 0.71	₹ 1.00
Proposed dividend per 8% Cumulative Redeemable Preference Share of ₹ 100/- each	₹ 0.00	₹ 8.00

"1B" - Money received against Equity share warrants

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Money received against Equity share warrants		
30,00,000 (0) Equity share warrants of ₹ 8.25 per warrant	2.48	-
TOTAL	2.48	0.00

"1B. a" - Terms of share warrants issue:

1. The holder(s) of each warrant shall have an option to apply for and be allotted One equity share of ₹ 10 each at premium of ₹ 23 per share i.e. ₹ 33 per share at any time within 18 months from the date of allotment of warrant. i.e. 26th March 2014.
2. Application money of ₹ 8.25 per warrant shall be adjusted against the price payable subsequently for acquiring by exercising the option. Application money of ₹ 8.25 per warrant shall be forfeited if the option to acquire shares is not exercised.
3. The Equity shares issued and allotted upon exercise of option will be fully paid and will rank pari-passu with the existing equity shares.

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

"2" - Reserves and surplus

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
Capital reserve				
Balance as per last account	10.64		2.96	
Add/Less : transferred from/to amalgamation reserve	0.00	10.64	7.68	10.64
Securities premium reserve				
Balance as per last account	319.96		317.67	
Addition on amalgamation of JKSL	0.00		2.69	
Less: provision for premium on redemption of Zero Coupon Non-convertible Debentures	(0.00)	319.96	(0.40)	319.96
Reserve for construction of Molasses Storage Tank				
Balance as per last account	1.44		2.31	
Addition on amalgamation of JKSL	0.00		0.53	
Add: provided during the period	0.13		0.19	
Less: Transferred to General Reserve	0.00	1.57	(1.59)	1.44
Debenture redemption reserve				
Balance as per last account	2.40		0.00	
Addition on amalgamation of JKSL	0.00		1.14	
Less : Transferred to general reserve	(2.40)		0.00	
Add : transferred from general reserve	0.00	0.00	1.26	2.40
Amalgamation reserve				
Reserve credited on amalgamation	0.00		8.72	
Less/Add : transferred to/from capital reserve on amalgamation	0.00		(7.68)	
Less : adjustment of expenses incurred on amalgamation	0.00	0.00	(1.04)	0.00
Revaluation Reserve				
Balance as per last account	0.00		0.00	
Add: During the year (Refer Note No. - "9.A")	35.69	35.69	0.00	0.00
General reserve				
Balance as per last account	52.03		78.31	
Add : Transferred from Reserve for Construction of Molasses Storage Tank	0.00		1.59	
Add: transferred from Surplus	0.00		15.00	
Add: Transferred from Debenture Redemption Reserve	2.40		0.00	
Debit balance of Profit/Loss of JKSL upto 31-03-2012 on amalgamation	0.00		(33.25)	
Less: transferred to statement of profit & loss	0.00	54.43	(9.62)	52.03
Surplus				
Balance as per last account	17.37		21.27	
Profit / (loss) for the year	(75.37)		22.76	
Less : Appropriations				
Proposed equity dividend	0.00		7.15	
Dividend on preference shares	0.26		1.74	
Tax on dividend	0.04		1.51	
Transferred to debenture redemption reserve	0.00		1.26	
Transferred to general reserve	0.00		15.00	
Net surplus		(58.30)		17.37
TOTAL		363.99		403.84

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

"3" - Long-term borrowings

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Non-Current	Current	Non-Current	Current
Debentures - Secured				
Zero Coupon Non-convertible debentures including premium	0.00	0.00	0.00	2.40
Term loans				
Secured				
Rupee term loans from banks	334.81	83.55	275.57	66.20
Rupee term loans from banks SEFASU	109.53	0.00	0.00	0.00
Foreign currency term loan from bank (ECB)	0.00	0.00	0.00	21.72
Zero coupon rupee term loans from banks	2.06	4.12	6.19	4.12
Rupee term loans from sugar development fund	68.66	32.60	102.64	39.15
	515.06	120.27	384.40	131.19
Unsecured				
Deposits - from directors & their relatives	0.00	2.03	1.98	1.60
- from public	2.30	2.55	4.48	1.98
Buyers' credit from bank	27.02	0.00	0.00	4.86
Deferred payment liabilities	0.36	0.35	0.71	0.00
	29.68	4.93	7.17	8.44
Total	544.74	125.20	391.57	142.03

"3.a" - Nature of security

Term loans (excise) from banks of ₹ 109.53 crores under the Government sponsored subvention scheme for extending Financial assistance to Sugar Undertakings, 2014 (SEFASU, 2014) will be secured by third parri passu charge on all movable and immovable asstes of the company and guarantee of promoters directors.

Term loans from bank of ₹ 1.25 crores are secured by subservient sixth charge on all movable and immovable assets of the company.

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

All other term loans from financial institutions and banks (Zero coupon loans) are secured by first parri passu charge on all movable and immovable assets except book debts, stock-in-trade, raw materials, spare parts and other assets and personal guarantee of promoters directors.

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

(₹ in crores)

Particulars	ROI (%) as on 31.03.2014	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
Secured					
Term Loans from banks	14.75	30.00	0.00	0.00	0.00
	13.25	5.00	5.00	2.36	0.00
	13.00	35.00	35.00	35.00	35.00
	12.75	18.00	15.50	15.50	15.50
	12.00	40.20	40.20	38.45	35.16
	9.00	0.43	0.03	-	-
	7.00	0.41	0.00	-	-
100% Intt.		0.00	6.09	36.51	66.93
Subvention					
Sub-total		129.04	101.82	127.82	85.66
Zero coupon rupee term loans from banks		2.06	0.00	0.00	0.00
Rupee term loans from sugar development fund	7.50	0.73	0.73	0.73	0.00
	7.00	8.15	8.33	8.33	8.33
	4.00	11.49	7.28	7.28	7.28
Sub-total		20.37	16.34	16.34	15.61
Total secured		151.47	118.16	144.16	101.27
Unsecured Deposits	11 to 12	2.30	-	-	-
Buyers Credit from Bank	1.55	0.00	27.02	-	-
Deferred payment liabilities		0.36			
Grand-total		154.13	145.18	144.16	101.27

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

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

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Deferred Tax Asset :		
i) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years	0.00	8.10
ii) On account of carried forward losses and unabsorbed depreciation	0.00	97.24
	0.00	105.34
Deferred Tax Liability :		
i) On account of differences in written down value of fixed assets	0.00	110.93
Net Deferred Tax (Liability) / Asset	0.00	(5.59)

In view of prudence and lack of virtual certainty that the Deferred Tax Asset will be realised in future, Deferred tax liability to the extent of ₹ 5.59 crore has been reversed and recognised as asset during the year and balance Net Deferred tax asset to the extent of ₹ 15.33 crore has not been recognised during the year.

"5" - Long-term provisions

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits :		
Provision for gratuity	19.95	18.03
Total	19.95	18.03

"6" - Short-term borrowings

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Secured		
Cash credit from banks	563.47	774.01
Rupee term loans from banks	79.76	115.00
	643.23	889.01
Unsecured		
Deposits - from related parties	5.29	0.00
- from public	16.41	14.09
Loans and advances from related parties	0.47	2.42
	22.17	16.51
Total	665.40	905.52

"6.a" - Nature of security

All Cash credit limits from banks other than District Co-operative Banks of ₹ 467.38 Crores are secured by pledge of stocks of sugar and hypothecation of consumable stores and spare parts, chemicals, molasses etc. and by parri passu third charge over the fixed assets of the company and personal guarantee of promoter directors.

Cash credit accounts from District Co-operative Banks of ₹ 96.09 Crores are secured by pledge of stocks of sugar.

Rupee loans from banks of ₹ 49.76 Crores are secured by pledge of stock of sugar and personal guarantee of promoter directors and ₹ 30 Crores by subservient charge on Fixed assets & Current Assets of the company.

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

"7" - Trade payables and Other Liabilities

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Non-Current	Current	Non-Current	Current
Trade payables (refer note '31' of dues to micro and small enterprises)	0.00	856.75	0.00	618.28
(including ₹ 0.92 Crore (P.Y. ₹ 0.78 Crore) due to related parties)				
Other liabilities				
Current maturities of long term borrowings (refer note '3')	0.00	125.20	0.00	142.03
Interest accrued but not due on borrowings	5.15	5.80	5.44	7.67
Interest accrued and due on borrowings	0.00	4.95	0.00	1.10
Unpaid dividend	0.00	0.34	0.00	0.28
Unpaid matured deposits and interest accrued thereon	0.00	1.21	0.00	0.73
Advance from customers	0.00	2.73	0.00	2.55
Others :				
Security deposits	0.00	3.62	0.00	2.58
Statutory dues payable	0.00	37.21	0.00	42.46
Sub Total	5.15	181.06	5.44	199.40
Total	5.15	1037.81	5.44	817.68

"8" - Short-term provisions

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits :		
Provision for employees	10.12	9.51
Other provisions :		
Provision for tax	-	5.95
Provision for dividend (including dividend distribution tax)	0.30	10.40
Total	10.42	25.86

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

"9" - Tangible assets

(₹ in crores)

Particulars	Land	Building	Plant & Equipments	Furniture & Fixtures	Railway sidings	Weigh-bridge	Computers	Office Equipments	Electrical Appliances	Vehicles	Live Stock	Farm Asset & Equipment	Total
Cost													
As on 01-04-2013	47.86	159.95	1382.75	10.52	0.00	7.40	8.26	2.28	7.81	15.45	0.01	0.45	1642.74
Additions (Refer Note No. - "9A")	38.59	5.21	41.25	0.83	0.00	0.11	1.38	0.12	0.47	1.58	0.00	0.01	89.55
Disposals	0.00	0.87	9.38	0.03	0.00	0.00	0.07	0.01	0.01	0.49	0.00	0.00	10.86
Other adjustments :													
- Exchange differences	0.00	0.00	2.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.76
- Borrowing costs	0.00	0.10	1.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.03
As at 31-03-2014	86.45	164.39	1419.31	11.32	0.00	7.51	9.57	2.39	8.27	16.54	0.01	0.46	1726.22
Depreciation													
As on 01-04-2013	0.00	30.03	507.71	5.33	0.00	5.59	6.55	1.75	3.37	9.10	0.00	0.30	569.73
Charges for the year	0.00	3.98	67.01	1.03	0.00	0.25	0.97	0.10	0.72	1.81	0.00	0.01	75.88
Disposals	0.00	0.02	4.94	0.02	0.00	0.00	0.05	0.00	0.00	0.31	0.00	0.00	5.34
As at 31-03-2014	0.00	33.99	569.78	6.34	0.00	5.84	7.47	1.85	4.09	10.60	0.00	0.31	640.27
Net Block													
As on 31-03-2013	47.86	129.92	875.04	5.19	0.00	1.81	1.71	0.53	4.44	6.35	0.01	0.15	1073.01
As on 31-03-2014	86.45	130.40	849.53	4.98	0.00	1.67	2.10	0.54	4.18	5.94	0.01	0.15	1085.95

"9. A." - Revaluation of Tangible Assets:

The Company has revalued the land of its "Meerganj Unit" as on 07.10.2013 on the basis of replacement value, valued by an independent certified valuer. Accordingly a sum of ₹ 35.69 Crores (included as addition of land in Note No. -9) being the excess of the current replacement value of ₹ 42.22 Crores over the existing book value of ₹ 6.53 Crores has been credited to revaluation reserve.

"10" - Non-current Investments

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
Trade Investments :-				
Ramganga Sanyukta Sahkari Kheti Samiti Limited (Unquoted)				
01 (01) Equity share of ₹ 100/- each fully paid-up		#		#
In Subsidiary Companies (Unquoted) :				
Investment in Equity shares				
(fully paid-up unless otherwise stated)				
Dhampur International Pte Ltd.:-				
10000 (10000) Equity shares of S\$ 1/- each		0.00		0.00
2000000 (0) Equity Shares of US \$ 1/- each		10.80		0.00
Share application money pending for allotment		0.00		10.80
Other Investments :-				
In Other Companies :				
VLS Finance Limited (Quoted)				
263142 (263142) Equity shares of ₹ 10/- each	0.44		0.44	
South Asian Enterprises Limited (Quoted) (**)				
250000 (250000) Equity shares of ₹ 10/- each	#		#	
(At cost less provision for diminution in value)				
₹ 0.25 crores (P.Y. ₹ 0.25 crores)				
Glenesia Industries Limited (Unquoted)				
0 (500000) Equity shares of ₹ 10/- each	0.00	0.44	0.05	0.49
Investment in Mutual fund				
Baroda Pioneer PSU Bond Fund - Monthly Dividend Plan (Quoted)				
294056 (274830) Units of ₹ 10/- each		0.31		0.29
TOTAL		11.55		11.58

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

(₹ in crores)

Disclosure of non-current investments	As at 31.03.2014	As at 31.03.2013
Aggregate amount of quoted investments	0.75	0.73
Aggregate amount of unquoted investments	10.80	0.05
Aggregate amount of share application money	0.00	10.80
Total investments net of provision for diminution	11.55	11.58
Aggregate provision for diminution in value of investments (**)	0.25	0.25
Aggregate market value of quoted investments	0.64	0.57

"11" Long and short term loans and advances

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Non-Current	Current	Non-Current	Current
(Unsecured considered good unless otherwise stated)				
Capital advances	1.72	0.00	12.12	0.00
Security deposits:-				
Considered good	3.16	0.69	3.12	0.50
Considered doubtful	0.00	0.00	0.26	0.00
Less : Provision for doubtful	0.00	0.00	(0.26)	0.00
Loans and advances to related parties :				
Considered good	0.00	0.11	0.00	0.19
Other loans and advances :				
Advances recoverable in cash or in kind:-				
Considered good	0.00	11.04	0.00	22.54
Considered doubtful	0.00	0.00	0.00	1.13
Less : Provision for doubtful	0.00	0.00	0.00	(1.13)
Balances with excise authorities	0.00	18.68	0.00	23.95
Income tax and wealth tax payments	0.00	1.07	0.00	5.65
MAT credit entitlement	8.71	0.00	9.03	0.00
Payments of taxes under protest/appeal	0.00	1.45	0.68	0.00
Prepaid expenses	0.00	1.92	0.00	1.95
Total	13.59	34.96	24.95	54.78

"12" - Other non-current and current assets

(₹ in crores)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Non-Current	Current	Non-Current	Current
(Unsecured considered good unless otherwise stated)				
Others :				
Inventory - Loose tools and equipments	0.23	0.00	0.25	0.00
Claim receivable :-				
- Considered good	0.00	26.93	0.00	4.06
- Considered doubtful	0.00	0.00	0.00	1.50
- Provision for doubtful	0.00	0.00	0.00	(1.50)
Interest receivable	0.00	0.59	0.00	0.65
Total	0.23	27.52	0.25	4.71

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

"13" - Inventories

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Raw materials	6.58	24.07
Goods-in-process	35.64	29.67
Standing cane and other crops	0.33	0.22
Finished goods (including trial run stock of ₹ 0.29 Crore)	1140.64	1217.83
Traded goods	0.79	0.39
Stores, Spare parts, Gunny/P.P. bags, Chemicals etc.	40.35	39.08
Renewable Energy Certificate	0.01	0.00
Total	1224.34	1311.26

"14" - Trade receivables

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment :		
- Considered good	0.53	1.53
- Considered doubtful	0.00	6.88
- Provision for doubtful	0.00	6.88
Other receivables	109.72	142.53
Total	110.25	144.06

"15" - Cash and cash equivalents

(₹ in crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Cash and cash equivalents		
Balances with banks :		
On Current accounts	4.10	3.96
On unpaid dividend account	0.34	0.28
Cash on hand	3.03	2.28
Other bank balances :		
Deposits pledged against margin money/guarantee	3.94	2.77
Deposits with original maturity more than 3 months but upto 12 months	3.52	6.35
Total	14.93	12.87

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014
"16" - Revenue from operations/Purchases of stock-in-trade/Inventories

(₹ in crores)

Particulars	Opening stock		Production/Purchases		Sales/Revenue from operations		Closing stock	
	Qty	Value (₹)	Qty	Value (₹)	Qty	Value (₹)	Qty	Value (₹)
Revenue from operations								
Sale of Products								
Finished goods								
Sugar (Qtls.)	3341710	1080.19	3750577	0.00	4016283	1282.27	3060623	1020.88
Previous year	(2140420)	(614.07)	(4167850)	0.00	(2965480)	(961.81)	(3341710)	(1080.19)
Molasses (Qtls.)	1457187	66.76	2106385	0.00	2343829	7.93	1209090	64.61
Previous year	(791079)	(34.93)	(2360480)	0.00	(1690051)	(11.04)	(1457187)	(66.76)
Chemicals (Qtls.)	111752	31.87	1430082	0.00	1210279	423.59	218146	26.20
Previous year	(56695)	(16.55)	(993376)	0.00	(869831)	(320.95)	(111752)	(31.87)
Farm produce (Qtls.)	450	0.05	27964	0.00	27891	1.24	523	0.10
Previous year	(493)	(0.05)	(28777)	0.00	(28820)	(1.12)	(450)	(0.05)
Power (M.W.)	-	-	519410	-	461037	129.97	-	-
Previous year	-	-	(574853)	-	(487884)	(160.46)	-	-
Others	-	38.96	-	-	-	6.64	-	28.56
Previous year	-	(26.65)	-	-	-	(28.91)	-	(38.96)
Sub-total finished goods	4911099	1217.83	7834419	0.00	8059319	1851.64	4488382	1140.35
Previous year	(2988687)	(692.25)	(8125336)	0.00	(6042066)	(1484.29)	(4911099)	(1217.83)
Traded goods								
P. P. Bags (Nos.)	-	-	89703	4.93	89703	5.01	-	-
Previous year	-	-	(297723)	(11.35)	(297723)	(10.59)	-	-
Other purchases	-	0.39	-	17.40	-	19.75	-	0.79
Previous year	-	(0.26)	-	(13.33)	-	(13.50)	-	(0.39)
Sub-total traded goods	-	0.39	89703	22.33	89703	24.76	-	0.79
Previous year	-	(0.26)	(297723)	(24.68)	(297723)	(24.09)	-	(0.39)
Total		1218.22		22.33		1876.40		1141.14
Previous year		(692.51)		(24.68)		(1508.38)		(1218.22)
Stock-in-process :								
Sugar (Qtls.)	73997	22.10					87626	26.82
Previous year	(37783)	(10.35)					(73997)	(22.10)
Molasses (Qtls.)	39129	1.36					52913	2.01
Previous year	(19845)	(0.47)					(39129)	(1.36)
Chemicals (Qtls.)	25446	6.21					25587	6.81
Previous year	(26021)	(5.61)					(25446)	(6.21)
Standing crops		0.22						0.33
Previous year		(0.33)						(0.22)
Sub-total Stock-in-process		29.89						35.97
Previous year		(16.76)						(29.89)
Total (Gross) (A)		1248.11		22.33		1876.40		1177.11
Previous year		(709.27)		(24.68)		(1508.38)		(1248.11)

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

Other operating revenue

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Miscellaneous income	1.20	5.11
Scrap sale	2.25	1.96
Balances written back	0.61	1.92
Insurance claim received	0.07	0.05
Purchase Tax Remission	6.54	0.00
Provision no longer required written back/ adjustments relating to earlier years	0.12	8.68
Duty Draw Back / Sale of export licence (OGL)	9.86	6.77
Other operating revenue (B)	20.65	24.49
Revenue from operations (Gross)(A+B)	1897.05	1532.87

- The differences of 15381 Qtls. (1080 Qtls.) in finished goods/purchased goods sugar represents reprocessing and transit/storage/accidental losses.
- The difference of 10653 Qtls. (4321 Qtls.) in finished goods molasses represents loss/shortage on account of overflow and storage losses.
- The difference of 113409 Qtls. (68488 Qtls.) in finished goods chemicals represents captive consumption and storage losses.
- Sales of molasses includes 2371366 Qtls. (1551351 Qtls.) inter-unit transfer at Nil value.
- Sales of power includes 137975 M.W.. (110818 M.W.) inter-unit transfer at Nil value.

"17" - Other income

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Rent	1.30	1.10
Profit on sale of assets	0.04	0.86
Interest income	4.28	0.69
Excess provision written back	0.10	1.14
Foreign exchange differences (net)	0.40	3.58
Profit on sale of Investments	0.45	0.00
Dividend income	0.02	0.02
Total	6.59	7.39

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

"18" - Cost of materials consumed

(₹ in crores)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	(Qty) Qtls.	(₹)	(Qty) Qtls.	(₹)
Sugar cane consumed				
Sugar cane purchases	40726754	1125.33	45220565	1244.22
Expenses on purchase of sugar cane		35.85		36.04
Cane commission		25.25		22.98
Less: Subsidy Received		(23.81)		0.00
Purchase tax		-		9.04
	40726754	1162.62	45220565	1312.28
Add : Opening stock of cane	69860	1.96	30658	0.74
Addition on amalgamation	-	-	3049	0.07
Less : Closing stock of cane	(113792)	(3.12)	(69860)	(1.96)
Less : Driage	(59092)	0.00	(68183)	0.00
Sub-total	40623730	1161.46	45116229	1311.13
Molasses consumed	1479187	85.11	1324269	66.28
Bagasse / coal / rice husk & other fuel consumed		19.14		52.54
Chemicals and others		77.99		87.84
Total		1343.70		1517.79

"19" - (Increase)/Decrease in inventories

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Inventories at the end of the year		
Finished goods	1140.35	1217.83
Stock-in-process	35.97	29.89
Traded goods	0.79	0.39
	1177.11	1248.11
Inventories at the beginning of the year		
Finished goods	1217.83	692.25
Stock-in-process	29.89	16.76
Traded goods	0.39	0.26
	1248.11	709.27
Net excise duty on account of (Increase)/decrease in inventories	(1.37)	17.08
(Increase)/Decrease in inventories	69.63	(521.76)

"20" - Employees benefits expense

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Salaries , wages and bonus (including contract labour)	61.52	57.84
Contribution to provident and other funds	5.19	5.23
Workmen and staff welfare expenses	1.63	3.96
Gratuity	3.52	3.24
Voluntary retirement compensation	0.84	0.83
Total	72.70	71.10

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

"21" - Other expense

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Consumption of stores, spares and other manufacturing expense	29.90	29.17
Packing material expense	25.09	16.94
Expenditure on crops	0.53	0.39
Power and fuel	5.54	6.33
Repairs and maintenance :		
Plant and machinery	30.97	29.55
Buildings	2.86	2.48
Others	1.88	33.36
Rent	5.14	4.67
Rates and taxes	4.98	6.06
Charity and donation	0.16	0.18
Insurance	2.17	1.89
Molasses fund	0.13	0.19
Selling expenses :		
Commission to selling agents	9.61	11.61
Other selling expense	25.70	34.46
Payment to auditors :		
Audit fee	0.18	0.18
Tax audit fee	0.05	0.03
Income Tax Matters & Other Certification Fees	0.05	0.05
Reimbursement of expenses	0.03	0.27
Miscellaneous expenses	26.14	22.98
Cane development expense	9.15	2.77
Expenses relating to earlier year	0.39	0.07
Balances written-off	0.92	0.26
Provision for doubtful debts/advances/ bad debts	0.00	7.95
Directors sitting fee	0.13	0.10
Loss on sale of Fixed assets	1.47	0.03
Total	183.17	168.07

"22" - Finance costs

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Interest	147.46	111.12
Documentaion and other bank charges	6.02	1.83
Foreign exchange difference	5.05	3.02
	158.53	115.97
Less : Interest & documentation charges capitalized during the period	(16.32)	(3.30)
Total	142.21	112.67

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014
23 Details of pre-operative and trial run expenses included in Capital Work in Progress: (₹ in crores)

Particulars	2013/2014	2012/2013
Opening Balance	1.30	2.25
(a) Raw Material Consumed	7.57	-
(b) Consumption of Stores & other Manufacturing Expenses	0.16	-
(c) Power & Fuel	1.34	-
(d) Payments to and Provision for Employees	0.71	-
(e) Administrative and Other Expenses	1.06	-
(f) Interest Finance and Loan Raising Expenses	16.32	3.30
Total	28.46	5.55
Less:		
(g) Borrowing Cost Capitalised during the year	(2.03)	(4.25)
(h) Stock of Finished Goods	(0.29)	
(i) Sale of Power	(8.37)	-
Balance Pre-Operative Expenses Pending for Allocation	17.77	1.30

- 24 The accounts have been prepared without accounting for any incentive entitlements under U.P. Sugar Incentive Promotion Policy, 2004 as the scheme has been subsequently withdrawn by the State Government. The Company has filed writ petition before Hon'ble Allahabad High Court (Lucknow Bench) for enforcement of the scheme and settlement of incentive claims. As per the erstwhile incentive policy, the company is eligible for capital subsidy of ₹ 89.89 crores i.e. @10% of the investments made (already vetted ₹ 50.80 crores) and for reimbursement of taxes and other charges aggregating to ₹ 56.07 crores upto 31st March, 2014 (including ₹ 1.95 crores for the current year).
- 25 In the opinion of the Board, current assets and loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

26 Employees Benefits :

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

(i) In respect of Short Term Employee Benefits :

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

(ii) In respect of Defined Benefit Scheme (Based on Actuarial Valuation) of Gratuity :

(₹ in crores)

	2013/2014	2012/2013
A) Change in Obligation over the year ended 31.03.2014		
Present Value of defined obligation as on 01-04-2013	19.76	16.68
Addion on amalgamation of JKSL	-	1.25
Current Service Cost	1.21	1.13
Interest Cost	1.58	1.42
Actuarial Gains/losses	(0.26)	0.15
Benefits Paid	(0.71)	(0.87)
Present Value of defined obligation as on 31-03-2014	21.58	19.76
B) Expenses recognised during the year ended 31.03.2014		
Current Service Cost	1.21	1.13
Interest Cost	1.58	1.42
Actuarial Gains/losses	(0.26)	0.15
Current Service Cost & Actuarial losses in respect of seprated employees	0.99	0.54
Total	3.52	3.24
C) Principal Actuarial Assumptions :		
Mortality Table (LIC)	1994-96 (Duly modified)	
Discount Rate (per Annum)	8.50%	(8.50%)
Rate of Escalation in Salary (per Annum)	6.00%	(6.00%)

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

(iii) Defined Contribution Plan :

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

(₹ in crores)

	2013/2014	2012/2013
Employer's Contribution to Provident Fund :	2.84	2.85
Employer's Contribution to Pension Fund :	2.35	2.37

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014
27 Segment Reporting:

(₹ in crores)

Particulars	Sugar	Chemicals	Co-gen	Others	Total
1. Segment Revenue (including Excise Duty)					
a) External Sales	1,313.25	433.46	128.89	21.45	1,897.05
Previous Year	(1,030.30)	(327.22)	(160.60)	(14.75)	(1,532.87)
b) Inter Segment Sales	292.63	4.86	216.93	0.38	514.80
Previous Year	(187.41)	(2.40)	(194.70)	-	(384.51)
c) Total Revenue	1,605.88	438.32	345.82	21.83	2,411.85
Previous Year	(1,217.71)	(329.62)	(355.30)	(14.75)	(1,917.38)
2. Segment Results					
(Profit+)/Loss(-) before Tax and Interest from each segment	(79.42)	51.71	106.84	(1.53)	77.60
Previous Year	(19.84)	(36.90)	(111.65)	(0.66)	(169.05)
Less : Finance costs					142.20
Previous Year					(112.67)
Less/ Add :Other Unallocable Expense/Income net off Unallocable Income/Expenses					16.36
Previous Year					(17.08)
Net Profit(+)/loss(-) before Tax					(80.96)
Previous Year					(39.30)
Less: Tax expense (Net)					5.59
Previous Year					(16.54)
Net Profit(+)/Loss(-) after Tax					(75.37)
Previous Year					(22.76)
3. Other Information					
a) Segment Assets	1,856.33	271.30	575.70	4.63	2,707.96
Previous Year	(1,852.76)	(230.61)	(546.17)	(1.08)	(2,630.62)
Unallocable Corporate Assets					22.39
Previous Year					(26.27)
Total Assets					2,730.35
Previous Year					(2,656.89)
b) Segment Liabilities	1,086.19	20.18	10.20	1.36	1,117.93
Previous Year	(681.03)	(23.23)	(1.80)	(0.12)	(706.18)
Unallocable Corporate Liabilities					1,165.55
Previous Year					(1,463.51)
Total Liabilities					2,283.48
Previous Year					(2,169.69)
c) Capital Expenditure	70.98	39.86	133.91	1.52	246.27
Previous Year	(36.04)	(28.45)	(10.50)	-	(74.99)
d) Depreciation	38.67	6.82	30.10	0.29	75.88
Previous Year	(40.37)	(6.09)	(30.29)	(0.01)	(76.76)
e) Non Cash Expenditure other than Depreciation	2.40	-	-	-	2.40
Previous Year	(10.45)	(5.96)	(0.01)	-	(16.42)

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

28 Earnings per Share (EPS) :

	Year Ended 31.03.2014		Year Ended 31.03.2013	
i) Net Profit/ Loss(-) after Extra Ordinary Items & Provision for Taxes	₹ crores	(77.35]	₹ crores	20.73
(Used as numerator for calculating EPS)				
ii) Weighted average No. of Equity Shares outstanding during the period:				
(Used as denominator for calculating EPS)				
- for Basic EPS	No.	57214935	No.	57214935
- for Diluted EPS	No.	60214935	No.	57214935
iii) Earning per Share before and after Extra Ordinary Items				
- Basic	₹	(13.52]	₹	3.62
- Diluted	₹	(12.85]	₹	3.62
(Equity Share of Face value of ₹ 10 each)				

29 Related Party Disclosures:

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

i) Enterprises where control exists:

Subsidiary -

- 1 Dhampur International Pte Limited
- 2 Dhampur Global Pte Limited (a subsidiary of Dhampur International Pte Limited)

Associates -

Kashipur Sugar Mills Limited

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

- 1 Goel investments Limited
- 2 Ujjwal Rural Services Limited
- 3 Saraswati Properties Limited

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

- 1 Sonitron Limited
- 2 Shudh Edible Products Limited
- 3 India Green Fuel Private Limited
- 4 Dhampur Molasses Transport (Regd.)
- 5 J.P. & Sons (Regd.)

iv) Key Management Personnel and their relatives

- 1 Mr. Vijay Kumar Goel, Executive Director
Mrs Deepa Goel (Wife)
- 2 Mr. Ashok Kumar Goel, Vice Chairman
Mrs Vinita Goel (Wife)
- 3 Mr. Gaurav Goel, Managing Director
Mrs Priyanjali Goel (Wife)
- 4 Mr. Gautam Goel, Managing Director
Mrs Bindu Vashist Goel (Wife)
- 5 Mr. J.P. Sharma, Whole Time Director
Mr. Mukul Sharma (Son)
- 6 Mr. Arhant Jain, Executive President (Finance) & Company secretary
Mrs. Brij Bala Jain (Mother), Mr. Arvind Jain (Brother), Mrs. Anita Jain (Wife), Mr. Anubhav Jain (Son), Mr. Ashish Jain (Son)
Arhant Jain (HUF), Anubhav Jain (HUF), Ashish Jain (HUF), Arvind Jain (HUF)
- 7 Mr. Sandeep Sharma, Executive President
Mrs. Poonam Sharma (Wife), Mr. Rahul Sharma (Son), Ms. Sona Sharma (Daughter)
Sandeep Sharma (HUF)
- 8 Mr. Priya Brat, Director
Mrs. Shakuntala Brat (Wife), Ms. Anu Mahendru (Daughter)
- 9 V. K. Goel, H.U.F
- 10 A.K. Goel, H.U.F.
- 11 Gaurav Goel, H.U.F
- 12 Gautam Goel, H.U.F

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

- b. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014

(₹ in crores)

Particulars	Enterprises where control exists Associate/Subsidiary		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Transactions during year ended 31.03.2014						
1 Loans/advances given	#	2.06	-	16.58	-	-
Dhampur International Pte Limited	-	0.03	-	-	-	-
Kashipur Sugar Mills Limited	#	2.03	-	-	-	-
Goel Investment Limited	-	-	-	2.69	-	-
India Greenfuel Private Limited	-	-	-	0.86	-	-
Saraswati Properties Limited	-	-	-	4.85	-	-
Shudh Edible Products Limited	-	-	-	4.60	-	-
Ujjwal Rural Services Limited	-	-	-	3.57	-	-
2 Receipts towards Loan /Advances given	-	-	-	16.58	-	-
Goel Investment Limited	-	-	-	2.69	-	-
India Greenfuel Private Limited	-	-	-	0.86	-	-
Saraswati Properties Limited	-	-	-	4.85	-	-
Shudh Edible Products Limited	-	-	-	4.60	-	-
Ujjwal Rural Services Limited	-	-	-	3.57	-	-
3 Prov. for doubtful write back net off loss on investments	-	1.14	-	-	-	-
4 Loans taken	-	-	5.57	21.14	-	-
Goel Investment Limited	-	-	1.72	12.46	-	-
India Greenfuel Private Limited	-	-	0.13	-	-	-
Saraswati Properties Limited	-	-	1.36	0.92	-	-
Shudh Edible Products Limited	-	-	1.58	5.64	-	-
Sonitron Limited	-	-	-	0.02	-	-
Ujjwal Infracon Limited	-	-	0.14	-	-	-
Ujjwal Rural Services Limited	-	-	0.64	2.10	-	-
5 Loans repaid	-	-	6.23	20.80	-	-
Goel Investment Limited	-	-	1.95	12.38	-	-
India Greenfuel Private Limited	-	-	0.13	-	-	-
Saraswati Properties Limited	-	-	1.44	0.81	-	-
Shudh Edible Products Limited	-	-	1.95	5.52	-	-
Sonitron Limited	-	-	0.06	-	-	-
Ujjwal Infracon Limited	-	-	0.14	-	-	-
Ujjwal Rural Services Limited	-	-	0.56	2.10	-	-
6 Unsecured Deposits Taken (Fixed Deposit)	-	-	-	-	4.67	3.71
Mr. Vijay Kumar Goel	-	-	-	-	-	-
Mrs. Deepa Goel	-	-	-	-	0.13	0.15
Mr. Ashok Kumar Goel	-	-	-	-	-	0.83
Mrs Vinita Goel	-	-	-	-	0.36	0.38
Mrs Priyanjali Goel	-	-	-	-	0.47	0.09
Mrs Bindu Vashist Goel	-	-	-	-	0.26	0.05
Mr. J.P. Sharma	-	-	-	-	-	-
Mr. Arhant Jain	-	-	-	-	0.07	-

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

Contd.

(₹ in crores)

Particulars	Enterprises where control exists Associate/Subsidiary		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Mrs. Brij Bala Jain	-	-	-	-	0.40	0.36
Mrs. Anita Jain	-	-	-	-	0.24	0.21
Mr. Anubhav Jain	-	-	-	-	0.21	0.18
Mr. Ashish Jain	-	-	-	-	0.88	0.62
Arhant Jain (HUF)	-	-	-	-	0.33	0.29
Ashish Jain (HUF)	-	-	-	-	0.07	0.03
Anubhav Jain (HUF)	-	-	-	-	0.05	0.03
Arvind Jain (HUF)	-	-	-	-	0.18	0.14
Mr. Sandeep Sharma	-	-	-	-	-	-
Mrs. Poonam Sharma	-	-	-	-	0.02	-
Mr. Rahul Sharma	-	-	-	-	-	-
Ms. Sona Sharma	-	-	-	-	0.02	-
Sandeep Sharma (HUF)	-	-	-	-	0.04	0.02
Mr. Priya Brat	-	-	-	-	-	-
Mrs. Shakuntala Brat	-	-	-	-	-	0.03
V.K. Goel (HUF)	-	-	-	-	0.21	0.09
A.K. Goel (HUF)	-	-	-	-	0.24	0.11
Gaurav Goel (HUF)	-	-	-	-	0.25	0.10
Gautam Goel (HUF)	-	-	-	-	0.24	-
7 Unsecured Deposits Matured (Fixed Deposit)	-	-	-	-	2.93	3.24
Mr. Vijay Kumar Goel	-	-	-	-	-	-
Mrs. Deepa Goel	-	-	-	-	0.11	-
Mr. Ashok Kumar Goel	-	-	-	-	-	0.82
Mrs Vinita Goel	-	-	-	-	0.29	0.34
Mrs Priyanjali Goel	-	-	-	-	0.21	0.08
Mrs Bindu Vashist Goel	-	-	-	-	0.21	-
Mr. J.P. Sharma	-	-	-	-	-	-
Mr. Arhant Jain	-	-	-	-	-	-
Mrs. Brij Bala Jain	-	-	-	-	0.36	0.36
Mrs. Anita Jain	-	-	-	-	0.21	0.22
Mr. Anubhav Jain	-	-	-	-	0.24	0.17
Mr. Ashish Jain	-	-	-	-	-	0.40
Arhant Jain (HUF)	-	-	-	-	0.29	0.30
Ashish Jain (HUF)	-	-	-	-	0.05	0.03
Anubhav Jain (HUF)	-	-	-	-	0.03	0.02
Arvind Jain (HUF)	-	-	-	-	0.14	0.14
Mr. Sandeep Sharma	-	-	-	-	-	-
Mrs. Poonam Sharma	-	-	-	-	-	-
Mr. Rahul Sharma	-	-	-	-	-	-
Ms. Sona Sharma	-	-	-	-	0.01	-
Sandeep Sharma (HUF)	-	-	-	-	0.02	0.02
Mr. Priya Brat	-	-	-	-	-	0.01
Mrs. Shakuntala Brat	-	-	-	-	-	0.05
V.K. Goel (HUF)	-	-	-	-	0.17	0.10

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014
Contd.

(₹ in crores)

Particulars	Enterprises where control exists Associate/Subsidiary		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
A.K. Goel (HUF)	-	-	-	-	0.20	0.02
Gaurav Goel (HUF)	-	-	-	-	0.20	0.10
Gautam Goel (HUF)	-	-	-	-	0.20	0.10
8 Sale of Goods	37.75	-	4.43	2.17	-	-
Dhampur International Pte Limited	37.75	-	-	-	-	-
Dhampur Molasses Transport	-	-	3.23	0.95	-	-
J.P. & Sons	-	-	1.19	1.22	-	-
9 Investment in Equity Shares of Dhampur International Pte Limited	-	10.80	-	-	-	-
10 Subscription of Equity Share warrants	-	-	1.24	-	1.24	-
Mr. Gaurav Goel	-	-	-	-	0.62	-
Mr. Gautam Goel	-	-	-	-	0.62	-
M/s Saraswati Properties Ltd.	-	-	1.24	-	-	-
11 Rent paid	-	-	3.60	3.60	-	-
Goel Investment Limited	-	-	0.12	0.12	-	-
Saraswati Properties Limited	-	-	1.48	1.48	-	-
Shudh Edible Products Limited	-	-	1.98	1.98	-	-
Ujjwal Rural Services Limited	-	-	0.02	0.02	-	-
12 Remuneration paid	-	-	-	-	2.37	4.75
Mr. Vijay Goel	-	-	-	-	0.48	2.08
Mr. Ashok Kumar Goel	-	-	-	-	0.48	0.88
Mr. Gaurav Goel	-	-	-	-	0.48	0.88
Mr. Gautam Goel	-	-	-	-	0.48	0.48
Mr. J.P. Sharma	-	-	-	-	0.04	0.03
Mr. Arhant Jain	-	-	-	-	0.10	0.10
Mr. Sandeep Sharma	-	-	-	-	0.14	0.14
Mr. Mukul Sharma	-	-	-	-	0.10	0.09
Mr. Arvind Jain	-	-	-	-	0.07	0.07
13 Interest expense	-	-	-	-	0.87	0.43
Mr. Vijay Kumar Goel	-	-	-	-	0.02	-
Mrs. Deepa Goel	-	-	-	-	0.04	0.03
Mr. Ashok Kumar Goel	-	-	-	-	0.13	0.10
Mrs. Vinita Goel	-	-	-	-	0.10	0.07
Mrs. Priyanjali Goel	-	-	-	-	0.04	0.04
Mrs. Bindu Goel	-	-	-	-	0.04	0.03
Mr. J.P. Sharma	-	-	-	-	#	#
Mr. Arhant Jain	-	-	-	-	0.01	-
Mrs. Brij Bala Jain	-	-	-	-	0.05	-
Mrs. Anita Jain	-	-	-	-	0.03	-
Mr. Anubhav Jain	-	-	-	-	0.03	-
Mr. Ashish Jain	-	-	-	-	0.09	-
Arhant Jain (HUF)	-	-	-	-	0.04	-
Ashish Jain (HUF)	-	-	-	-	#	-
Anubhav Jain (HUF)	-	-	-	-	-	-

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

Contd.

(₹ in crores)

Particulars	Enterprises where control exists Associate/Subsidiary		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Arvind Jain (HUF)	-	-	-	-	0.02	-
Mr. Sandeep Sharma	-	-	-	-	#	-
Mrs. Poonam Sharma	-	-	-	-	#	-
Mr. Rahul Sharma	-	-	-	-	#	-
Ms. Sona Sharma	-	-	-	-	-	-
Sandeep Sharma (HUF)	-	-	-	-	0.01	-
Mr. Priya Brat	-	-	-	-	#	0.01
Mrs. Shakuntala Brat	-	-	-	-	-	-
V.K. Goel (HUF)	-	-	-	-	0.04	0.03
A.K. Goel (HUF)	-	-	-	-	0.05	0.04
Gaurav Goel (HUF)	-	-	-	-	0.06	0.04
Gautam Goel (HUF)	-	-	-	-	0.07	0.04
14 Loss on investments/investment written-off	-	8.19	-	-	-	-
15 Transportation Expenses	-	-	12.37	13.20	-	-
Dhampur Molasses Transport	-	-	7.88	12.42	-	-
J.P. & Sons	-	-	4.49	0.78	-	-
Amount due to/from Related Parties:						
1 Unsecured Loans/ Deposits from Related Parties	-	-	-	-	7.55	3.58
Mr. Vijay Kumar Goel	-	-	-	-	-	-
Mrs. Deepa Goel	-	-	-	-	0.28	0.25
Mr. Ashok Kumar Goel	-	-	-	-	0.88	0.88
Mrs Vinita Goel	-	-	-	-	0.75	0.68
Mrs Priyanjali Goel	-	-	-	-	0.56	0.30
Mrs Bindu Vashist Goel	-	-	-	-	0.31	0.26
Mr. J.P. Sharma	-	-	-	-	0.02	0.02
Mr. Arhant Jain	-	-	-	-	0.07	-
Mrs. Brij Bala Jain	-	-	-	-	0.40	-
Mrs. Anita Jain	-	-	-	-	0.24	-
Mr. Anubhav Jain	-	-	-	-	0.93	-
Mr. Ashish Jain	-	-	-	-	0.88	-
Arhant Jain (HUF)	-	-	-	-	0.33	-
Ashish Jain (HUF)	-	-	-	-	0.06	-
Anubhav Jain (HUF)	-	-	-	-	0.05	-
Arvind Jain (HUF)	-	-	-	-	0.19	-
Mr. Sandeep Sharma	-	-	-	-	-	-
Mrs. Poonam Sharma	-	-	-	-	0.10	-
Mr. Rahul Sharma	-	-	-	-	0.01	-
Ms. Sona Sharma	-	-	-	-	0.02	-
Sandeep Sharma (HUF)	-	-	-	-	0.03	-
Mr. Priya Brat	-	-	-	-	0.09	0.03
Mrs. Shakuntala Brat	-	-	-	-	-	-
V.K. Goel (HUF)	-	-	-	-	0.30	0.26
A.K. Goel (HUF)	-	-	-	-	0.35	0.30

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

Contd.

(₹ in crores)

Particulars	Enterprises where control exists Associate/Subsidiary		Enterprises where there in Significant Influence		Key Management personnel and their Relatives	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Gaurav Goel (HUF)	-	-	-	-	0.35	0.30
Gautam Goel (HUF)	-	-	-	-	0.35	0.30
2 Loans and Advances from related parties	-	-	0.12	0.78	0.34	1.64
Goel Investment Limited	-	-	0.01	0.24	-	-
Saraswati Properties Limited	-	-	0.03	0.11	-	-
Shudh Edible Products Limited	-	-	#	0.37	-	-
Sonitron Limited	-	-	-	0.06	-	-
Ujjwal Rural Services Limited	-	-	0.08	-	-	-
Mr. Vijay Kumar Goel	-	-	-	-	0.06	0.82
Mr. Ashok Kumar Goel	-	-	-	-	0.21	0.40
Mr. Gaurav Goel	-	-	-	-	0.05	0.41
Mr. Gautam Goel	-	-	-	-	0.02	0.01
3 Current Liabilities	-	-	0.92	-	-	-
J.P. & Sons	-	-	0.92	-	-	-
4 Investments	10.80	10.80	-	-	-	-
Dhampur International Pte Limited	10.80	10.80	-	-	-	-
5 Loans/Advances Receivables Net of Provision	3.80	0.19	-	-	-	-
Dhampur International Pte Limited	3.69	0.08	-	-	-	-
Kashipur Sugar Mills Limited	0.11	0.11	-	-	-	-
6 Security Deposits	-	-	2.19	2.19	-	-
Goel Investment Limited	-	-	0.50	0.50	-	-
Saraswati Properties Limited	-	-	0.65	0.65	-	-
Shudh Edible Products Limited	-	-	0.99	0.99	-	-
Ujjwal Rural Services Limited	-	-	0.05	0.05	-	-

30. Disclosures as required by the Amendment to Clause 32 of the Listing Agreement :

Loans and Advances given to Subsidiary and others :

Name of Company	Type	Balance as on 31.03.2014	Maximum balance during the period	Investment in the Shares of the Company
		(₹ in crores)		No. of Shares
Dhampur International Pte Ltd.	Subsidiary	0.00	0.00	10000 Equity Shares of S \$ 1/- each & 2 million Equity Shares of US \$ 1/- each
Dhampur Global Pte Ltd.	Subsidiary	0.00	0.00	Subsidiary of Dhampur International Pte Limited

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

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

- (a) Sundry creditors include a sum aggregating ₹ 3.83 crores (₹ 2.79 crores) due to micro and small enterprises is on account of principal only.
- (b) The amount of interest paid by the company in terms of Section 16, alongwith the amount of payments made to the micro and small enterprise beyond the appointed date during the period - ₹ Nil.
- (c) The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act. - ₹ Nil.
- (d) The amount of interest accrued and remaining unpaid - ₹ Nil.
- (e) The amount of further interest remaining due and payable even in succeeding years - ₹ Nil.

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

32 Derivative instruments

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

Outstanding forward exchange contracts entered into by the company :

As at	No. of Contracts	US Dollar Equivalent (Million)	INR Equivalent (₹ in crores)
31.03.2014	0	0.00	0.00
31.03.2013	11	7.50	40.71

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

Particulars	As at 31.03.2014		As at 31.03.2013	
	US Dollar Equivalent (Million)	INR Equivalent (₹ in crores)	US Dollar Equivalent (Million)	INR Equivalent (₹ in crores)
a) Amounts payable in foreign currency on account of the following :				
Capital Imports	0.00	0.00	0.90	4.86
Advance from customers	0.00	0.00	0.29	1.60
Loans Payable	8.83	52.88	8.00	43.42
b) Amounts receivable in foreign currency on account of the following :				
Export receivable	1.20	7.19	2.49	13.50

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

33 Additional informations

(₹ in crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
A Imports calculated on CIF basis in respect of:		
1. Stores and spare parts	0.85	0.32
2. Stock-in trade	1.66	0.00
3. Capital goods	23.95	0.37
B Expenditure in foreign currency during the period :		
1. For foreign travel	2.01	0.90
2. Interest	0.48	1.19
3. Others	1.12	0.52

C Consumption of :

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	Amount (₹ in crores)	%age	Amount (₹ in crores)	%age
1. Stores,spare parts etc.				
i) Value of imported goods	2.40	2.68	0.03	0.04
ii) Value of indigenous stores and spare parts	87.17	97.32	74.75	99.96
	89.57	100.00	74.78	100.00
2. Raw materials				
i) Value of imported goods	75.33	5.96	84.79	5.59
ii) Value of indigenous goods	1188.16	94.04	1433.00	94.41
	1263.48	100.00	1517.79	100.00
D Earnings in Foreign Exchanges				
i) Export of Goods	177.11		189.25	
ii) Others	0.00		0.00	

34 Renewable Energy Certificate

Under the rules & regulations notified by Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, the company is eligible for Renewable energy certificates (RECs) in respect of captive consumption of renewable energy w.e.f. Nov. 2011.

The company is entitled for 346534 RECs upto 31st March 2014, out of which 218558 RECs has been awarded and remaining RECs are under certification. The company has treated 112738 RECs i.e. awarded but remained unsold as at the end of the period as stock in trade and valued it at estimated cost of ₹ 1/- per REC.

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

36 Contingent Liabilities And Commitments : Not Provided For In Respect Of :

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
I Contingent Liabilities		
Claims/disputed liabilities not acknowledged as debt :		
(A) In respect of some pending cases of employees under labour laws	Amount not ascertainable	Amount not ascertainable

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

B Details of disputed liabilities/demand*

Sl. No.	Particular	Period to which amount relates	Forum where pending	31.03.2014 ₹ crores	31.03.2013 ₹ crores
1	Additional U.P.Trade Tax, Central Sale Tax and Entry Tax Liability against which ₹ 4.33 crore have been deposited	1997-98 to 2004-05 1990-91 to 2010-11 1996-97, 1999-2000, 2000-01	High Court Joint Commissioner Appeal Trade Tax Tribunal	5.02 14.39 1.40	4.82 10.36 0.01
	Sub-total			20.81	15.19
2.	Cenvat Credit on Inputs, Capital items and Services against which ₹ 4.54 crore have been deposited	1994-95, 1995-96, 2001-02 to 2008-09 1995-96, 1996-97, 1998-99 to 2003-04	Commissioner (A) & CESTAT High Court	29.61 0.49	31.17 0.51
	Sub-total			30.10	31.68
3.	Excise duty on Molasses, Scrap and Pressmud	1997-98, 2000-01 to 2002-03, 2007-08	Commissioner (A) & CESTAT	0.17	0.04
	Sub-total			0.17	0.04
4.	Purchase Tax Penalty	1998-1999	High Court	0.37	0.37
	Sub Total			0.37	0.37
5.	Stamp duty demand under Uttar Pradesh Stamp Act against which ₹ 0.13 crore have been deposited	1992-1993 2003-2004 2005-2006	Registrar of Stamp Duty Registrar of Stamp Duty High Court	0.25 0.26 0.00	0.25 0.26 0.00
	Sub-total			0.51	0.51
	Grand Total			51.96	47.79

C Excise Department has served show cause notices on the company for levy of duty of ₹ 72.35 crores on sale of Rectified Spirit; of ₹ 19.38 crores on sale of Electricity and of ₹ 4.31 crores for reversal of CENVAT credit taken by the company on certain capital goods and inputs. All the notices are at personal hearing stage. The company is legally advised that no duty is leviable on these cases.

Commitments

A Uncalled liability on investments in partly paid-up shares - Nil (Nil).

B Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 0.22 crores (₹ 51.93 crores).

As per our report of even date

For and on behalf of the Board of Directors

For S. Vaish & Co.,

For Mittal Gupta & Co.,

(S.P. Agrawal)
Partner
Chartered Accountants

(B. L. Gupta)
Partner
Chartered Accountants

Arhant Jain
Executive President (Finance)
& Secretary

V.K. Goel
Chairman

A.K. Goel
Vice Chairman

Gaurav Goel
Managing Director

Gautam Goel
Managing Director

A.K. Gupta
Director

M.P. Mehrotra
Director

Place : Kanpur
Dated : 21st May, 2014

CORPORATE INFORMATION

Board of Directors

Mr. V. K. Goel, *Chairman*

Mr. A. K. Goel, *Vice Chairman*

Mr. Gaurav Goel, *Managing Director*

Mr. Gautam Goel, *Managing Director*

Mr. A. K. Gupta

Mr. M. P. Mehrotra

Mr. Harish Saluja

Mr. Rahul Bedi

Mr. Priya Brat

Mr. B. B. Tandon

Mr. S. K. Wadhwa, *Nominee*

– *Punjab National Bank*

Executive President (Finance) and Secretary

Mr. Arhant Jain

Auditors

S. Vaish & Company

Chartered Accountants, Kanpur

Mittal Gupta & Company

Chartered Accountants, Kanpur

Bankers

Punjab National Bank

Bank of Baroda

Central Bank of India

UCO Bank

Axis Bank

ICICI Bank Limited

IDBI Bank Limited

IFCI Limited

Prathma Bank

UP Co-operative & District Co-operative Banks

Registrar and Share Transfer Agent

M/s Alankit Assignments Limited

'Alankit House'

2E/21 Jhandewalan Extension, New Delhi –

110055

Registered office

Dhampur Sugar Mills Limited

Dhampur (N.R.), District Bijnor – 246761 (UP)

Corporate office

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

Works

Dhampur, District Bijnor (UP)

Asmoli, District Sambhal (UP)

Mansurpur, District Muzaffarnagar (UP)

Rajpura, District Sambhal (UP)

Meerganj, District Bareilly (UP)

A TRISYS PRODUCT

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New Delhi – 110 020, India

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