Dalmia
Bharat Sugar

newthink! cement! sugar! refractories! power!

ND/SY/ 3505 **16-8-2016**

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Scrip Code: 500097

National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051
NSE Symbol: DALMIASUG

Dear Sir,

Re: Notice of Annual General Meeting of the Company for the Financial Year 2015-16

Pursuant to Regulation 30(4) read with Schedule III Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 we enclose herewith a copy of the Notice of the Annual General Meeting to be held on Friday, 9th September, 2016 at 10.00 am at the Registered Office of the Company at Dalmiapuram, District Tiruchirapalli, Tamil Nadu together with the Annual Report of the Company for the Financial Year 2015-16.

Please also be informed that the Share Transfer Books and the Register of Members of the Company shall remain closed from 3rd September, 2016 to 9th September, 2016 (both days inclusive) for the purpose of aforesaid Annual General Meeting.

Thanking you,

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

(K.V. Mohan)
Company Secretary

Encl: as stated above

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

(Registered Office: Dalmiapuram – 621 651, Distt. Tiruchirapalli, Tamil Nadu)
Phone No. 04329-235132 Fax No. 04329-235111
CIN L26942TN1951PLC000640 Website: www.dalmiasugar.com

NOTICE

NOTICE is hereby given that the Sixty Fourth Annual General Meeting of the Members of the Company will be held in the Dalmia Higher Secondary School Auditorium at the Registered Office of the Company at Dalmiapuram - 621 651, District Tiruchirapalli, Tamil Nadu, on Friday, the 9th September, 2016 at 10.00 a.m. to transact the following business:

1. To consider and adopt the (a) audited Standalone Financial Statements for the year ended 31st March, 2016, and the Reports of the Directors and Auditors thereon; and (b) audited Consolidated Financial Statements for the year ended 31st March, 2016 and the Report of the Auditors' thereon.

2. To confirm interim dividend declared and in this regard, pass the following resolution as an **ORDINARY RESOLUTION**:

   " **RESOLVED THAT** interim dividend at the rate of ₹ 0.60/- per equity share of ₹2/- each declared by the Board of Directors of the Company at its meeting held on 15th March, 2016, be and is hereby confirmed as final dividend for the financial year ended 31st March, 2016."

3. To appoint a Director in place of Shri Jai Hari Dalmia (DIN 00009717), who retires by rotation and is eligible for re-appointment.

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

   " **RESOLVED THAT** pursuant to section 139 of the Companies Act, 2013 read with the applicable rules, M/s. S.S. Kothari Mehta & Co., Chartered Accountants, Delhi (Firm Regn No. 000756N) be and are hereby appointed as the Statutory Auditors of the Company for a term of one year to hold office from the conclusion of the this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration of ₹ 10,00,000/- for the conduct of the audit besides service tax and reimbursement of travelling and other out of pocket expenses incurred by them for the purpose of audit."

AS SPECIAL BUSINESS

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

   " **RESOLVED THAT** pursuant to the provisions of section 148 of the Companies Act, 2013, the remuneration of M/s. HMVN & Associates, Cost Accountants. (Firm Regn No. 000290), appointed by the Board on the recommendation of the Audit Committee as the Cost Auditors of the Company to conduct the Cost Audit of the Company's cost records, etc. for the financial year ending on 31st March, 2017, at ₹ 3,00,000/- besides service tax as may be applicable and reimbursement of travelling and other out of pocket expenses incurred by them for the purposes of conduct of such cost audit be and is hereby ratified and approved."

6. To consider and if thought fit, to pass, with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

   . (a) " **RESOLVED BY WAY OF A SPECIAL RESOLUTION THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves the reappointment of Shri Jai Hari Dalmia, as Managing Director, designated as Vice-Chairman of the Company, for a period of 5 years with effect from 1-4-2017, on the salary, perquisites etc. set out in the Agreement dated 10-8-2016 entered into between the Company and Shri Jai Hari Dalmia."

(b) " **RESOLVED FURTHER THAT**, in the event of loss or inadequacy of profits in any financial year falling within the first three financial years effective from the date of reappointment, the remuneration as specified in Part II of Schedule V to the Companies Act, 2013 shall be paid to Shri Jai Hari Dalmia, as minimum remuneration."

(c) " **RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to enhance and/or vary the remuneration and to alter/make or accept variations in the terms of appointment and in the other terms of the Agreement, so however that, the remuneration and other terms and conditions are in accordance with the provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof or any further amendments/ substitution thereto and any guidelines or notifications on managerial remuneration which may be issued or any rules that may be prescribed by the Central Government from time to time, and acceptable to Shri Jai Hari Dalmia."

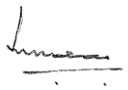
7. To consider and if thought fit, to pass, with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

(a) " **RESOLVED BY WAY OF A SPECIAL RESOLUTION THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves the reappointment of Shri Gautam Dalmia as Managing Director of the Company for a period of 5 years with effect from 16-1-2017, on the salary, perquisites etc. set out in the Agreement dated 10-8-2016 entered into between the Company and Shri Gautam Dalmia."

(b) " **RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year falling within the first three financial years effective from the date of reappointment, the remuneration as specified in Part II of Schedule V to the Companies Act, 2013 shall be continued to be paid to Shri Gautam Dalmia, as minimum remuneration."

(c) " **RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to enhance and/or vary the remuneration and to alter/make or accept variations in the terms of appointment and in the other terms of the Agreement, so however that, the remuneration and other terms and conditions are in accordance with the provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof or any further amendments/ substitution thereto and any guidelines or notifications on managerial remuneration which may be issued or any rules that may be prescribed by the Central Government from time to time, and acceptable to Shri Gautam Dalmia."

By Order of the Board



Place: New Delhi.
Dated: 10-8-2016

K.V. Mohan
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as a proxy to attend and vote, on a poll, in his/her stead. Proxy form, duly completed, should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. The Register of Members of the Company will remain closed from 3rd September, 2016 to 9th September, 2016 (both days inclusive).
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is enclosed.
4. Members are requested to notify immediately the change in their address, if any, to the Depository Participant (in case shares are held in Demat Form) or Registrars and Share Transfer Agents/Registered Office of the Company (in case shares are held in physical form). Any communication with the Company will be greatly facilitated, if the Folio number is quoted in all correspondence.

5. In view of the "Green Initiative in Corporate Governance" introduced by the Ministry of Corporate Affairs, Government of India, vide its Circular No. 17/2011 dated 21-04-2011, *all members who are holding shares of the Company in physical mode*, are requested to register their e-mail ids and consents to receive the future notices and annual reports by e-mail, so as to enable the Company to send all notices/ reports/ documents/ intimation and other correspondences etc., through e-mails., i.e., in electronic mode instead of sending physical copies of the same. Members holding shares in demat mode, who have not registered their e-mail IDs with Depository Participants (DPs), are requested to register/update their e-mail IDs with their respective DPs.

6. Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/DPs for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016 is being sent in the permitted mode.

7. Electronic copy of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Proxy Form is being sent in the permitted mode.

8. The Company has made arrangements with M/s Karvy Computershare Private Limited for providing remote voting facility through electronic means the details of which are mentioned on the reverse of the covering letter.

9. All documents referred to in the accompanying Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 1.00 pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.

10. Dalmiapuram can be reached by taking a Bus (Route No. 91 from Chattram Bus Stand, Tiruchirapalli or by any Bus going to Ariyalur or Chidambaram or Jayamkundam from the Central Bus Stand, Tiruchirapalli.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3:

Shri Jai Hari Dalmia is the Vice Chairman of the Company. He was reappointed as a Managing Director designated as the Vice-Chairman of the Company in the Annual General Meeting held on 18th August, 2012. Shri Dalmia holds a B.E. degree in Electrical Engineering from Jadavpur University and a Master's degree in Electrical Engineering from the University of Illinois, Urbana Champagne. He has more than 4 decades of experience cutting across various industries which includes wide knowledge and experience of refractory, sugar and cement businesses. Shri Dalmia is deeply involved in research and development having personally received several patents for the Company's businesses and has been instrumental in spearheading the Company's research and development efforts more than 20 years ago.

He is a Director and Committee member in the following Public Limited Companies:

S. No.	Directorship in Other Companies	Membership in Committees
1	Alirox Abrasives Limited	Audit Committee- Member Nomination and Remuneration Committee-Member
2	Mayuka Investment Limited	Nil
3	Sita Investment Company Limited	Nil
4	Dalmia Sugar Ventures Limited	Nil
5	Dalmia Cement (Bharat) Limited	Nil
6	Dalmia Bharat Limited	Nil

As per provisions of section 152(6) of the Companies Act, 2013, Shri Jai Hari Dalmia being the director longest in office is liable to retire by rotation at the ensuing Annual General Meeting.

The Company has received requisite intimation from him in terms of section 164(2) of the Companies Act, 2013 to the effect that he is not disqualified from being re-appointed as a Director of the Company in Form DIR - 8. The aforesaid declarations are available for inspection of members.

Shri Jai Hari Dalmia is father of Shri Gautam Dalmia, Managing Director

This statement may also be regarded as a disclosure under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Shri Jai Hari Dalmia, the appointee, and Shri Gautam Dalmia, Managing Director, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 3.

Item No. 4:

In terms of the third proviso to Section 139(2) of the Companies Act, 2013 read with Rule 6 of the Companies (Audit & Auditors) Rules, 2014, the retiring Auditors, M/s. S.S. Kothari Mehta & Co., Chartered Accountants, having completed their ten years term have been reappointed for a term of one year as provided therein. The members are to approve such reappointment and fix the remuneration stated in terms of the Resolution aforesaid.

The Directors recommend the Resolution being passed for a period of one year.

None of the Directors or Key Managerial Personnel are interested or concerned in the resolution set out at item No. 4.

Item No. 5:

In terms of Section 148 of the Companies Act, 2013, the Board of Directors of the Company have, on the recommendations of the Audit Committee, appointed M/s. HMVN & Associates, Cost Accountants, as the Cost Auditors of the Company to audit the cost records maintained by the Company in respect of its Sugar Manufacturing activity, etc.

The remuneration of ₹ 3,00,000/- besides service tax and reimbursement of travelling and other out of pocket expenses fixed by the Board of Directors as being the fees payable to the Cost Auditor for conducting the Cost Audit, requires to be approved by the members in terms of Section 148(3) of the Companies Act, 2013.

The consent given by M/s. HMVN & Associates to the effect that they are eligible to be appointed as the Cost Auditors of the Company is available for inspection of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6 and 7:

Shri Jai Hari Dalmia, aged 71 years, was reappointed as the Managing Director designated as Vice-Chairman of the Company with effect from 1-4-2012 and Shri Gautam Dalmia, aged 48 years, was reappointed as the Managing Director of the Company with effect from 16-1-2012, respectively. Their individual appointments were made by way of separate special resolution(s) passed in the Annual General meeting held on 18th August, 2012 for a period of 5 years.

The Company has received the requisite deposit of 1,00,000/- each in respect of the appointments of Shri Jai Hari Dalmia and Shri Gautam Dalmia together with the notices from a shareholder proposing their respective names for the office as Managing Director(s) of the Company. Shri Jai Hari Dalmia and Shri Gautam Dalmia have given their disclosure in Form DIR - 8 to the effect that they are not disqualified from being appointed as Directors of the Company in terms of section 164 of the Companies Act, 2013.

The Nomination & Remuneration Committee of the Board of Directors of the Company considered the reappointments of Shri Jai Hari Dalmia and Shri Gautam Dalmia and decided to recommend renewal of such appointments for a period of 5 more years. Accordingly, the Board of Directors of the Company decided to renew the term of appointments for a further period of 5 years effective the date of expiry of their current terms of appointments, i.e., 31st March, 2017 in the case of Shri Jai Hari Dalmia and 15th January, 2017 in the case of Shri Gautam Dalmia.

Part I, item (c) of Schedule V to the Companies Act, 2013 provides that the appointment of a person as Managing Director of a Company can be made by way of Special Resolution in case of persons who are aged 70 years or more. Further the proviso to sub-section (2) of Section 196 of the Companies Act, 2013 provides that the reappointments shall not be made earlier than one year before the expiry of the current term of appointment. Section 197 read with Schedule V of Companies Act, 2013 further specifies that the period of validity of the Special Resolution approving the payment of minimum remuneration shall be for 3 years. Accordingly, in order to comply with the above provisions of the Companies Act, 2013, the resolutions set out in items 6 and 7 are being proposed so as to enable the reappointment and payment of minimum

remuneration to the Managing Directors in event of a loss or inadequacy of profits during the 3 financial years commencing from the date of respective reappointments.

The Nomination and Remuneration Committee and Board have approved the reappointments of the above mentioned persons on the following terms and conditions, which are applicable both to Shri Jai Hari Dalmia and Shri Gautam Dalmia:

A. Period of Appointment:

The reappointment is valid for a period of 5 years. In case of Shri Jai Hari Dalmia the period commences from 1st April, 2017 and in case of Shri Gautam Dalmia the period commences from 16th January, 2017.

B. Salary:

Consolidated salary ₹ 2,50,000/- per month in the scale ₹ 2,50,000/- - ₹ 1,00,000/- - ₹ 7,50,000/-.

C. Annual Increments:

The annual increments to the salary shall fall due on 1st of April of each year and shall be such amount as may be fixed by the Nomination and Remuneration Committee /Board of Directors.

D. Perquisites:

In addition to salary and bonus, perquisites specified hereunder shall be allowed:

(i) Provident Fund, Superannuation Fund and Gratuity:

Company's contribution to Provident Fund, Superannuation Fund (if opted for by the appointee) and Gratuity (including for the period of past service rendered as an employee of the Company) in accordance with the Rules of the Company. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

(ii) Leave/Encashment of Leave:

Leave as per the Leave Rules of the Company. Leave accumulated in the past when the appointee was an employee of the Company shall be carried forward and be available for encashment as per the Leave Rules of the Company.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on remuneration.

(iii) Car and Telephone:

The Company shall reimburse or pay directly for two cars with drivers (expenditure on petrol, maintenance, insurance, repairs and salaries of two drivers) and telephone at residence.

E. Commission:

As may be decided by the Nomination and Remuneration Committee/Board of Directors, from time to time, so however that the total amount of commission, including the salary, to each of the aforementioned persons does not exceed the limits set out under the Companies Act, 2013, as amended from time to time.

F. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year, during the currency of tenure of the agreement, the appointee shall be paid salary and perquisites as specified in Part II of Schedule V to the Companies Act, 2013.

G. Other Terms and Conditions:

(a) Shri Jai Hari Dalmia shall be permitted to hold office as the Managing Director of Dalmia Bharat Limited and Shri Gautam Dalmia shall be permitted to hold office as the Managing Director of Dalmia Cement (Bharat) Limited in addition to the offices being held by them in this Company and the aggregate remuneration of Shri Jai Hari Dalmia/Shri Gautam Dalmia drawn from both the companies shall not exceed the higher maximum limit of remuneration admissible from any one of the companies of which they are Managerial person/s. The remuneration to be drawn by each of them shall be decided by the Companies, inter se.

(b) The appointee(s) shall be entitled to privilege / sick / casual / general leave on full pay and allowances as per the Rules of the Company. Accumulated leave not availed of since the date of their appointment as above will be permitted to be encashed as per the Rules of the Company.

(c) The appointee(s) shall not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

(d) The headquarters of the appointee(s) shall be at New Delhi or at such other place as may be required, from time to time, and the appointee(s) shall be allowed reimbursement of travelling expenses on Company's business outside the headquarters as per the Rules of the Company.

(e) The appointee(s) shall not, so long as he function as such, become interested or otherwise concerned directly or through their wife, sons or unmarried daughters, in any selling agency of the Company in future, without the prior approval of the Central Government.

(f) The agreements may notwithstanding the period of five years mentioned in clause A hereof, be terminated by either party by giving to the other three month's notice in writing."

The under mentioned details are being given in compliance with the requirements of Schedule V of the Companies Act, 2013:

I. General Information:

1. Nature of Industry

   Manufacturers of sugar, distillery products and dead burnt magnesite.

2. Date of commencement of commercial production:

   The company has been in the business of manufacture of dead burnt Magnesite since last over 4 decades and in the business of manufacture of sugar since 1994.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

   Not applicable.

4. Financial performance based on given indicators:

	2013-14 ₹ crore	2014-15 ₹ crore	2015-16 ₹ crore
Turnover/Other Income	1186.05	1123.80	1129.34
Profit/Loss before tax	2.59	0.28	47.46
Profit/Loss after tax	3.03	1.48	58.45

Export performance and net foreign exchange collaborations:

	2013-14 ₹ crore	2014-15 ₹ crore	2015-16 ₹ crore
Export Turnover	0.83	1.34	18.85

5. Foreign investments or collaborators, if any:

No foreign collaboration is involved.

II. Information about the appointees:

1. Background details:

Shri Jai Hari Dalmia and Shri Gautam Dalmia have several years of experience in managing various industries including the sugar industry. They have been associated with the Company for the last several years and have contributed to the growth of the Company.

2. Past remuneration:

(₹ crore)

Name	Name of the Company		
	Dalmia Bharat Sugar and Industries Limited	Dalmia Bharat Limited	Dalmia Cement (Bharat) Limited
Shri Jai Hari Dalmia	0.54	1.88	-
Shri Gautam Dalmia	0.07	-	10.99

3. Recognition or award:

None.

4. Job profile and suitability:

Both above mentioned persons are entrusted with substantial powers of management of the Company and, in particular, are responsible for managing the entire area of operations of the businesses of the Company. They have several years of experience in various Industries and have the expertise in accelerating growth and building organizational capability to ensure delivery of business goals.

5. Remuneration proposed:

The aforesaid remuneration shall be paid in event of profits and in respect of the year in which there is loss of inadequacy of profits, the Minimum Remuneration as specified in Part II of Schedule V to the Companies Act, 2013 shall be paid.

6. Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person.

Comparative figures of remuneration to Managing Directors/Executive Directors paid by Companies in India of similar size during financial year 2014-15 are given below:

(₹ crore)

Name of the Company	Turnover	Total remuneration including retirement benefits
Shree Renuka Sugars Limited	5748.10	4.73
Balrampur Chini Mills Limited	3093.21	4.21

The appointees are residents of India.

Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial personnel if any.

Shri Jai Hari Dalmia (holding 1635010 Equity Shares) and Shri Gautam Dalmia (holding 751990 Equity Shares) being the appointees have direct financial interest in the resolutions aforesaid as it relates to remuneration payable to them. Apart from Shri Jai Hari Dalmia and Shri Gautam Dalmia none of the Directors or the Key Managerial Personnel(s) or their relatives are financially or otherwise interested in the resolutions.

III. Other Information:

1. Reasons of loss or inadequate profits.

   The sugar industry is a controlled industry and is dependent on good agro climatic conditions for its success. The industry constantly faces price pressures imposed by the Government policies as a result of which there are likely to be losses or inadequate profits during their tenure of appointment.

2. Steps taken or proposed to be taken for improvement.

   The Company has put up cogeneration plants at its project sites and also a distillery so as to have revenues from these activities to reduce the price pressure. The Company is also making its efforts in improving its productivity by ensuring the sowing of the right varieties of sugarcane.

3. Expected increase in productivity and profits in measurable terms.

   The alternative areas of revenue are likely to result in higher profitability.

The Board accordingly recommends the passing of these Special Resolution.

Copies of the Agreements entered into between the Company and each of Shri Jai Hari Dalmia and Shri Gautam Dalmia are open for inspection at the Registered Office of the Company.

As stated above, except Shri Jai Hari Dalmia and Shri Gautam Dalmia, the appointees, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item Nos. 6 and 7.

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DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

(Registered Office: Dalmiapuram – 621 61, Distt. Tiruchirapalli, Tamil Nadu)
Phone No. 04329-235132 Fax No. 04329-235111
CIN L26942TN1951PLC000640 Website: www.dalmiasugar.com

FORM NO. MGT-11 (Proxy Form)

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

Name of the Member:
Registered Address:
E-Mail ID:
Folio No./Client ID:
DP ID:

I/We.....of.....
being member(s) of Dalmia Bharat Sugar and Industries Limited, holding ……shares of the abovementioned Company, hereby appoint

1. Name:
   Address:
   E-Mail ID:
   Signature: or failing him

2. Name:
   Address:
   E-Mail ID:
   Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 9th day of September, 2016 at 10.00 a.m. at Dalmia Higher Secondary School Auditorium at Dalmiapuram, District Tiruchirapalli, Tamil Nadu-621651 and at any adjournment thereof in respect of such resolutions as are indicated below:

Agenda item	Vote*
No. 1	
No. 2	
No. 3	
No. 4	
No. 5	
No. 6	
No. 7	

Signed this..... day of ....., 2016

Affix One Rupee Stamp

Signature of Shareholder: .....

Signature of Proxy holder: .....

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* Please state in this column whether 'in favour' or 'against'.

Note: 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.

BOOK POST

To,

Dalmia Bharat Sugar and Industries Limited
Dalmiapuram-621 251
Dist. Tiruchirapalli
Tamil Nadu

Dalmia
Bharat Sugar



Dalmia Bharat Sugar and Industries Limited

Annual Report 2015-16

Corporate Information

Board of Directors

J. S. Baijal – *Chairman*

Jai Hari Dalmia – *Vice Chairman*

Gautam Dalmia
Managing Director & Chief Executive Officer

M. Raghupathy

T. Venkatesan

B. B. Mehta

Kannan Panchapakesan

Himmi Gupta

Management Team

Gautam Dalmia
Managing Director & Chief Executive Officer

B. B. Mehta
Business CEO

Jayesh Doshi
Group Finance & Strategy

Pankaj Rastogi
Chief Operations Officer

Anil Kataria
Chief Finance Officer

Company Secretary

K. V. Mohan

Statutory Auditors

S. S. Kothari Mehta & Co.

Bankers

Allahabad Bank

Canara Bank

Punjab National Bank

RBL Bank Limited

Yes Bank

Debenture Trustee

IL&FS Trust Co. Ltd.
The IL&FS Financial Centre,
Plot C-22, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.

Registered Office

Dalmiapuram – 621651,
Dist. Tiruchirapalli, Tamil Nadu.

Corporate Office

Hansalaya Building,
11th & 12th Floor,
15, Barakhamba Road,
New Delhi – 110 001.

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Dalmia Bharat Sugar has established one of the most attractive growth records in the Indian sugar industry.

Among the fastest growing in the sector over last 10 years

Possessing a locational advantage through a growing presence in Uttar Pradesh and Maharashtra

Enhancing efficiency and profitability in a challenging business

Now uniquely positioned to capitalise on the projected turnaround in the industry

The last decade was one of the most **challenging** for the Indian sugar industry.

Realisations **dropped**, viability declined, cash flows weakened, investments were deferred.

Dalmia Bharat Sugar demonstrated a contrarian approach: The Company invested in **capacities**, extended its **reach** and strengthened its **profitability**.

In doing so, Dalmia Bharat Sugar has emerged as the **fastest** growing Indian sugar company.





15%
Dalmia Bharat Sugar's capacity growth (10 year CAGR), 2005-06 to 2015-16

1
Number of units, 2005-06

5
Number of units, 2015-16

Nil
Revenues derived from downstream (cogen and distillery) businesses, 2005-06

22%
Revenues derived from downstream (cogen and distillery) businesses, 2015-16

9.5%
Overall sugar recovery, 2005-06

12.1%
Overall sugar recovery, 2015-16

Letter to **shareholders**



Dear Shareholders

"Your Company is optimistic of outperforming the broad sectoral growth average"

Capitalising on the recovery

In recent years, Dalmia Bharat Sugar reinforced its operating culture around thrift and efficiency. The result is that as soon as sugar realisations revived, the improvement in the Company's bottomline was immediate and substantial – from ₹1.5 Crore in 2014-15 to ₹58.4 Crore in 2015-16.

The principal internal driver was a substantial improvement in our recovery. This improved across each of our operating units – our consolidated Uttar Pradesh recovery strengthened by 114 bps to 11.73%, which was indisputably the highest across all sugar manufacturing groups in Uttar Pradesh. Our Maharashtra recovery of 13.04% was amongst the best mills.

The substantial increase transpired for three reasons – an improvement in the varietal mix of cane, an improvement in the climatic environment and our initiatives to sweat resources better. The result was that improved recovery alone accounted for an increase in output by approximately 37,000 tonnes during the year under review, which represents a faithful index of how our superior performance translated into enhanced productivity capitalising on excellent climatic conditions.

It would be relevant to indicate that this peak productivity was the result of an exceptional convergence. This convergence may not recur, even as the benefits of improved varietal mix and corporate focus may sustain.

Some of our other achievements during the year under review comprised extensive benefits of our Kolhapur expansion, which became visible: increase in sugar manufacturing capacity from 3,500 TCD to 5,000 TCD, the commissioning of our 23 MW cogeneration plant, which was commissioned last year with full benefits accruing this year and 60 KLPD distillery which was commissioned at the end of this year, the full benefit of which will accrue next year. This timely commissioning, stabilisation, integration and monetisation represented the principal achievement of this unit during the year under review.

Countering the challenges

Consider the challenges: cane yields were affected in drought-hit Maharashtra affecting plant operations; Dalmia Bharat Sugar ran its plant 178 days during this season.

Maharashtra reported a 19% decline in crushing during the season; Dalmia Bharat Sugar delivered a 38% increase in the quantum of cane crushed (to 9.5 lakh tonnes in the 2015-16).

The plant reported a 13.3% recovery in 2014-15 following which analysts predicted a decline; I am pleased to report that even as output increased in the 2015-16, we successfully protected our overall recovery in this unit, which translated into an attractive volume-value proposition.

Most observers forecasted that it would be difficult to enthuse farmers to deliver more cane given our relative inexperience in the geography; we generated a sizable increase in cane drawal at a time when most command areas reported lower output; virtually all our cane was drawn from within 60 kms, moderating logistic costs.

More upsides

The other highlight during the year under review was clearly the successful turnaround of our Sangli unit. At a time when most experts advised caution with our Maharashtra operations considering that we were still engaged in expanding and widening our Kolhapur plant, we embarked on the stabilisation of the Sangli unit. Most indicated that getting farmers interested to grow cane would be time-consuming; we crushed 120,000 tonnes and reported an attractive 12.33% recovery. Most said that such a small plant would never be viable; we ran the plant for 100 days.

Outlook

Going ahead, we foresee a decline in Indian sugar production – from an estimated 255 lac tonnes in the sugar season 2015-16 to around 230 lac tonnes in 2016-17 due to drought in Maharashtra. On the other hand, we expect India's sugar consumption to sustain at the current level of 260 lac tonnes in 2016-17. This transformation is likely to draw down the country's sugar inventory from an estimated 3.5 months of consumption to around 2.3 months. We feel that this drawdown would create a positive sentiment for sugar realisations over the coming months. This in turn is expected to benefit sugar manufacturers, increase their capacity to remunerate farmers on time, eliminate the incidence of cane arrears and strengthen the country's rural fabric – a win-win for all.

Dalmia Bharat Sugar is attractively placed; we possess integrated and adequately-balanced capacities that could perform better than standalone or disproportionately sized integrated companies.

Yours sincerely,



Gautam Dalmia
Director

About the Company

Background
Dalmia Bharat Sugar entered the sugar industry in 1994 with its first 2,500 TCD sugar unit at Ramgarh village (Sitapur district, Uttar Pradesh). The Company belongs to the Dalmia Bharat Group .

Operations
The Company is among India's 10 largest sugar manufacturers on the basis of its cane crushing capacity (29,250 TCD). The Company's operations are fully integrated with a distillery (140 KLPD) and renewable energy capacity (119 MW).

Presence
The Company is headquartered in New Delhi with sugar plants in Uttar Pradesh (Ramgarh, Jawaharpur and Nigohi) and Maharashtra (Kolhapur and Sangli).

Systems
The Company invested in OHSAS, EMS and FSQ certifications.

Customers
The Company's longstanding institutional buyers comprise globally-respected brands. The Company has also been supplying sugar to the country's Defence sector for the last two years. It has also won a tender to supply PDS sugar to various states.

	Uttar Pradesh	Maharashtra	Total
Crushing capacity (TCD)	22,500	6,750	29,250
Cane crushed (2015-16) (MT)	2,175,749	922,388	3,098,137
Recovery %	11.73%	13.04%	12.1%

2
STATES

5
LOCATIONS

29,250
CANE CRUSHING CAPACITY (TCD)

119
RENEWABLE ENERGY CAPACITY (MW)

140
DISTILLERY CAPACITY (KLPD)

Our consolidated financials

Particulars	Unit	FY2016	FY2015	FY2014	FY2013	FY2012
Total operating income	₹ Crore	1,166	1,150	1,192	998	713
Operating profit (EBITDA)	₹ Crore	227	113	108	150	63
Cash profit	₹ Crore	172	52	52	91	43
Profit before tax (PBT)	₹ Crore	47.4	0.3	2.6	19.0	0.6
Profit after tax (PAT)	₹ Crore	58.4	1.5	3.1	18.4	0.9
Share capital	₹ Crore	16.19	16.19	16.19	16.19	16.19
Reserve and surplus	₹ Crore	496	444	446	443	425
Loan funds	₹ Crore	747	577	589	374	384
Net block	₹ Crore	759	774	781	652	579
Net current assets#	₹ Crore	453	231	227	123	213
Operating profit margin	%	19	10	9	15	9
EPS (fully diluted)	₹	7.22	0.18	0.38	2.27	0.11
Cash EPS (fully diluted)	₹	21.22	6.43	6.47	11.26	5.28

 # Excluding current maturities of long-term debt





Countering challenges

Delivering a superior value **proposition.**

Challenges: As Uttar Pradesh sugar manufacturers reported extensive losses, they were unable to remunerate cane farmers on time. The consequent arrears discouraged a number of farmers from planting more cane. Besides, unfavourable agro-climatic conditions threatened cane output. Any prospective decline in cane output threatened the viability of a number of sugar manufacturers, especially those investing in growing their business and reporting a large cane appetite.

Counter-challenges: Dalmia Bharat Sugar recognised that sustainable success in the challenging sugar industry would be derived through growing cane throughput. The Company responded to this priority through the creation of an overarching culture directed at encouraging farmers to plant more cane, plant a better variety, harvest on schedule and evacuate with minimal delay. The Company also invested in technology that facilitated faster and accurate crop survey. The Company deployed a large team of field professionals to engage with farmers, who were educated in advanced farm practices, provided subsidised farm inputs, shortlisted the highest-yielding cane varieties, strengthened road infrastructure, invested in technology to monitor vehicle transportation – a comprehensive micro-management translating into a culture of urgency.

Results: The Company reported the highest recovery across all sugar manufacturing groups in Uttar Pradesh.

Countering challenges

Strengthening viability across industry cyclicality.

Challenges: A NASA report indicated declining natural water tables across North India. Most parts of Maharashtra suffered near-drought conditions. The cane crop was consequently threatened.

Counter-challenges: Dalmia Bharat Sugar embarked on an organisation-wide priority to become water-neutral across its manufacturing facilities. The Company implemented the cutting-edge air-cooled condenser technology in its Kolhapur plant to moderate water consumption. Similarly, the Company assisted farmers in drawing half their water requirements through drip irrigation.

Result: The mix of these initiatives will strengthen ground water tables across the Company's command areas and make operations water-sufficient across climatic cycles.





Countering challenges

To enhance yield, we returned to the basics - encouraging ratoon farming.

Challenges: Low Uttar Pradesh yields affected cane farming viability.

Counter-challenges: Dalmia Bharat Sugar identified an opportunity in enhancing low ratoon yields in Uttar Pradesh. The Company intends to enhance the yield of ratoon crop across its command areas. Besides, it intends to enhance the coverage of the hugely successful Variety 238 from 25% of its command areas to 37% in a year.

Result: This initiative is expected to enhance cane yield across the Company's Uttar Pradesh command areas from a prevailing 400 quintals per hectare across the foreseeable future.



Countering challenges

To address problems on the outside, the Company focused on the inside.

Challenges: The sugar industry is marked by diverse variables – cane cost, climate, soil conditions and realisations – that are outside a manufacturer's purview. Any reality alteration appeared virtually impossible.

Counter-challenges: Your Company resolved to maximise the efficiency of factors within its control. It invested in an overarching process-driven culture: superior manufacturing technologies, shop floor training, 5S and TPM disciplines, higher target-setting, ongoing monitoring and the connection of individual key result areas to enhanced systemic efficiency.

Result: Auxiliary consumption declined to 7.9% in FY16 from 8.1% in FY15, the Company's fuel-to-power ratio improved to 2.27 in FY16 from 2.30 in FY15 while sugar losses declined to 1.86%.

Particulars	UOM	FY2012	FY2013	FY2014	FY2015	FY2016
Auxiliary consumption	%	8.0	7.9	8.3	8.1	7.9
Fuel-to-power ratio	x	2.30	2.20	2.60	2.30	2.30
Sugar losses	%	1.94	1.97	2.02	1.88	1.86



Countering challenges

The more difficult they said it was, the more attractive the Company made it.

Challenges: In FY 2013, your Company extended its operations from Uttar Pradesh to Maharashtra. It acquired a Kolhapur sugar manufacturing plant. The terrain was unknown; the state was co-operative-driven; there was a trust deficit with farmers.

Counter-challenges: Your Company responded with passion. It commenced operations within two months of acquisition. It deployed a significant number of field workers to revive engagements with more than 30,000 farmers. It increased cane crushing capacity at its first Maharashtra plant from 2,500 TCD to 5,000 TCD within a year of plant commissioning; today it is a 5,000 TCD plant expanding to 7,500 TCD in FY 2016-17. The Company also acquired a sugar manufacturing plant in Sangli, Maharashtra, of 1,750 TCD capacity enhancing the Maharashtra sugar capacity to 6,750 TCD.

We invested further in our Maharashtra capacities post acquisition and transformed them into integrated models with optimum distillery and co-generation capacities. We leveraged best practices to enhance operating efficiencies.

Result: The Kolhapur plant reported a surplus in each of the three years leading to 2015-16 (deep end of the sectoral downturn) and paved the way for the Company to expand its presence in Maharashtra.

Validating the philosophy that passion and prudence lead to profits.

Driver of excellence

Securing our sugar cane resource



In the business of sugar, a majority of our organisational profitability and sustainability is based around our success related to the education of farmers, cultivation, procurement and processing of cane. The better this competence, the more profitable the Company.

There are some good reasons for this critical correlation: cane represents the principal raw material for the Company's businesses (sugar, distillery, cogeneration and manure). Any improvement in cane availability, accessibility and affordability has extensive downstream implications. Over the years, Dalmia Bharat Sugar strengthened its cane-based competence in various ways.

Focus: Our focus is to make cane-growing highly remunerative for farmers, encourage cane planting and improve productivity (providing a large resource throughput for the Company and a base for widening operations).

Culture: The over-riding organisational culture is speed and sensitivity. In turn, this has been reinforced by meritocracy, delegation, empowerment and training, making it possible for a number of farmer-centric decisions to be taken as close to ground realities as possible.

Collaborative: The Company did not just procure cane from farmers; it engaged in an ongoing collaborative process, whereby it introduced farmers to new cane varieties, educated them in modern farming practices and provided subsidised fertilisers that enhanced farm viability.

Team: The Company invested in youthfulness (average age 38 as on 31 March 2016) and a large number of field officers entrusted with the responsibility of engaging personally with as many farmers across the command areas, increasing delivered cane as a proportion of the registered quantity.

Varietal mix: The Company introduced high-yielding cane varieties (Co-0238) customised around diverse agro-climatic conditions of its plants. Rejected variety mix reduced significantly and resulted in a substantial increase in recoveries across all operating units.

Recovery maximisation: The Company invested in a complement of initiatives

– strengthening road infrastructure, engagement of a competent truck fleet, GPS monitoring of truck movements etc. – to shrink its cut-to-crush tenure (every 24-hour increase translated to a 0.2% recovery decline).

Superior practices: The Company invested in the best agricultural practices leading to higher ratoon yields. The Company increased planting through single bud, trench method, inter-crop and wider spacing.

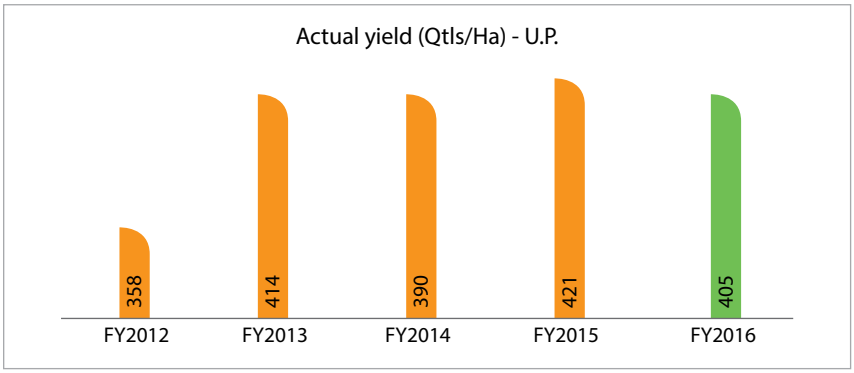
Improved cane supply system: This comprised smart cane management system through superior IT use; increased use of electronic support; effective two-way checking of cane quality during cane weighment; priority to small growers in cane supply; cane calendaring based on the maturity trend of the sugar cane variety; control of cane balance.

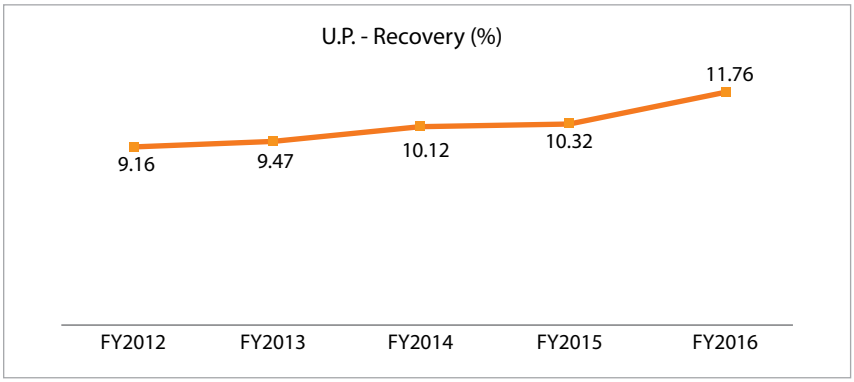
Technology: The Company invested in various IT services, improving farm mechanisation and soil health. The Company invested in water-saving manufacturing technologies (air-cooled condenser over waste power condenser) that enhanced resource availability and plant utilisation, strengthening cane offtake. The Company invested in key analytics through which critical cane management metrics (varietal composition, maturity-wise cane supply planning) became available 'anytime anywhere', which was extended to Finance, Inventory Management, Plant Operations, Quality Control and Sales functions. The Company deployed a unique hand-held device with GPS technology to capture cane planting area, varietal information, procurement planning, weighment and transportation, strengthening accurate procurement planning, reducing turnaround time and transit losses. The pilot introduction of a GPS-based vehicle tracking system was introduced in the Nigohi unit, significantly reducing vehicle turnaround. A Proof of Concept at the Kolhapur unit through the Plant Technical Information Management System (PTIMS) will enhance efficiency and preventive maintenance.

Engagement architecture: The Company engaged with farmers through Cane Development Assistants, responsible for covering villages (approximately 2,000) designated within the Company's command area for development activities like cane plantation, varietal improvement, yield improvement, cane survey, plant protection measures and demonstration for scientific techniques etc. Following spring planting, the CDA conducted a grower-wise survey of cane fields by recording four field dimensions (plot owner, sowing date, crop condition and cane variety). CDA and officers were trained in technical and soft skills; they visited various research stations for practical insights on varietal identification, improved plantation methods, insect-pest symptoms and disease.

Farmer service: The Company commissioned two soil testing laboratories (Jawaharpur and Nigohi) to improve soil health and support farmers in crop improvement. The Kisan Seva Kendras at our plants cover 5-10 proximate centres to distribute agrochemicals, seeds etc.

Yield improvement: The Company strengthened yields through superior pest management and farmer training.





The challenges we countered in cane management

- Replacement of old, rejected and duplicate varieties.
- Poor yield especially in the ratoon crop.
- Implementation of an effective cane management system.
- Poor rains/ irrigation facilities especially in Ramgarh plant
- Cane diversion to Kolhus and proximate mills
- Small and marginal farmer community

Driver of excellence

Cutting-edge technology and Dalmia Bharat Sugar



The cyclical nature of the sugar industry warrants the highest operating efficiencies.

Dalmia Bharat Sugar responded to this priority through a progressive investment in cutting -edge technologies.

Cane selection: The Company propagated the use of the advanced variety Co-0238, which delivered superior farm yields and cane recovery. Other promising varieties were also propagated.

Farm survey: The Company leveraged the use of satellite surveys and handheld digital devices across its command areas leading to an accurate appraisal of crop area and crop state. The increasing use of hand-held devices in our field centres enhanced data availability on cane drawal, delivery and reserves leading to informed decision-making.

Energy-efficiency: The Company invested in cutting-edge technologies to enhance the productivity (getting a larger output from a given resource quantity) of cane, molasses and bagasse. Investment in efficient high-pressure boilers – used for the first time in the country - increased power generation in the Kolhapur plant, making it possible to run the facility for up to 300 days a year.

Water efficiency: The use of air-cooled condensers helped moderate water consumption.

Sugarcane processing: The Company was among the few in India to invest in energy-efficient hydraulic motors when it commissioned its Ramgarh plant in 1994, which was reinforced through investments in Falling Film Evaporators Technology, Distribution Control System and the use of advanced assets (electric motor drives, solid bowl decanters, fully-automated pans, and air-cooled condensers that use no water) almost zero water consumption in cane processing.

Distillation: A number of technologies are used across the distillation plants, minimising downtime.

Fuel efficiency: To save on fuel costs, slop (concentrated spent wash with CV up to 1500) is used as 80% of boiler fuel, protecting the environment.

Productivity: The Company invested in multi-pressure PLC-based distillation plants and integrated evaporator system.

Result: Up to 1 KG/BL of alcohol was produced using less steam, higher distillation efficiency of 98.5% was achieved, negligible distillation losses, 90% of the steam condensate was recycled and up to 800-900 KW surplus power was available for sale from the distillery turbine (Kolhapur).

Safety health and environment

Strengthening our business around **sustainability**

There is a growing need for organisational sustainability in the Indian sugar industry.

Dalmia Bharat Sugar focus on generating relatively counter-cyclical growth in a cyclical business.

We believe that this relatively counter-cyclicality needs to be manifested in a higher sugar recovery than the geographic average during an uptrend and a relatively lower decline than the corresponding sectoral average during a downtrend.

We believe that organisational sustainability is critical from a number of perspectives: it provides financiers (debt and equity) visibility that leads to additional funding and it helps attract professionals who make it possible to implement projects with efficiency. Besides, truly sustainable organisations make a more responsible use of finite resources, strengthening environmental integrity. The result is that sustainability is no longer merely recommended; it has become indispensable in corporate success.

The multi-business Dalmia Bharat Group has grown its businesses decisively in the last decade through a respect for environmental integrity, marked by a declining use of finite resources (fossil fuels, core raw materials, power and water) on the one hand and a consequent increase in industry respect. As an extension of this Groupwide priority, Dalmia Bharat Sugar invested extensively in plants, practices and processes designed to reconcile profit and planet protection.

This priority has been directed to deliver multi-stakeholder benefit. We create wealth through the transformation of raw material into usable products; we provide employment; we provide livelihoods for suppliers, contractors, distributors and service providers; we pay taxes to the exchequer; we contribute to infrastructure and healthcare projects.

This environment responsibility is not incidental to our business model; it is integral to it. We utilise the bagasse generated as a byproduct in sugar manufacture to generate green electricity; we utilise the molasses generated to produce ethanol used as an automotive fuel blend; we utilise the press mud as organic manure to improve soil fertility.

Result: Our products are directed at making the world cleaner and greener.



Design-driven environment consciousness

We have designed our new greenfield plants around moderated water and energy consumption, coupled with effective waste management.

Kolhapur

The water conservation scheme comprised the following:

- Substantial reduction in water consumption in the power plant through the installation of an advanced Air Cooled Condenser instead of the water-intensive cooling tower.
- Reduction of water top-up for the same amount of energy generation compared to low pressure boiler following investment in a state-of-the-art high pressure boiler (125 kg/cm2).
- Complete use of waste water generated from the water treatment plant in ash quenching instead of routing it to an effluent treatment plant, resulting in reduced ETP load.

Jawaharpur

The Company invested in a hydraulic cane unloader, truck tippler, 595 RPM LT motor at cutter, HT motor (1 MW), hydraulic drive in the milling tandem and connection of milling control with the centralised distributed control system across operations, enhancing operational efficiency.

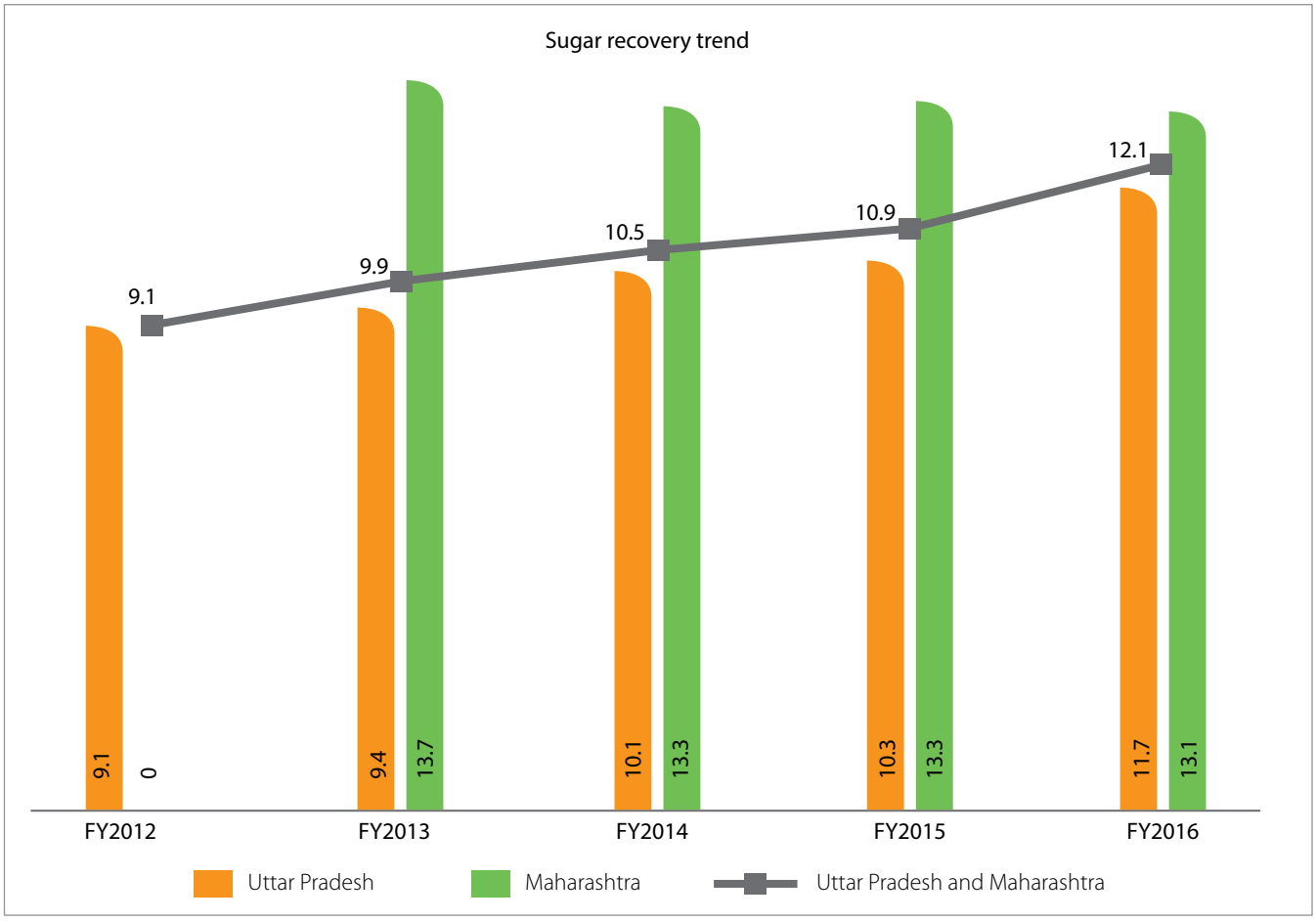
Besides, the plant reported the lowest auxiliary power consumption through an investment in energy-efficient equipment (VFD, energy-efficient motors, CFL lighting, LDR lighting control device and complete automation).

Our Project Unnati encourages farmers in growing more cane with fewer resources.

Resource efficiency

Resource efficiency lies at the core of our sustainability agenda. This is marked by the priority to maximise the generation of end products from a given resource quantity. Over the years, the Company invested in enhancing efficiencies across the business – procurement of raw material to end product marketing – through prudent investments in training and technology that enhanced capacity utilisation and reduced our vulnerability to sectoral cyclicality.

The result is that the Company recorded overall average recovery of 12.1% in 2015-16, the highest in its existence. This translated into record cane crushing, record sugar output and maximised power evacuation.



Water: About 70% of the weight of the sugarcane plant is water, resulting in potentially higher effluents generation during sugar manufacture. At Dalmia Bharat Sugar, we re-cycle and re-use increasing water quantities in sugar and distillery operations and domestic consumption. The Company installed a re-circulation system for the recovery of cooling water, moderating fresh water intake. The highlights of these initiatives is that the Kolhapur distillery is being positioned as a zero discharge unit (concentration of spent wash and use as boiler fuel) comprising a state-of-the-art water recycling plant.

Energy: The Company addressed its energy requirements from within through captive generation (agro-waste accounted for 95% of direct energy needs). Around 71% of the 102 MW co-generation throughput at the sugar mills was exported to distribution companies in Uttar Pradesh and Maharashtra, generating attractive revenues. The switch to green power through bagasse helped utilise a resource that was earlier wasted, to cleaner power source, reduce carbon emissions and generate additional income.

Emissions: All three co-generation projects at Jawahrpur, Nigohi and Ramgarh were registered under Clean Development Mechanism (CDM) of UNFCC. The use of bagasse-based co-generation helped address a large part of the energy requirements, reducing dependence on fossil fuels and related greenhouse gas emissions. The Company planted saplings to serve as carbon sinks.

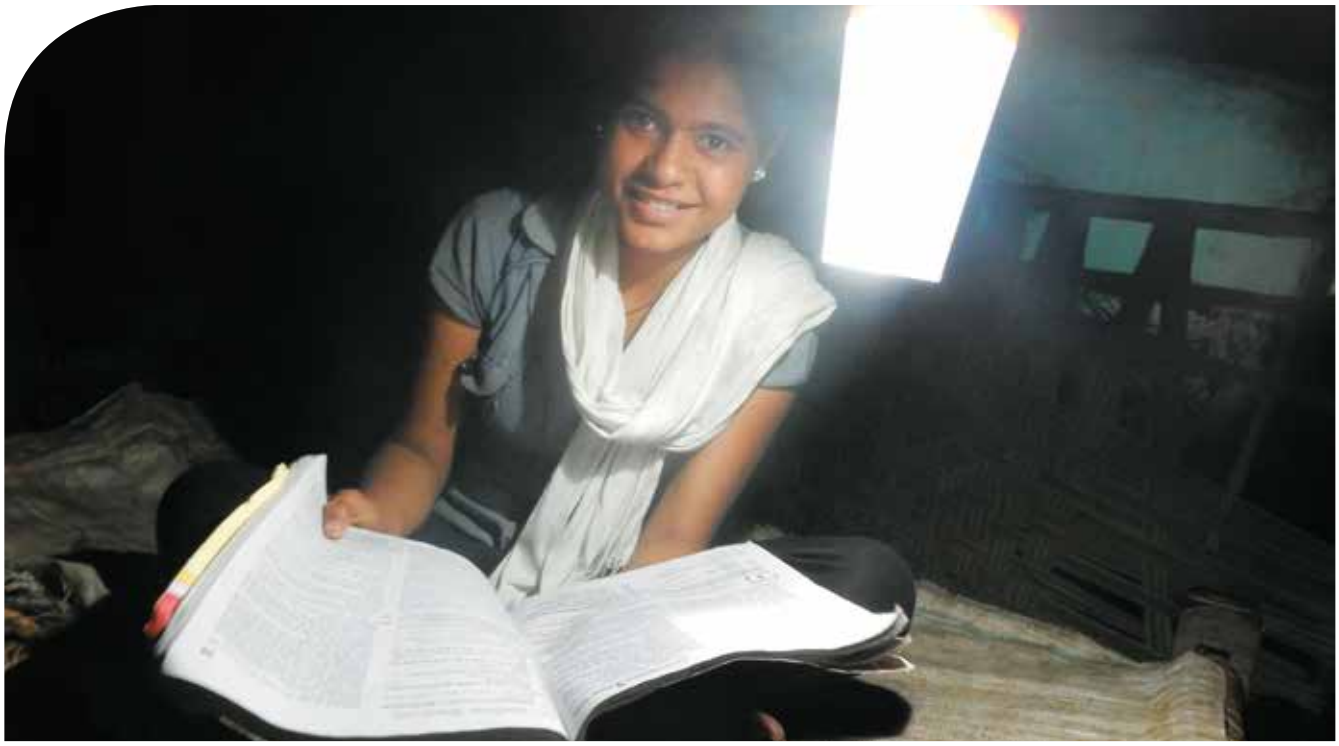
Waste management: The Company optimised resource use through investments in distilleries (where molasses is fermented to produce alcohol), co-generation (based on bagasse) and a facility (press-mud converted to usable compost), which generate revenues. The Company's optimal waste management adopts bio-composting for press mud disposal, substituting imported potash. The bio-composting facility in Jawaharpur can produce about 30,000 MT organic manure per annum using the in-house availability of press mud from captive sugar factories. The Company also developed a Zero-Waste Society where the waste material is segregated and disposed as per standard norms.



Safety

Dalmia Bharat Sugar has invested in a robust safety management system, extending from policy framework to monitoring. This is built beyond regulatory reporting purposes with three out of five units being certified for OHSAS 18001.

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



Community responsibility

21,100
Beneficiaries

9,200
Beneficiaries of health and sanitation initiatives

10,775
Beneficiaries of our energy conservation and climate and change mitigation programme

43
SHGs formed with more than 470 members in FY 2014-15

At Dalmia Bharat Sugar, our focus is to extend our prosperity to the communities in which we work. This initiative, based around Gandhian trusteeship principles, focuses on making a significant and sustainable difference in the lives of beneficiaries.

Our community engagement is directed around soil and water conservation, energy conservation and climate change mitigation, livelihood skill training and social development. These programmes are managed through the Dalmia Bharat Group Foundation (DBGF) and often implemented in conjunction with NGO partners.

The objective of our CSR policy is to accelerate social, economic and environmental progress for communities proximate to our manufacturing facilities and project sites (Uttar Pradesh and Maharashtra). Our CSR Policy can be accessed on http://www.dalmiasugar.com/upload/policies/DBSIL-CSR-POLICY.pdf.

Key CSR Programmes

Energy Conservation and Climate Change Mitigation

- Promotion of smokeless chullahs (cooking stoves), bio gas plants, solar lighting systems like lanterns, street lights, study lamps and home lighting systems.
- Launch of solar home light systems and solar lanterns to replace kerosene-driven lanterns.
- Launch of smokeless chulha programme, enhancing convenience and fuel-efficiency.
- Promotion of solar study lamps to local communities (miniature version of the solar lantern), addressing the lighting needs of Jawaharpur, Nigohi and Ramgarh locations.
- Promotion of solar lighting homes in villages (solar panel, battery, controlling unit, charging port and LED lights).
- Appraising the development of mini solar grids; two such grids developed by the Company have benefited 200 persons.

Livelihood Skill Training

- Commenced skill development programmes
- Provided training in mobile repair, bag making and others

- Facilitated the formation of self-help groups, helping them access loans and livelihood training

Mobile Repairing and Bag Making Training

- Conducted in collaboration with Pt. Deendayal Upadhyay Institute for the Physically Handicapped
- Established a Skill Training Centre in Jawaharpur under the Skill Development Training Programme of the Ministry of Social Justice and Empowerment.
- Converted training centre into a production a centre.

Social Development

- Helping build basic community infrastructure (school sanitation blocks, low cost toilets, school buildings etc.)
- Arranged general and specialised health camps, providing medicines, immunisations, maternal and child health care and eye camps.

Initiatives

Health camps

- Conducted gynecological and pediatric camps at our Uttar Pradesh plants; checked more than 1,800 people through gynacologist and pediatrician support.
- Organised eye check-up camps in schools, partnering the Health & Education Officer (HEO) of Sitapur District. Conducted six eye check-up camps in schools covering 350 students in Ramgarh.
- Organised a cataract identification camp with Sitapur Eye Hospital, Uttar Pradesh; 177 were found affected and treated.
- Organised a multi-specialty health check camp at Kolhapur; 165 residents were addressed.

Children's immunisation

- Organised polio immunisation drives in partnership with the local government for children and pregnant women in Ramgarh, Nigohi and Jawaharpur.

Low-cost toilets

- Assisted individuals to construct low-cost residential toilets in Ramgarh, Jawaharpur and Nigohi.

School sanitation block

- Launched a school toilet construction project with bio-digester technology, largely benefiting girl students in Bartal, Gopalpur and Raghopur villages.

Artificial limbs and aid distribution camps

- Collaborated with Pandit Deendayal Upadhyaya Institute for the Physically Handicapped in empowering the physically-disabled (estimated 600) through the distribution of assistive devices and mobility accessories.
- Conducted an assessment camp for the disabled at Mishrikh in collaboration with Pandit Deendayal Upadhyaya Institute for the Physically Handicapped in villages near Ramgarh and Jawaharpur; 548 were assessed for assistance devices.
- Established a Skill Training Centre in Jawaharpur under the Skill Development Training Programme of the Ministry of Social Justice and Empowerment, benefiting 60 persons with disabilities.

Social and cultural events

- Organised social events on World Water Day, International Women's Day, Children's Day, World AIDS Day, Independence and Republic Day, attracting more than 1200 people in FY 2015-16.



31	1,50,000+	150	2000
Cane crushed (lakh MT)	Number of cane growers engaged	Cane purchasing centres	Number of villages in the core area

Our distinctive **business model**

Dalmia Bharat Sugar and Industries Limited is not just another sugar company.

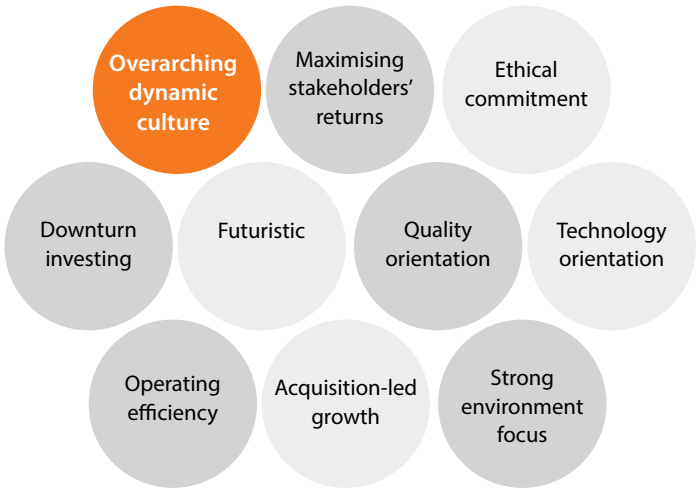
It is a cost leader in a challenging space.

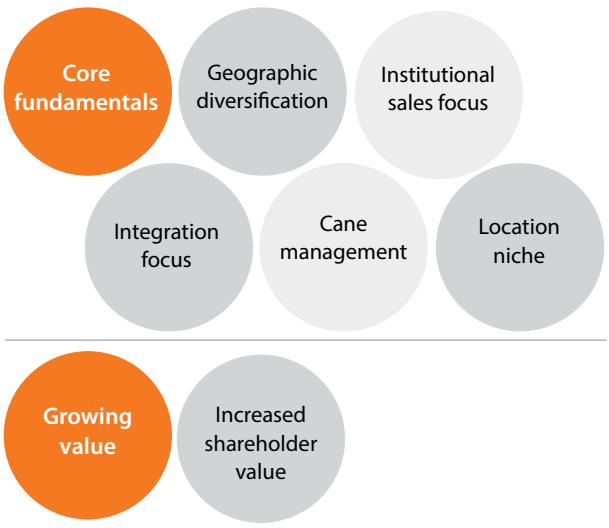
It is one of the youngest sugar companies in an enduring sector.

It is one of the fastest growing in a sector marked by incremental gains.

It is one of the most dynamic companies in a stable sector.







Overarching dynamic culture

Maximising stakeholders' returns: Dalmia Bharat Sugar is focused on maximising returns from every invested rupee in its pursuit of growth . This is not only an overarching corporate strategy but one that influences every single initiative within our Company.

Futuristic: Dalmia Bharat Sugar is positioned around how a futuristic agro-based global company would need to be managed to remain sustainable across market cycles. This orientation has defined the soul of the Company, investments, product mix and geographic presence, making it possible to graduate beyond legacy practices.

Caution cum aggression: Dalmia Bharat Sugar is an aggressive industry investor, outperforming its sectoral investment average. And yet, the Company has been cautious in asset identification and selection without stretching its Balance Sheet that could affect prospective earnings.

Governance: Dalmia Bharat Sugar invested extensively in governance marked by a comprehensive values framework, responsibility and accountability. The Company's governance commitment extended beyond the statutory, leading to corporate sustainability.

Operating efficiency: Dalmia Bharat Sugar achieved the highest process efficiencies through 5S and TPM initiatives. This focus translated into an 80%-plus capacity utilisation across plants, one of the highest recoveries across three mills in Uttar Pradesh and among the highest recoveries across all mills in Maharashtra.

Downturn investing: Dalmia Bharat Sugar distinguished itself as a prudent contrarian during the extended downturn in India's sugar industry. Even as most sugar companies froze investments, the Company invested ₹480 Crore (greenfield and brownfield) in the ten years leading to the end of 2015-16, strengthening its recovery-readiness.

Quality orientation: Dalmia Bharat Sugar focused on product quality – that made it possible to liquidate inventory in sluggish markets and price at a premium during sectoral rebounds for retail consumers; besides, the Company's quality ensured a brand-enhancing institutional clientele.

Acquisition-led growth: Dalmia Bharat Sugar selected to make fast-tracked acquisitions over conventional greenfield commissioning. Nearly 29% of the Company's 2015-16 revenues were derived from acquired assets.

Technology orientation: Dalmia Bharat Sugar is a forward-looking technology-driven sugar manufacturer. The Company invested in the use of advanced and futuristic technologies with the objective to enhance data access, facilitate informed decision making, increase farm productivity and moderate resource use (energy and water).

Environment focus: Dalmia Bharat Sugar is an environment-respecting sugar producer, investing in environment-respecting plants, processes and practices with the objective to reduce its carbon footprint.

Core fundamentals

Size balancing: Dalmia Bharat Sugar believes in balancing its various capacities – sugar, distillery and cogeneration – across its various plants with the objective that the by-products generated by one business segment can be adequately utilised downstream, maximising cane productivity.

Geographic diversification: In India's sugar industry, most companies are based only in one state. Dalmia Bharat Sugar selected to be the contrarian; it extended the learnings of its Uttar Pradesh presence to diversify its presence across prudent locations within states with attractive cane growing potential and abundant resource (water) availability. The Company extended its presence to Maharashtra and emerged as one of the few listed sugar companies to establish its presence in two states - Uttar Pradesh and Maharashtra.

Financial operating leverage: Dalmia Bharat Sugar works with a multiple bank consortium; an adequate unutilised working capital line of credit made it possible to respond to unforeseen circumstances.

Integration focus: Dalmia Bharat Sugar has progressively focused on the integration of sugar and downstream by-products. The result is the downstream products proportion of its business grew to 22% in 2015-16; 47% of its investment in the last decade was directed towards the downstream products segment.

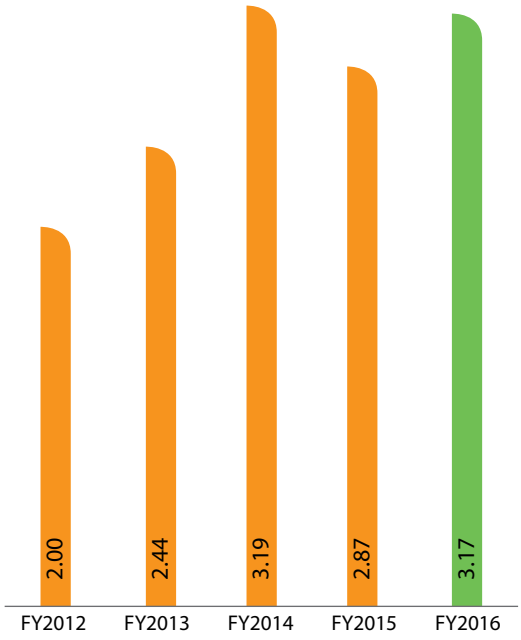
Cane management: Dalmia Bharat Sugar deployed a significant number of field officers to work closely with cane growers to adopt superior seeds and cane varieties. This made it possible for the Company to report the highest cane recovery in both states, accounting for a sizable portion of its 2015-16 surpluses.

Institutional sales focus: Dalmia Bharat Sugar generates a substantial portion of revenues through institutional sales, which was a relevant strategy during the sectoral downtrend and the business-building phase of its existence. This engagement accelerated the transfer of best practices related to processes, quality, safety and certifications.

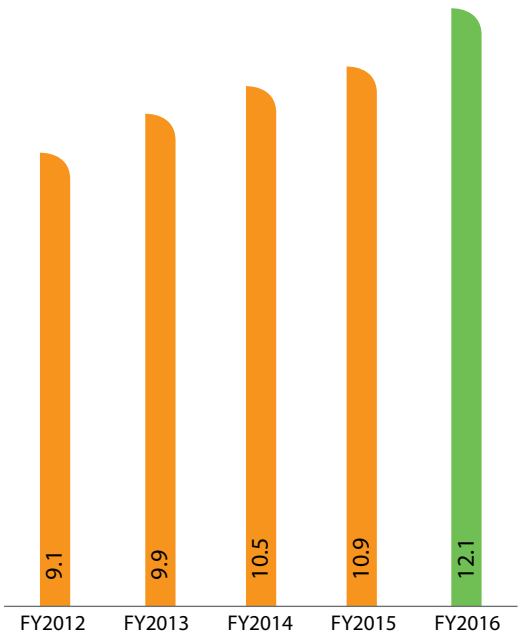
Cost leadership: Dalmia Bharat Sugar focused on organisationwide cost optimisation – financial cost reduction and manufacturing efficiency through inter-plant best practices transfer. Overall manufacturing costs (ex-interest, depreciation and tax) as a proportion of revenues declined across the years.

Financial and Operational Highlights

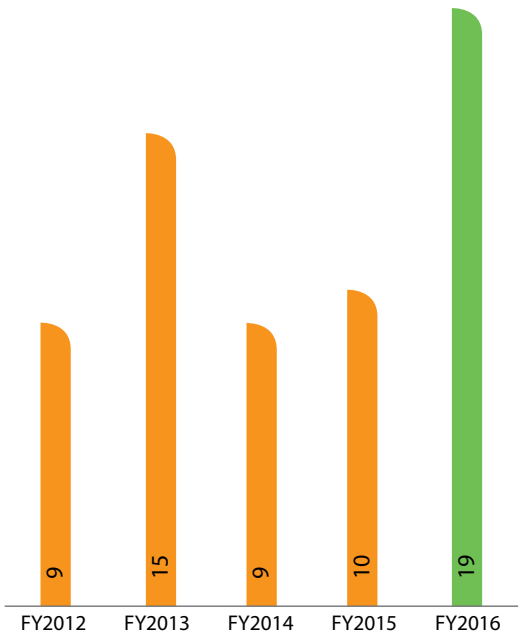
Sales volume (Lakh MT)



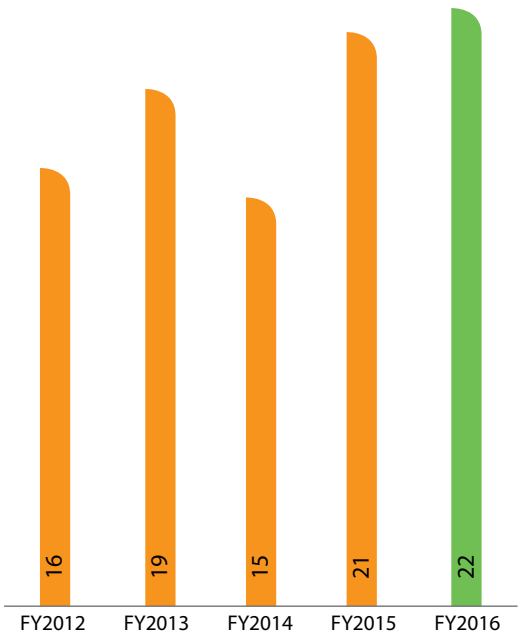
Average recovery %



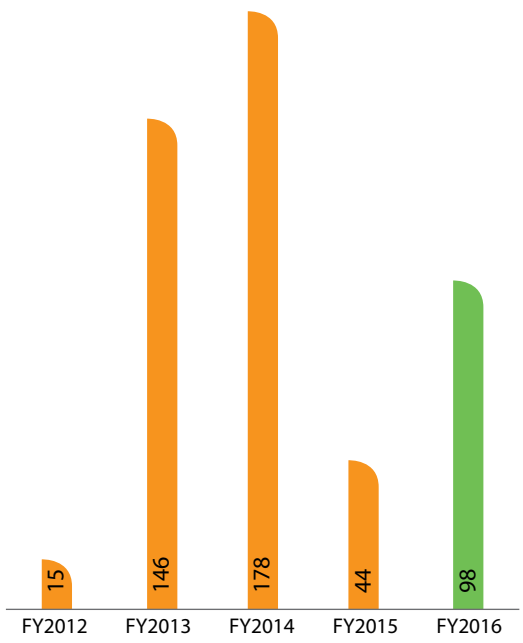
EBIDTA margin %



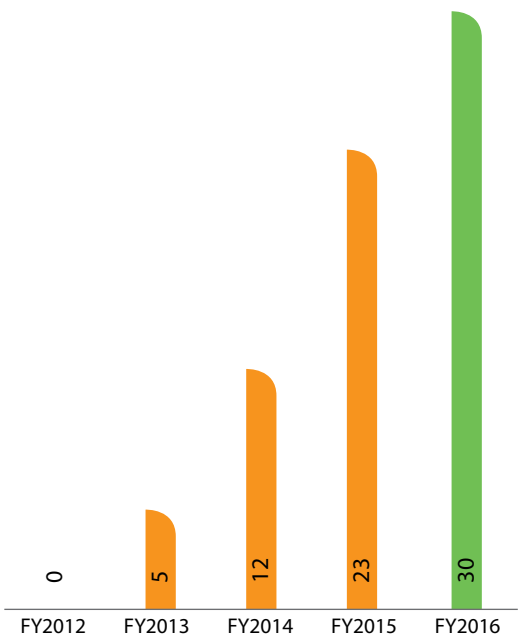
Downstream product revenues as % of overall revenues



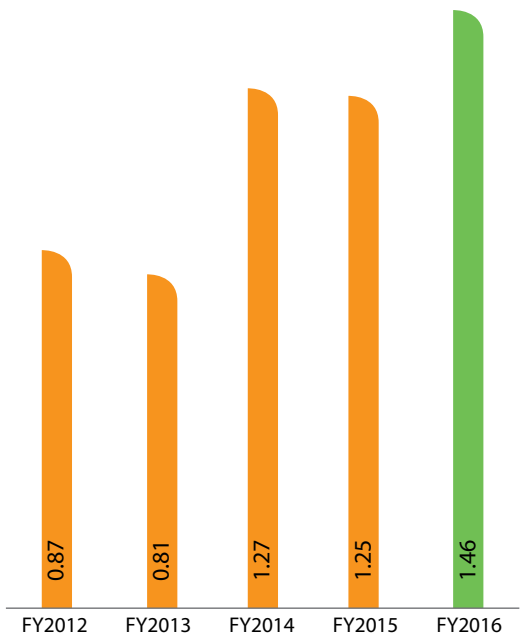
Capital invested (₹ / cr)



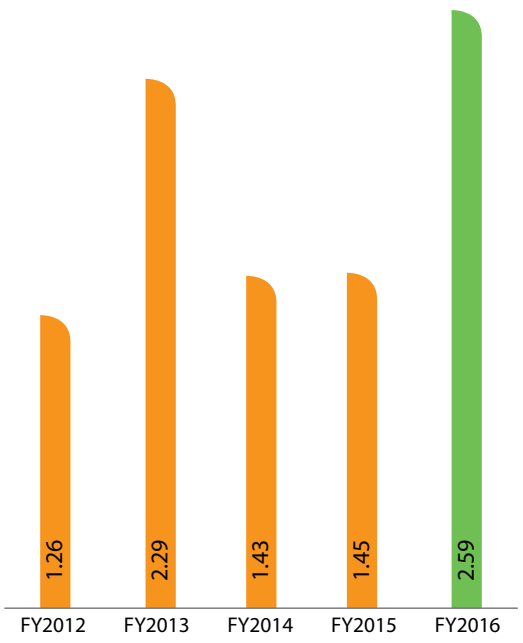
Non-Uttar Pradesh revenues as % of overall revenues



Debt-equity ratio



Interest cover (x)



Management discussion and analysis





Economic overview

The Indian economy is headed for recovery, helped by a significant terms-of-trade gain (about 2.5% of GDP), positive policy actions and reduced external vulnerabilities. This reflected in a healthy increase in India's GDP growth from 7.2% in 2014-15 to 7.6% in 2015-16.

The improvement in economic fundamentals has been accelerated by strong government reforms. In the current year, the rupee value of exports and imports (of goods and services) are both projected to decline; the former on account of the sluggish global demand and the latter due to steep decline in international crude oil and commodity prices.

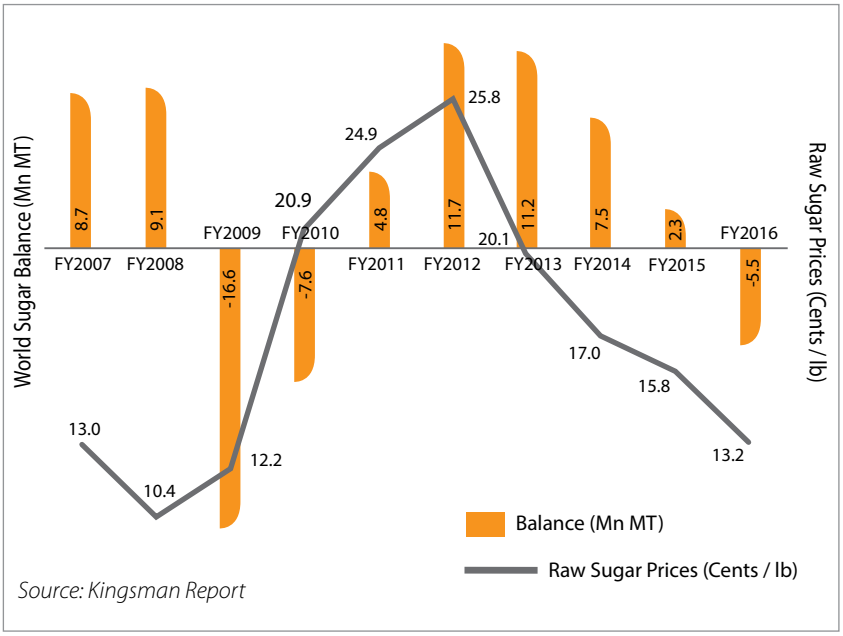
In the wake of controlled inflation and improved GDP growth and market sentiments, the Reserve Bank of India (RBI) reduced the repo rate and reversed the repo rate twice during the year, each by 0.75 bps to 6.75% and 5.75% respectively. There was an increase in the optimism, which led to a further reduction in the repo rate by 0.25% in April 2016, taking it to 6.50%.

According to the Economic Survey 2015-16, inflation, measured by the Consumer Price Index (CPI), which was an average 6.5% in 2014-15, declined to 5.5% in 2015-16, clearing the path for further monetary policy easing. Due to reduced vulnerabilities and improved prospects, India experienced large foreign direct investment inflows in 2015.

Global sugar industry overview

SY2015-16

As per the International Sugar Organisation (May 2016 report), global sugar production for 2015-16 has been estimated to decline for the third consecutive year (by 7.3 million tonnes) to 163.9 million tonnes with reductions in Brazil, India, China, Thailand, the European Union, and Ukraine, more than off-setting gains in Australia, Russia and Turkey. Consumption was projected to reach a record 170.6 million tonnes, drawing ending stocks down 7 million tonnes to 81 million tonnes. Global imports are expected to grow to a record 56.7 million tonnes.

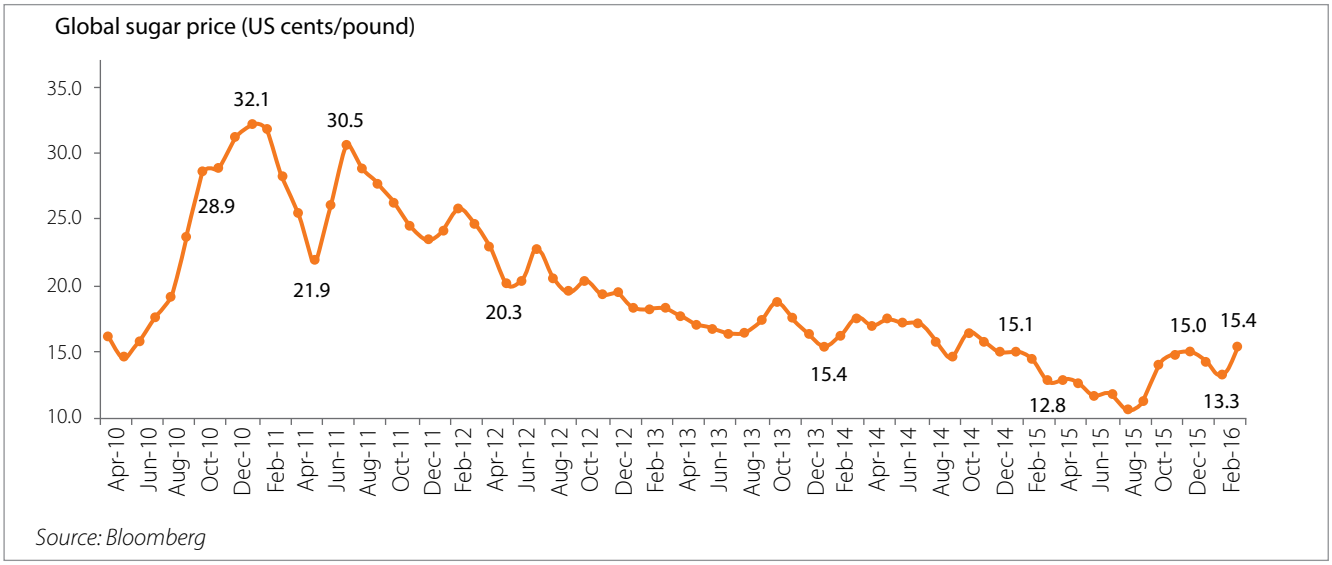


Source: Kingsman Report

Global sugar prices

Global raw sugar prices remained under pressure since February 2011, though demand has been inching up during these years. Part of the decline can be attributed to depreciation in the Brazilian Real which led local exporters to liquidate their stocks.

Raw sugar price declined from 36 cents per pound in February 2011 to 9 cents per pound in March 2015. In the three months (upto October 2015), sugar prices improved to 14 cents per pound. Improvement in global prices is likely to sustain in the near term on the back of increasing demand and lower production in the current season. Based on demand exceeding production estimates for the current season and the next, the recovery in sugar prices is expected to sustain.



Source: Bloomberg

Indian sugar industry overview

India is the world's second largest sugar producer and the largest consumer of the sweetener. The sugar sector, which was saddled with excess inventory during the last three years, is currently witnessing some hope. Lower production on account of drought and mandatory exports in the sugar year 2015-16 is likely to reduce excess supply, albeit gradually.

SY2015-16: Sugar production in the 2015-16 crop marketing year, starting from October, is estimated to be around 25.1 million tonnes (million tonnes), about 3.2 million tonnes less than the previous year. The drop has been mainly due to extended dry weather in Maharashtra and Karnataka. Consumption in 2015-16 is estimated to be 25.6 million tonnes. It is estimated that due to the increased exports and reduction in sugar production in the year gone by, there will be a reduction in the carryover stock of 2.0 million tonnes to 7.1 million tonnes at the end of SY2015-16. As per the Agriculture Ministry's first estimate, sugarcane production is estimated to decline to 341.43 million tonnes in 2015-16 (July-June), as against 359.3 million tonnes in the corresponding period of the previous year.

However, till 31 March 2016, Indian sugar mills had produced 23.7 MT, down 1.1 MT from the last year's figures. As on 31 March 2016, out of the 366 sugar mills, only 215 mills were operating with adverse implications for overall sugar production. With only 58 out of the 135 mills operating, Maharashtra (the largest sugar producing state in the country) produced 8.2 MT, against last year's 9.36 MT. Another key producing state, Karnataka, produced only 4.01 MT against 4.24 MT last year. Production in U.P was also lower than previous year due to lesser cane yield. *(Source: ISMA, media release 31 March 2016).*

Governmental initiatives

In its effort to correct the excess supply in the system, the Central Government announced a subsidy of ₹4.5 per quintal in FY 2016. Exports are estimated to be higher than last year at 1.7 million tonnes despite contraction in export sugar prices.

The Central Government has come to the rescue of the ailing sugar industry by taking some bold steps to benefit the farmers and reduce cane arrears. Announcing a production subsidy linked to Minimum Indicative Export Quota (MIEQ) to the tune of 4 million tonnes in SY2015-16, helped in reducing the closing inventory by about 19%. Although the depressed global prices do not make exports a profitable proposition, this initiative helped clear the domestic glut.

Initiatives

- The Central Government's push to increase exports by offering a ₹45 per tonne of cane subsidy for mills that completed their export quotas contributed to the reducing stock.
- Even as the Uttar Pradesh State Government did not link cane costs with sugar realisations, it extended a subsidy of ₹40 per quintal of cane crushed (including waiver of purchase tax, society commission and entry tax) for payment to sugar farmers.
- The Central Government empowered oil marketing companies to substantially increase their ethanol procurement and mandate a compulsory 5% blending ratio.

The aggregate impact of these initiatives will help restructure the country's sugar industry and lay the foundation for sustainable growth.

"Going forward, the Central Government plans to make **10% blending** mandatory, following which the requirement of ethanol would be around 2.3 billion litres per annum."

India's sugar industry Balance Sheet

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 (e)
Opening stock						
(October 1)	5.0	5.9	6.6	9.3	7.5	9.1
Production	24.4	26.3	25.1	24.4	28.3	25.1
Imports	-	-	0.7	0.1	-	-
Total availability	**29.4**	**32.2**	**32.4**	**33.8**	**35.8**	**34.2**
Offtake						
1) Internal consumption	20.8	22.6	22.8	24.2	25.6	25.6
2) Exports	2.6	3.0	0.3	2.1	1.1	1.5
Total offtake	**23.4**	**25.6**	**23.1**	**26.3**	**26.7**	**27.1**
Closing stock (September 30)	**6.0**	**6.6**	**9.3**	**7.5**	**9.1**	**6.7**
Months of consumption	3.5	3.5	4.9	3.7	4.3	3.3

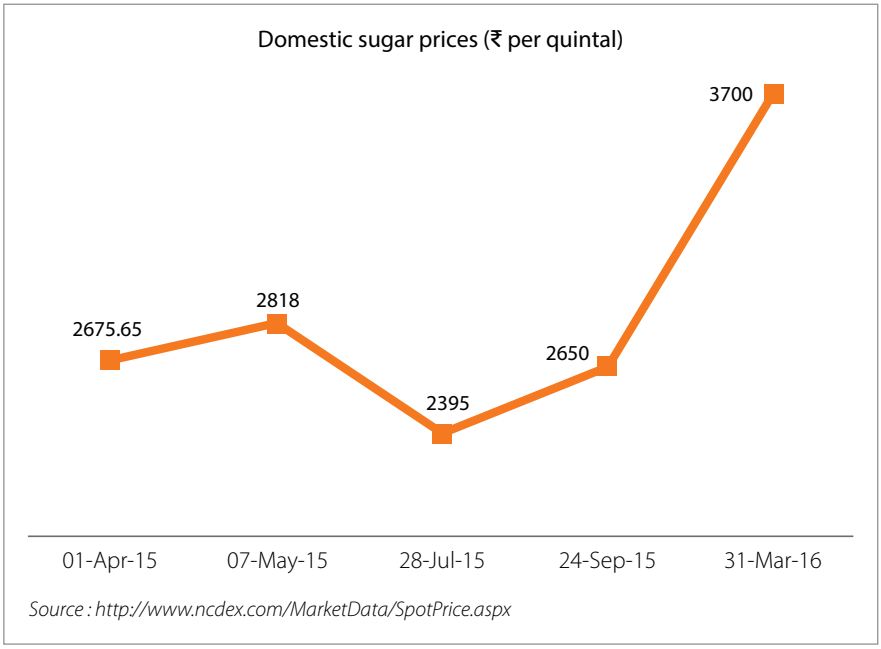
(Source: ISMA)

Sugar prices

After falling by more than 20% during the January to July period in 2015, sugar prices climbed sizeably starting August 2015. This trend reversal was due to erratic monsoon rains in the major sugarcane-producing states of Uttar Pradesh, Karnataka and Maharashtra (cumulatively accounting for more than 70% of India's sugar output) and also on account of the Government notification of Export Quota. Some opinion makers were of the view that the price rise could also be due to an expected drop in sugarcane production in 2016-17 due to a prolonged El Nino impact that could adversely impact sugarcane production.

Ethanol production

The Government impetus on blending provided significant promise for the distillery segment of the sugar industry. Earlier, the Central Government had mandated a 5% blending of ethanol with petrol at an all-India level, actual blending achieved was only 1.4% in 2014. In 2015, an important step was taken to incentivise sugar mills – the excise duty of 12.5% on ethanol for sale to oil marketing companies was waived, allowing a full benefit of ₹5 per litre in profitability. Requirement of 1 billion litres at 5% blending will lead to greater participation by sugar mills in ethanol purchase tenders. Going forward, the Central Government plans to make 10% blending mandatory following which, the requirement of ethanol would be around 2.3 billion litres per annum. Though the distillery segment contributes about 8-12% of revenue for most companies, this business vertical supports the overall profitability and partly cushions the cyclicality of the sugar business.



Source : http://www.ncdex.com/MarketData/SpotPrice.aspx

Our **Uttar Pradesh** business



Overview

The Company entered Uttar Pradesh in 1994 with a plant of 2,500 TCD capacity.

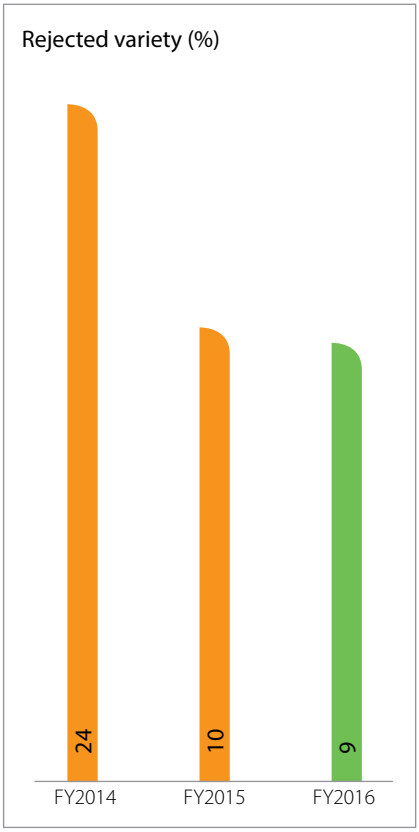
In line with the rich potential within the state, one of the most attractive the world over for cane growth, the Company progressively invested in cane crushing and downstream byproduct processing.

The Company possesses a mix of capacities (sugar, ethanol and cogeneration) and is amongst the ten largest sugar manufacturing groups in India today.

Achievements

The Company began with a capacity of 2,500 TCD at one location in U.P. Since then, the Company has grown, diversifying to three locations in Uttar Pradesh with a total capacity of 22,500 TCD.

Cane management: Our cane development initiatives have been focused around mutually-beneficial engagements with farmers, supporting them with high yielding seed varieties and consistent education in innovative farming techniques translating into higher quantity of crushed cane, increased sugar recovery and lower varietal rejects. Our Kisan Sewa Kendras in the vicinity of sugar mills educated farmers on contemporary farming practices, which helped improve crop yield. These Kendras also helped distribute subsidised fertilisers, pesticides and farm equipment to farmers. The Company introduced Unnati, a comprehensive cane development programme in the catchment areas of its U.P.-based sugar units. The principal features of the project comprised the cultivation of early high-yield cane varieties, customised use of desired nutrients on the basis of scientific soil testing and varietal shift in cane mix. This objective is helping farmers grow more cane through the deployment of optimised resources (land, water, seed, nutrients and crop protection inputs).



Our **Maharashtra** business

Overview

Availability of superior cane due to fertile land and higher sugar recovery attracted the Company to Maharashtra.

Challenges

The challenges of creating a presence in Maharashtra comprised terrain inexperience, absence of corporate models of how Uttar Pradesh sugar companies needed to adapt in Maharashtra, co-operative-led model of working in that state (as opposed to private mill-driven environment in Uttar Pradesh), lingual difference and modes of everyday farmer engagement that differed from the way things worked in Uttar Pradesh, the state where the Company enjoyed extensive experience.

Achievements

The Company acquired its first plant in Maharashtra (Kolhapur). The Company commenced operations in 2012. It reactivated cane supply relationships, enhanced operating efficiency (average recovery among the highest across Maharashtra), progressively increased capacity (in three tranches leading to 2016-17 sugar season), balanced it with downstream product capacities and turned this plant around within three seasons of acquisition.

The Company made its second plant acquisition in Maharashtra (Sangli), which had been closed for seven years. It reactivated dormant farmer relationships and commenced crushing within a short time span. The Company crushed 1,20,000 MT in FY2016, its first complete season across 100 days for a recovery of 12.33%, a creditable achievement considering the paucity of preparation.

Its sugar operations were also integrated with a distillery being commissioned in Maharashtra, which would take the distillery capacity to 140 KLPD. The cogen expansion at Maharashtra has increased the capacity to 102 MW.

Outlook

The Company is engaged in enhancing operational capacity from 5,000 TCD to 7,500 TCD effective from the 2016-17 sugar season at the Kolhapur Unit. Also, the Company is increasing crushing capacity of its Ninaidevi unit from 1,750 TCD to 2,500 TCD.

The Company integrated sugar operations in its Kolhapur through a cogen unit of 23 MW and distillery unit of 60 KLPD.

The Company intends to progressively increase sugarcane crushing capacity at the Sangli unit followed by subsequent integration once cane crushing achieves economies of scale.

Investment in Maharashtra operations scaled from 10% initially to 23% currently to 31% in the near-term in a span of five years.



Divisional analysis

Our **sugar** business



78
per cent of revenues, 2015-16

22
per cent of EBITDA, 2015-16

Overview

Sugar represents the bedrock of the Company's operations with the biggest influence on its profitability. Even as the Company entered the business of sugar manufacture in the mid-nineties, it reported extensive growth from 2013 when it increased crushing capacity and embarked on widening its geographic footprint.

Rationale for presence

The Company entered this business for its evident and latent advantages. Even as India enjoys a deep sugar consuming tradition (the annual increment in consumption is larger than the aggregate consumption of a number of countries), its low per capita consumption (20 kgs compared to an average 39.1 kgs in Europe and 34 kgs in North America) holds out the optimism that a projected increase in disposable incomes could translate into increased sugar consumption.

Strengths

- The Company is among the ten largest sugar manufacturers in India and one of the fastest growing Indian sugar manufacturers over the last decade – its 15% growth in capacity compares favourably with the country's growth in sugar manufacturing capacity addition.
- The Company is unique in that it is probably the only Uttar Pradesh (private sector-driven) manufacturer with operations In Maharashtra (co-operative sector-driven), demonstrating its ability to address different sectoral environments leading to geographic de-risking
- The heart of the Company's competitiveness lies in its ability to inspire farmers to plant increasing cane quantities, the very basis for a rising sugar throughput.
- The Company is not just a larger producer; it is one of the most efficient as well; its aggregate Uttar Pradesh recovery has been acknowledged as the highest among the sugar manufacturing groups in that state.

Achievements, 2015-16

- Net sugar revenues were ₹853 crore (₹859 crore in the previous year)
- Sugar sales volume increased from 2.87 Lakh Tons to 3.17 Lakh Tons
- Uttar Pradesh accounted for 70% of the Company's sugar revenues; Maharashtra accounted for 30% (increasing from 23% of revenues in the previous year)

Divisional analysis

Our distillery business

Overview

The Company extended to the downstream processing of molasses (byproduct derived from the manufacture of sugar) through the commissioning of a 60 KLPD distillery at Kolhapur in FY2016.

Rationale for presence

The Company commissioned a distillery to enhance value to its captively-generated molasses. The Company banked on the fact that the country would need to make the blending of ethanol with automotive fuel mandatory with the objective to reduce emissions and progressively increase the blending ratio from 5% towards the level of 10% achieved in some of the developed nations. To encourage increased production, the country would need to remunerate ethanol manufacturers attractively, the basis for the Company's entry in this business segment. In line with these improving prospects, the Company increased its aggregate distillery capacity from 80 KLPD to 140 KLPD (greenfield Kolhapur distillery commissioned in 2015-16).

Strengths

- The Company possessed the capacity to produce different grades of alcohol (ethanol, rectified spirit and extra-neutral alcohol.

Achievements, 2015-16

- Net distillery revenues were ₹79 crore (₹92 crore in the previous year),
- Ethanol accounted for 75% of the distillery production
- The Company reported an increase in average distillery realisations – from ₹39/ litre (ex-mill price) in 2014-15 to ₹42/ litre in 2015-16.

7
per cent of revenues, 2015-16

11
per cent of EBITDA, 2015-16



Divisional analysis

Our co-generation business



Overview

The Company entered the business of power cogeneration in 2007-08 following the commissioning of a 79 MW capacity attached to its Jawaharpur, Nigohi and Ramgarh plants. Further commissioning of 23 MW cogen plant at Kolhapur took the total cogen capacity to 102 MW. The business grew its organisational visibility from 8% of revenues in 2013-14 to 14% in 2015-16.

Rationale for presence

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

Strengths

- The Company possessed sufficient capacity to cater to 100% of its power requirement.
- The Company introduced high-pressure boilers at Kolhapur, which enabled the cogen plant to run for 300 days in 2015-16.

Achievements, 2015-16

- Cogeneration revenues were ₹163 crore (₹143 crore in the previous year), increasing to 14% of the Company's overall revenues
- Cogeneration production increased from 4,174 lac Kwh in 2014-15 to 4,306 lac Kwh in 2015-16
- The Company exported 71% of the power generated at ₹5.33 per unit

14
per cent of revenues, 2015-16

67
per cent of EBITDA, 2015-16

Analysis of **financial statements**

Consolidated Profit & Loss Analysis

The Company, on a consolidated basis, reported gross revenues of ₹1,209 crore in FY2016, compared to ₹1,190 crore in FY2015. Operating EBITDA on a consolidated basis stood at ₹226.73 crore for FY2016 as compared to ₹12.88 crore in FY2015. Depreciation and interest for the year were at ₹113.39 crore and ₹87.49 crore respectively. The Company recorded a PAT of ₹58.40 crores during FY2016 as against the a PAT of ₹1.49 crore in FY2015.

Operating EBITDA

Better sugar recovery resulted in a reduction in the cost of production. Besides, improved realisations of sugar and value-added downstream products resulted in operating EBITDA of ₹226.73 crores for the year under review, compared to ₹112.88 Crore in the previous year.

Financial and Interest Expenses

Finance cost was ₹87.49 crore for FY2016 compared to ₹78.01 crores in FY2015. The increase was on account of additional loans for the Kolhapur expansion and working capital loan facility availed during the year.

Other Income

Other income stood at ₹21.56 crore for the current year.

Provision for Tax

Tax expense for FY2016 including current and deferred tax, amounted to ₹(10.99) crore.

Net profit

Net Profit for the year FY2016 amounted to ₹58.40 crore, up from ₹1.49 Crore in FY2015.

Consolidated Balance Sheet Analysis

Capital structure

The Company's paid-up equity share capital stood at ₹16.19 crore as on March 31, 2016, comprising 8,09,39,303 equity shares of ₹2 each (fully paid up).

Reserves and Surplus

The Company's reserves and surplus stood at ₹496.42 crore in FY2016. Of this, surplus in profit and loss account amounted to ₹454.68 crore, Debenture Redemption Reserve ₹25.00 crore, Revaluation Reserve ₹3.75 crore, Capital Reserve ₹4.07 crore and Other Reserves ₹8.92 crore.

Loan Profile

The total borrowed funds of the Company stood at ₹1,137.70 crore (including current maturities of Long Term Debt classified under the head "Other Current Liabilities" of ₹176.06 crore) as on 31 March 2016. Of this, long term loans were ₹747.05 crore and Short-term loans were ₹390.65 crore.

Total Assets

Total assets of the Company were ₹2,060.84 crore as on 31 March 2016. The Company's net fixed assets as proportion of total assets were 37% at the end of the year.

Fixed Assets

Fixed assets of ₹758.99 crores mainly comprised plant and machinery as well as land and buildings. It also included a small portion of capital work-in-progress amounting to ₹ 6.54 crores.

Investments

Out of the total investments of ₹93.57 crore, the Company had a major investment of ₹70.13 crore in fixed income money market mutual funds.

Inventories

Total Inventories were ₹915.47 crore as on 31 March 2016 comprising finished stocks of sugar and other products – ₹882.73 crore, and Raw Material, Store & Spares and Work in Progress of ₹32.74 crore.

Sundry Debtors

Debtors were ₹106.40 crore as on 31 March 2016, of which just ₹1.49 crore amounted to receivables above six months old.

Loans and Advances

Loans and advances comprised 6% of the Company's total assets. Loans and advances made by the Company was ₹113.44 crore as on 31 March 2016.

Cash and Bank Balance

The Company had a cash and bank balance of ₹46.25 crores as on 31 March 2016.

Current Liabilities & Provisions

Current liabilities and provisions stood at ₹524.98 crore (excluding short term borrowings of ₹390.65 crore), wherein Trade Payables stood at ₹240.87 crore, Other Current Liabilities of ₹280.29 and provisions included ₹3.82 crore.

Human Resource **management**



The Dalmia family see itself as an institution that puts human beings before everything and is engaged in nation building. The Dalmia family is young and restless, symbol of excellence, innovation and trust. 'The Dalmia Way' is based on these beliefs.

Our socially inclusive vision, the cohesive solidarity we have for each other, and our belief in the power of humanity, makes our Dalmia family stand apart. Our core purpose of existence is "To help unleash the potential of everyone we touch".

Business Partnership: As a strategic business partner, the HR department operates on a base strategy document built on business alignment and revolves around business sustenance and growth.

High Performance Organisation: For 'New Think' philosophy, Leadership Learning & Change is important. Innovation and new thinking are hallmarks of a high performing organisation. To this effect, Nalanda and business owners work hand in hand to develop and deliver contextual and high-quality learnings.

Some of the programs undertaken in 2015-16 comprised following:

Leadership programmes:

1. **Lakshya Program:** The programme acts as a 'finishing school' for our top performers and creates a pipeline of high value leaders ready to fill critical slots in our critical-to-business succession plan.

2. **Walk The Talk Program**: This has been designed on the principle that leaders thrive when challenged. In the process, participants experience nuances of leadership like courage, resilience, commitment, teamwork and confidence. This, coupled with LAKSHYA, makes the Leadership programme comprehensive and unique.

3. **Excellence in Execution Workshop:** Provides mechanism to overcome obstacles, provides step-by-step guidance for managers to become strong highly engaged managers.

Functional competence development

Functional Competence-based high end programmes are designed and delivered to identified participants to catalyse their domain expertise development on a continuous basis across the Group, covering Sales, Commercial, Finance, HR, Supply Chain and Legal functions.

Domain expertise development

Dalmia Training Institute (DTI), a division of Nalanda, deals with domain expertise and skill proficiency development in technical areas viz, cane, engineering, production, quality, distillery and power plants. All such programs are designed with meticulous detailing after identifying precise needs and delivered through external and internal subject matter experts. Learnings implementation and comprehensive effectiveness assessment are part of the process.

We moved from a manufacturing-centric outlook to a customer-centric approach. We trained and redeployed existing talent by redefining their roles and responsibilities, moved people through role enhancements and acquired external talent where necessary.

The organisation continues to maintain cordial employee relationships and started encouraging value-based talent volunteering programs. Under this program, we actively promote and encourage our people to engage with communities through various NGOs (serving and empowering the underprivileged, educating the girl child, caring for human health, protecting the environment).

Information **management**

With the steady growth of the Group over the last decade and the rapid inorganic expansion in the sugar businesses, all information technology initiatives across the Group are designed to integrate new entities with Dalmia's way of working.

Information technology works as the glue that binds the different entities of the Dalmia Bharat Group to the collective ethos of excellence. The Group as a whole - and Dalmia Bharat Sugar and Industries Limited (DBSIL) in particular - have been early in adopting cutting-edge technologies to drive efficiency, ensure transparency and establish a competitive advantage. With the steady growth of the Group over the last decade and rapid inorganic expansion in the sugar businesses over the last few years, all information technology initiatives across the Group are designed to quickly integrate new entities with Dalmia's way of working.

In line with 'One Dalmia' philosophy formulated five years ago, we took a major initiative in operational standardisation. Project Udaan was started in FY2013-14, as a part of which functional templates were created for business management systems, bringing together best practices in controls and MIS. In 2015, a functional SAP template was deployed, with a successful 'go live' on May 1, 2015. The SAP implementation integrated all SAP modules with existing operational applications, such as Cane Management, Lab Management and Payroll. Availability of key analytics was ensured by creating dashboards for the sugar business in the critical area of cane management, wherein key supply planning parameters are available 'anytime, anywhere' to decision makers. The implementation of the SAP project strengthened the application backbone and provided the management with the necessary visibility the control and performance landscape.

The Management Information System plays a key role in directing management attention to business problems and in setting resource-allocation priorities. Analytics is another thrust area covering Sales, Finance, Inventory Management and Plant Operations.

To provide reliable data on availability and quality of raw material, we deployed a mobile application using GPS technology to capture cane planting area, varietal information, procurement planning, weighment and transportation. The solution is successfully deployed for all manufacturing plants – in Uttar Pradesh and in Maharashtra - providing auditable online information on sugar cane availability. This helped the organisation in correct procurement planning, while reducing the turnaround time and transit losses.

In FY 2016, efficiency improvement in plant operations was the focus area. A Plant Technical Information Management System (PTIMS) was deployed at all plants, which captures key operational parameters online; real-time KPIs and alerts are made available to decision makers to ensure preventive breakdown measures. Besides, technology has bridged distances between our boardroom in New Delhi and the plants, with a dashboarding technology beaming live the plant MIS for decision-makers at the corporate headquarters.

The year under review also brought us closer to our farming partners. Through a smartphone application, the Company enabled farmers to plan the engagement cycle – from crop planning to payment receipt – on a mobile-phone. Farmers get all pertinent details about their land-holding, crop quality, variety, cane pricing, dispatch schedules, and payment schedules through this application, securing our relationship with those that share our collective journey toward excellence.

In FY2016-17, this focus will accelerate decision-making: We will leverage the mobility platform to integrate with SAP, and provide approval solutions to our decision-makers on their palm-tops and hand-sets to enhance operating efficiency without sacrificing control.

Project Udaan has been initiated in line with 'One Dalmia' philosophy to bring together best practices in controls and MIS for business management systems.

Risk **management**

A Risk Management Committee was constituted by the Board of Directors to assist it to frame, implement and monitor a risk management plan. The Company's risk management framework is periodically reviewed to recognise and reduce risk exposure.

Industry risk

Implication: Adverse fluctuations (demand and prices) in sugar, ethanol and power can impact revenues and profits.

Risk mitigation: The Company employs forward contracts, hedging on exchanges and other methodologies to minimise the impact of price fluctuations. Since power prices are regulated across the long-term, volatility is minimal.

Government policies

Implication: Unfavourable government policies can affect industry prospects.

Risk mitigation: Progressive industry decontrol, based on the findings of the Rangarajan Committee, can strengthen industry prospects. The Company has proactively invested in quality products, efficient marketing network and a multi-activity bandwidth to capitalise on emerging opportunities.

Raw material

Implication: Inability to procure adequate cane (quantity and quality) can affect profits.

Risk mitigation: The Company engages with an increasing number of cane-growers, provide adequate knowledge, training and assistance to enhance their yields and incomes, resulting in increasing cane planting.

Directors' Report

FOR THE YEAR ENDED 31ST MARCH, 2016

THE DIRECTORS HAVE PLEASURE IN SUBMITTING THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENT OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2016.

Financial Results

(₹ in crore)

	FY – 16	FY – 15
Net Sales Turnover	**1129.34**	**1123.80**
Profit before interest, depreciation and tax (EBITDA)	**248.34**	**128.87**
Less: Interest and Financial Charges	87.49	78.01
Profit before depreciation and tax (PBDT)	160.85	50.86
Less: Depreciation	113.39	50.58
Profit/(Loss) before tax (PBT)	**47.46**	**0.28**
Less: Provision for current tax	10.17	0.09
Prior year tax charge	-	-
MAT credit received	(10.17)	12.58
Provision for deferred tax	(10.99)	(13.87)
Profit after tax (PAT)	**58.45**	**1.48**
Add: Surplus brought forward	408.96	412.21
Less: Depreciation adjustment	-	7.23
Add: Deferred tax liability for earlier years apportioned from General Reserve	-	2.50
Balance available for appropriation	467.41	408.96
APPROPRIATIONS:		
Debenture Redemption Reserve (net)	-	-
Dividend Distribution Tax	0.99	-
Dividend	4.86	-
General Reserve	8.00	-
Balance carried forward	453.56	408.96
	467.41	408.96

Operations and Business Performance

Please refer to the chapter on Management Discussion and Analysis for a detailed analysis of the performance of the Company during 2015-16. In addition, working results for key businesses have been provided as an annexure to this report vide Annexure – 1.

Dividend

During the year under review the Company has distributed Interim Dividend of 30% per share amounting to ₹0.60 per equity share to those Shareholders holding shares on 23-3-2016.

Your Directors have decided not to recommend any final dividend and to treat Interim dividend as the final dividend for the financial year 2015-16.

Changes in Business

There have been no changes in business carried on by the Company.

Corporate Governance Report

The Company's Corporate Governance practices have been detailed in a separate chapter and is attached separately to this Report together with the Auditor's certificate thereon.

Subsidiaries

The report on the financial position of the Company's Subsidiaries, Himshikhar Investment Limited, Dalmia Solar Power Limited and Dalmia Sugar Ventures Limited, for the year ended 31-3-2016 is attached in Form AOC -1 and forms part of this report as Annexure–2.

The detailed Annual Reports of these subsidiaries are not being enclosed with this Annual Report. Any Member desiring to inspect the detailed Annual Reports of any of the aforementioned subsidiaries may inspect the same at the Head Office of the Company and that of the subsidiaries concerned. In event a member desires to obtain a copy of the Annual Report of any of the aforementioned subsidiaries, he may write to the Registered Office of the Company specifying the name of the subsidiary whose Annual Report is required. The Company shall supply a copy of such Annual Report to such Member. The Annual Report of the aforementioned subsidiaries are available at the Company's website www.dalmiasugar.com.

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

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

Consolidated Financial Statements

As required under section 129(3) of the Companies Act, 2013 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard - 21, this Annual Report also includes Consolidated Financial Statements for the financial year 2015-16.

Extract of Annual Return

In compliance with sub-section (3) of section 92 of the Companies Act, 2013, the extract of the annual return is attached in Form MGT-9 and forms part of this report as Annexure – 3.

Directors and Key Managerial Personnel

The independent Directors namely, Shri J.S. Baijal, Shri M. Raghupathy and Shri P. Kannan have given their respective declaration of independence under Section 149 of the Companies Act, 2013. A meeting of the Independent Directors excluding all other Directors and Officials of the Company was held as mandated by provisions of Rule 8 of Schedule IV to the Companies Act, 2013 wherein they apprised the performance of the Executive Directors.

The details of familiarisation programmes imparted to the independent Directors of the Company can be accessed at the website of the Company at http://www.dalmiasugar.com/upload/policies/Familarisation-Programme-For-Independent-Directors-2015-16.pdf.

Shri Jai H. Dalmia, Vice Chairman, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. He has furnished requisite declaration in Form DIR -8 pursuant to Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified from being reappointed as a Director of the Company.

The other Key Managerial Personnels, namely, Shri Gautam Dalmia, Managing Director, Shri Anil Kataria, Chief Financial Officer and Shri K.V. Mohan, Company Secretary continue to hold their respective offices during the year under review.

The Nomination and Remuneration Policy of the Company on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of the Directors and other matters provided in section 178(3) of the Companies Act, 2013 has been approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Policy is attached as Annexure – 4 to this Report.

The Board of Directors have conducted a formal evaluation of its own performance and the performance of its Committees and individual Directors in accordance with norms laid down in the Nomination and Remuneration Policy aforesaid.

Board of Directors, Committees and Meetings

Reference is invited to the attached Corporate Governance Report for the details thereof.

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

Corporate Social Responsibility

The Company has constituted the CSR Committee which has approved the CSR Policy and decided to expend an amount of ₹0.50 crore (which is more than 2% of average net profits of the Company made during three immediately preceding Financial Years) on CSR activities covering eradication of extreme hunger and poverty, promotion of education including special education, ensuring environmental sustainability and ecological balance, etc., health, and sanitation of which ₹0.11 crore is lying unspent. The said amount is expected to be spent in the current financial year on executions of certain projects under contemplation.

The CSR policy is available on the website of the Company at http://www.dalmiasugar.com/upload/policies/DBSIL-CSR-POLICY.pdf.

The Annual Report of CSR activities, in terms of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is attached as Annexure - 5 and forms part of this Report.

Risk Management

In the first phase all financial risks have been identified and the controls have been defined to avoid such risks. These controls have

been tested during the financial year and found to be working properly.

Related Party Policy and Transactions

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

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

Investments, Loans and Guarantees

The particulars of investments made by the Company and the details of loans given and guarantees furnished by the Company are furnished in Note No. 13 and Note No. 46 of the attached Standalone Financial Statements for the year ended 31-3-2016.

Adequacy of Internal Financial Controls

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

Whistle Blower Policy and Vigil Mechanism

The Company has in place the Whistle Blower Policy and Vigil Mechanism with a view to provide for adequate safeguards against victimisation of persons who use such mechanism and provide for direct access to the Chairperson of the Audit Committee in appropriate cases.

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

Directors' Responsibility Statement

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

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

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

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

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

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

Employees' Stock Option Scheme

The Company has not granted any employee stock options.

Statutory Auditors

M/s. S.S. Kothari Mehta & Co., Chartered Accountants the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting. The Board has decided to recommend their appointment for a further period of one year in terms of section 139 of the Companies Act, 2013.

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

Cost Auditor

M/s. R.J. Goel & Co., Cost Accountants, were appointed as the Cost Auditors of the Company to conduct cost audit for the year ended 31-3-2015, and they have submitted the Cost Audit Reports for the said year on 16-9-2015.

M/s. HMVN & Associates, Cost Accountants, New Delhi, was appointed as the Cost Auditors to conduct cost audit for the year ended 31-3-2016 and they will be submitting their report in due course of time.

The Directors had decided to reappoint M/s. HMVN & Associates, Cost Accountants, New Delhi, as the Cost Auditors to conduct cost audit for the year ended 31-3-2017 and the remuneration payable to them for conduct of Cost Audit will be coming up for approval before the Shareholders at the ensuing Annual General Meeting.

Secretarial Auditor and Report Thereon

The Board of Directors of the Company appointed M/s Harish Khurana & Associates, Practising Company Secretaries, as the Secretarial Auditor to conduct the Secretarial Audit in terms of section 204 of the Companies Act, 2013. The Report of the Secretarial Audit is attached in Form MR – 3 and forms part of this report as Annexure – 6.

Comments on Auditors' Observations

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

Listing of Shares

The Company's shares continue to be listed on the National Stock Exchange and Bombay Stock Exchange and the listing fees for the year 2016-17 has been paid to both Exchanges.

Unclaimed Suspense Account

In terms of Regulation 39(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company has opened a demat account.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

A statement giving details of Conservation of Energy, Technology Absorption and Foreign Exchange transactions, in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, forms a part of this report as Annexure – 7.

Particulars of Directors' and Employees' Remuneration

The particulars of remuneration to Directors and Key Managerial Personnels and other particulars in terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure – 8 to this Report.

A statement showing the names and other particulars of the employee drawing remuneration in excess of the limits set out in Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure – 9 to this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the printed copy of the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is also available on the Company's website.

Public Deposits

The Company has not accepted any deposits from public till date.

Orders Passed by Regulators

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

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

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

No such Complaints have been received by the said committee during the financial year 2015-16.

Health, Safety and Environment

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

Other Reportable Matters

The Auditors have not reported any fraud to the Audit Committee or the Board of Directors of the Company during the year under review.

Industrial Relations

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

Acknowledgement

The Directors wish to place on record their appreciation for the excellent cooperation received from all employees at various units of the Company and other stakeholders.

For and on behalf of the Board

Place: New Delhi
Dated: 23-5-2016

(J.S. Baijal)
Chairman

P.S.:- Annexures mentioned in this Directors' Report other than Corporate Governance and Management Discussion and Analysis are attached after the Consolidated Financial Statements.

Report on Corporate Governance

Company's Philosophy on Corporate Governance

DBSIL (Dalmia Bharat Sugar and Industries Limited) believes in and remains committed to good Corporate Governance. The spirit of corporate governance has remained imbibed in the Company's business philosophy since long. This philosophy is shaped by the values of transparency, professionalism and accountability. Today, your Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making.

In India, corporate governance standards for listed companies were initially regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. Thereafter effective 1st December, 2015, the SEBI introduced the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (for short hereinafter referred to as the "LODR Regulations"), which lists out the requirements relating to Corporate Governance vide Schedule V thereof.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports on DBSIL's compliance with the LODR Regulations.

Board of Directors

Composition of the Board

As on 31st March 2016 the Company's Board comprised eight members — two Executive Directors, and six Non-executive Directors, of which three are Independent and one is a woman Director. Shri J.S. Baijal, a Non-executive Independent Director, is appointed as the Chairman of the Board. The composition of the Board is in conformity with Regulation 17(1) of the LODR Regulations, which stipulates that if the Chairman is a Non-executive, and is not related to the promoters or persons occupying management positions at the Board level or at one level below the Board, one-third of the Board should comprise of Independent Directors, or else, 50 per cent of the Board should comprise Independent Directors.

Number of Board Meetings

The Board of Directors met six times during the year on 14-5-2015, 7-8-2015, 24-9-2015, 6-11-2015, 1-2-2016 and 4-3-2016. The maximum gap between any two meetings was less than 4 months.

Directors' Attendance Record and Directorships Held

As mandated by Regulation 26 of LODR Regulations, none of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanship.

Table 1: Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships		
		Number of Board Meetings		Last AGM	Other Directorships@	Committee Member-ships #	Committee Chairman-ships #
		Held	Attended				
Shri J.S. Baijal Chairman	Independent Non-Executive Chairman	6	6	No	2	3	-
Shri M. Raghupathy	Independent Non-Executive	6	6	Yes	1	-	-
Shri Jai H. Dalmia Vice-Chairman	Promoter Executive	6	6	No	6	1	-
Shri Gautam Dalmia Managing Director	Executive	6	3	No	4	1	-
Shri T. Venkatesan	Non-Executive	6	6	No	5	2	1
Shri P. Kannan	Independent Non-Executive	6	6	Yes	-	-	-
Shri B.B. Mehta	Non-Executive	6	6	No	9	-	-
Smt. Himmi Gupta	Non-Executive	6	5	No	-	-	-

@ The Directorships held by the Directors do not include Directorship of foreign companies and private limited companies.

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

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

The Company is regularly imparting familiarisation programmes for its Independent Directors. The details of such familiarisation programme for the year have been disclosed at www.dalmiasugar.com/upload/policies/Familiarisation-Programme-For-Independent-Directors-2015-16.pdf.

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

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

Information Supplied to the Board

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

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

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

Remuneration Paid To Directors and Key Managerial Personnel

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

Table 2: Details of remuneration paid to Directors for 2015-16 (₹ Crore)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Shri J.S. Baijal Chairman	Independent, Non-Executive	0.07	—	—	0.14	0.21
Shri M. Raghupathy	Independent, Non-Executive	0.06	—	—	0.14	0.20
Shri Jai H. Dalmia Vice-Chairman	Executive	—	0.48	0.06	—	0.54
Shri Gautam Dalmia Managing Director	Executive	—	0.07	0.00	—	0.07
Shri T. Venkatesan	Non-Executive	0.03	—	—	—	0.03
Shri P. Kannan	Independent, Non-Executive	0.06	—	—	0.10	0.16
Shri B.B. Mehta	Non-Executive	0.04	—	—	—	0.04
Smt Himmi Gupta	Non-Executive	0.03	—	—	—	0.03

@ Commission paid on net profit only.

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

The appointments of Shri Gautam Dalmia, Managing Director, was made for a period of five years effective 16th January 2012. The appointment of Shri Jai H. Dalmia, Vice Chairman, has been made for a period of five years with effect from 1st April 2012. No severance fees is payable to any of aforementioned persons in respect of their cessation.

Code of Conduct

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

Committees of the Board

As on 31st March 2016, the Company has five Board-level Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and Risk Management Committee.

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

a) Audit Committee

As on 31st March 2016, the Audit Committee comprises three members Shri P. Kannan, Shri M. Raghupathy, and Shri J.S. Baijal, all of whom are independent Directors. Shri P. Kannan is the Chairman of the Audit Committee. The Audit Committee met four times during the year on 14-5-2015, 7-8-2015, 6-11-2015 and 1-2-2016. The particulars of attendance of the members in the Meetings of this Committee is set out in Table 3 hereunder

Table 3: Attendance record of DBSIL's Audit Committee during 2015-16:

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

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

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

All members of the Audit Committee have requisite accounting and financial management expertise. Shri P. Kannan, the Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 24th August, 2015 to answer shareholders queries.

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

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the Auditors' report thereon;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and

reasons for the same

- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The following information is reviewed by the Audit Committee
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

b) Nomination and Remuneration Committee

As on 31st March 2016, the Nomination and Remuneration Committee comprised, Shri J.S. Baijal, Shri M. Raghupathy and Shri P. Kannan, all independent Directors, with Shri M. Raghupathy as its Chairman. The Committee met thrice during the year on 14-5-2015, 7-8-2015 and 1-2-2016. The particulars of attendance of the members in the Meetings of this Committee is set out in Table 4 hereunder:

Table 4: Attendance record of DBSIL's Nomination and Remuneration Committee during 2015-16

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri M. Raghupathy	Independent	Chairman	3	3
Shri P. Kannan	Independent	Member	3	3
Shri J. S. Baijal	Independent	Member	3	3

The Chairman of the Committee attended the Annual General Meeting of the Company held on 24th August, 2015.

The Committee is to carry out the following functions:

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

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

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

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

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

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

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

c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprised Shri J.S. Baijal, (Independent Director) as its Chairman, Shri Gautam Dalmia, Shri P. Kannan and Shri B.B. Mehta as its members.

Shri P. Kannan, a member of this Committee was authorised to attend the Annual General Meeting of the Company instead of the Chairman, who had authorised him to attend the same on his behalf.

The terms of reference to this Committee is to look into and redress the complaints received from investors, in coordination with the Company's Registrars and Share Transfer Agent. The Committee met thrice during the year on 14-5-2015, 6-11-2015 and 1-2-2016 and the attendance of the Directors is given below in Table 5:

Table 5: Attendance record of DBSIL's Stakeholders Relationship Committee during 2015-16

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri J. S. Baijal	Independent	Chairman	3	3
Shri Gautam Dalmia	Executive	Member	3	2
Shri P. Kannan	Independent	Member	3	3
Shri B.B. Mehta	Non-Executive	Member	3	3

During the year, 123 complaints were received from investors and all of them were resolved. At the close of the year there were no cases pending in respect of share transfers. Table 6 gives the details:

Table 6: Nature of complaints received and attended to during 2015-16

Nature of Complaint	Pending as on 1st April 2015	Received during the year	Answered during the year	Pending as on 31st March 2016
1. Transfer / Transmission / Duplicate	Nil	59	59	Nil
2. Non-receipt of Dividend/Interest/Redemption Warrants	Nil	37	37	Nil
3. Non-receipt of securities/electronic credits	Nil	-	-	Nil
4. Non-receipt of Annual Report	Nil	24	24	Nil
5. Complaints received from:				
- Securities and Exchange Board of India	Nil	2	2	Nil
- Stock Exchanges	Nil	1	1	Nil
- Registrar of Companies/ Department of Company Affairs	Nil	-	-	Nil
6. Others	Nil	-	-	Nil
Total	**Nil**	**123**	**123**	**Nil**

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

- Shri K.V. Mohan, Company Secretary; and
- Shri R. Gururajan, Asst. Executive Director (Accounts)

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

d) Risk Management Committee

The Risk Management Committee comprising Shri M. Raghupathy as its Chairman and Shri J.S. Baijal and Shri B.B. Mehta as its members. The terms of reference to this Committee is to develop and implement a Risk Management Policy for the Company, including identification of elements of risks, if any, which may threaten the existence of the Company. The Risk Management Committee met twice during the year on 14-5-2015 and 6-11-2015 the attendance of Directors is given in **Table 7** below:

Table 7: Attendance record of DBSIL's Risk Management Committee during 2015-16

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

e) CSR Committee

The CSR Committee with Shri J.S. Baijal as its Chairman, Shri Gautam Dalmia, and Shri B.B. Mehta as its members. The CSR Committee met thrice during the year on 14-5-2015, 7-8-2015 and 6-11-2015 and the attendance of Directors is given in **Table 8** below:

Table 8: Attendance record of DBSIL's CSR Committee during 2015-16

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Shri J. S. Baijal	Independent	Chairman	3	3
Shri Gautam Dalmia	Executive	Member	3	2
Shri B.B. Mehta	Non-Executive	Member	3	3

Subsidiary Companies

Regulation 16 of LODR Regulations defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. As mandated by Regulation 46 of LODR Regulations, the Company has framed a Policy on Material Subsidiaries and has displayed it on https://www.dalmiasugar.com/upload/policies/DBSIL-Material-Subsidiary-Policy.pdf. As on 31st March 2016, under this definition, DBSIL does not have a 'material non-listed Indian subsidiary'.

Shares and Convertible Instruments held by Non-Executive Directors

Table 9 gives details of the shares and convertible instruments held by the Non-Executive Directors as on 31st March 2016.

Table 9: Details of the shares and convertible instruments held by the Non-Executive Directors as on 31st March, 2016

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

Management

Management Discussion and Analysis

The Annual Report has a detailed report on Management Discussion and Analysis.

Disclosures

(a) Related party transactions in the ordinary course of business have been disclosed in Note No. 45 of the attached Standalone Financial Statements. No materially significant related party transactions have been entered into during the year ended 31st March, 2016 that had the possibility of injuring the Company's interests. The web-link for the Company's policy on Related Party Transactions is www.dalmiasugar.com/upload/policies/DBSIL-Related-Party-Policy.pdf.

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

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

(d) The Company is fully compliant with the applicable mandatory requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of LODR Regulations. The discretionary/non-mandatory requirements as stipulated in regulation 27 (1) read with part E of schedule II of LODR Regulations other than item B (Half yearly declaration to shareholders) have not been adopted by the Company.

Disclosure of Accounting Treatment in Preparation of Financial Statements

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

Code for Prevention of Insider-Trading Practices

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

CEO/ CFO certification

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

Shareholders

Reappointment/Appointment of Directors

Pursuant to the provisions of section 149 of the Companies Act, 2013, the Shareholders have approved the appointment of the three Independent Directors on the Board, namely, Shri J.S. Baijal, Shri M. Raghupathy and Shri P. Kannan, for a period of 5 years with effect from the conclusion of the Annual General Meeting on 30-8-2014.

Each of the said Independent Directors have given their affirmation of Independence at the beginning of the financial year 2016-17 and have also confirmed that each of them are not disqualified from being appointed as a Director of the Company by furnishing requisite declaration as required under section 164(2) of the Companies Act. 2013.

Pursuant to the Articles of Association of DBSIL, at every Annual General Meeting of the Company, one-third of the rotational Directors retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third retire from office. Accordingly, at the ensuing Annual General Meeting, Shri T. Venkatesan, Director and Shri Jai H Dalmia, Vice-Chairman of the Company retires by rotation and is eligible for re-appointment.

Means of Communication with Shareholders

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

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

General Body Meetings

Table 10 gives the details of the last three Annual General Meetings (AGMs).

Table 10: Details of last three AGMs

Financial year	Date	Time	Location
2014-15	24th August, 2015	11.30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.
2013-14	30th August, 2014	11.30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.
2012-13	24th August, 2013	10.30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651.

The details of Special Resolutions in respect of the last three Annual General Meetings are given in Table 11.

Table 11: Details of Special Resolutions passed in last three Annual General Meetings

Date of Meeting	Type of Meeting	Particulars
30th August, 2014	AGM	• Appointment of Shri Yadu Hari Dalmia as a Part time Adviser pursuant to the provisions of section 314(1) of the Companies Act, 1956 on a remuneration of ₹25,000/- per month besides expenditure incurred on running and maintenance of a motor car. • Borrowing powers upto ₹2,800 crores pursuant to section 180(1)(c) of the Companies Act, 2013. • Increase in the commission payable to Shri Jai H. Dalmia, Vice Chairman and Shri Gautam Dalmia, Managing Director, from existing 1.5% of the net profits as computed under section 198 of the Companies Act, 2013 per person to 3% of the net profits as computed under section 198 of the Companies Act, 2013 per person for the balance period of appointment.
24th August. 2013	AGM	• Resolution seeking approval of shareholders pursuant to section 81(1A)(a) read with sections 292(1)(a)/292(1)(b)/292(1)(c) of the Companies Act, 1956 for issuance and allotment of further securities convertible into equity shares to the extent of ₹50 crores which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹4 crores.

Postal Ballot

During the year ended 31st March 2016, the Company proposed the following Special Resolution for passing through Postal Ballot. The particulars of the Resolution proposed and the details of voting pattern were as under:

- Special Resolution authorising the Board of Directors to raise finances by way of issue of securities pursuant to section 62(1)(c) of the Companies Act, 2013 whether with a without further right to conversion to the total aggregate extent of ₹50 crores which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹4 crores.

Promoter/Public	No. of Shares held	No. of Shares polled	% of votes polled on outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes on votes polled	
						For	Against
Resolution No. 1:							
Promoter and Promoter Group	60634122	60257452	99.37	60257452	-	100.000	-
Public	20305181	46450	0.23	45353	1097	97.64	2.36
Total	**80939303**	**60303902**	**74.50**	**60302805**	**1097**	**99.99**	**0.01**

M/s. Harish Khurana, Practising Company Secretary was appointed as a scrutinizer, by the Board, to oversee the entire Postal Ballot process and responses were obtained through e-voting besides physical ballot forms. The aforesaid special resolution was passed with requisite majority and necessary intimation relating to the voting was filed with the Stock Exchanges as well as the Registrar of Companies.

The Company also proposed the following Special Resolution for passing through Postal Ballot. The particulars of the Resolution proposed and the details of voting pattern were as under:

- Special Resolution authorising the Board of Directors to raise finances by way of issue of securities pursuant to section 62(1)(c) of the Companies Act, 2013 whether with a without further right to conversion to the total aggregate extent of ₹400 crores which upon conversion of all securities would give rise to the issue of equity capital of an aggregate face value of ₹4 crores.

Promoter/Public	No. of Shares held	No. of Shares polled	% of votes polled on outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of votes on votes polled	
						For	Against
Resolution No. 2:							
Promoter and Promoter Group	60634122	60559762	99.88	60559762	-	100.00	-
Public	20305181	787141	3.88	786891	250	99.45	0.55
Total	**80939303**	**61346903**	**75.79**	**61346653**	**250**	**99.99**	**0.01**

M/s. Harish Khurana, Practising Company Secretary, was appointed as a scrutinizer, by the Board, to oversee the entire Postal Ballot process and responses were obtained through e-voting besides physical ballot forms. The aforesaid special resolution was passed with requisite majority and necessary intimation relating to the voting was filed with the Stock Exchanges as well as the Registrar of Companies.

E Voting

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

Additional Shareholder Information

Annual General Meeting

Date: 9th September, 2016

Time: 10.00 a.m.

Venue: Dalmia Higher Secondary School Auditorium, Dalmiapuram -621651, Dist. Tiruchirapalli, Tamil Nadu

Financial Calendar

Financial year: 1st April, 2016 to 31st March, 2017

For the year ended 31st March 2017, results will be announced on:

- **First quarter:** By mid-August, 2016
- **Second quarter:** By mid-November, 2016
- **Third quarter:** By mid-February, 2017
- **Fourth quarter:** By end May, 2017

Book Closure

The dates of book closure are from 3rd September, 2016 to 9th September, 2016 (both days inclusive).

Dividend Payment

The Company has distributed interim dividend amounting to ₹0.60 per share to those shareholders holding shares as on the record date, 23-3-2016. Such dividend was disbursed on 29-3-2016.

The Directors have decided to treat the interim dividend paid as the final dividend for the year.

The Company has complied with the requirements of Section 205C of the Companies Act, 1956 and all amounts due to be credited to the Investor Education & Protection Fund have been duly credited within the time specified under the said section.

Listing

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

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

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

The Privately placed Non-Convertible Debentures are listed on WDM Segment of the National Stock Exchange of India Limited.

Listing fees for the year 2016-17 has been paid to all the Stock Exchanges. The bills for the annual custodial fees for the year 2016-17 have also been paid.

Stock Codes

Bombay Stock Exchange : 500097 (DALMIASUG)

National Stock Exchange : DALMIASUG

ISIN (for Dematerialised Shares) : INE495A01022

(Besides the above the Privately Placed Debentures have also been dematerialised)

Stock Market Data

Table 12,13, Chart A and Chart B gives details

Table 12: High, lows of Company's shares for 2015-16 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2015	19.50	16.80	18.55	19.40	16.45	18.65
May, 2015	20.45	17.30	19.90	20.00	16.50	19.80
June, 2015	22.00	18.80	20.85	22.05	18.30	20.55
July, 2015	24.60	20.25	21.85	25.05	19.50	22.05
August, 2015	29.00	21.00	23.65	29.80	20.05	23.00
September, 2015	26.20	21.10	25.00	26.90	21.40	24.60
October, 2015	64.30	24.10	64.30	64.85	24.05	64.85
November, 2015	76.70	59.85	59.85	76.95	59.95	59.95
December, 2015	71.00	56.00	62.50	71.20	55.00	63.15
January, 2016	84.40	57.55	69.20	84.35	57.80	69.75
February, 2016	83.50	55.50	60.80	83.00	55.05	60.95
March, 2016	106.30	61.80	99.30	106.95	61.10	99.55

Table 13: Stock Performance over past 5 years

	% of Change in					
	Company's Share		Sensex	Nifty	Company in comparison with	
	BSE	NSE			Sensex	Nifty
2015-16	471	472	-9	-9	480	481
2 years	528	534	13	15	515	519
3 years	585	609	35	36	550	572
5 years	297	310	30	33	267	277

Chart A: DBSIL's Share Performance versus BSE Sensex

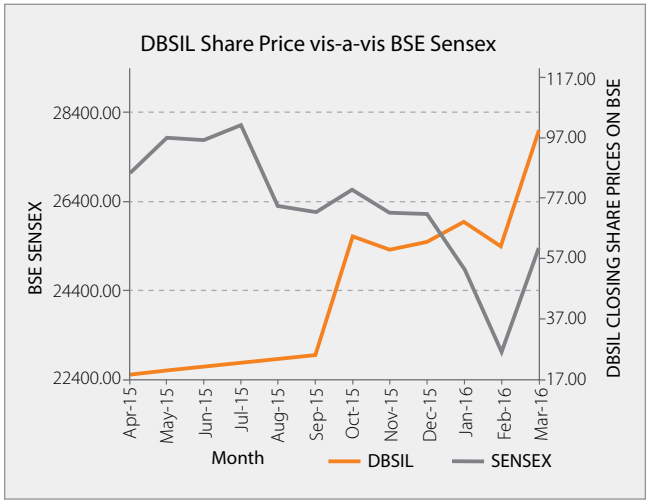
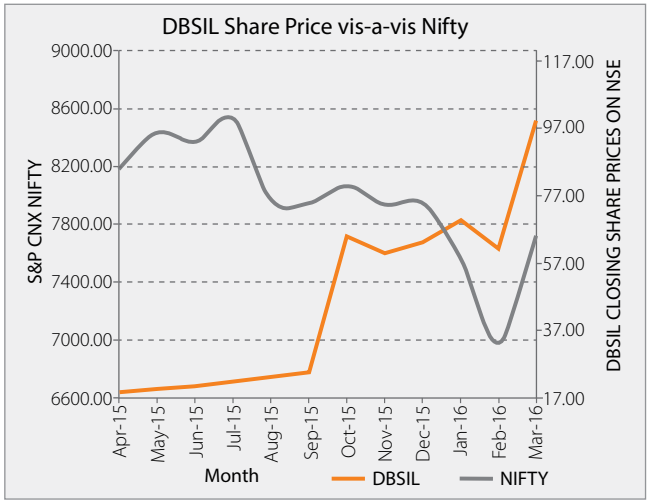


Chart B: DBSIL's Share Performance versus NIFTY



Distribution of Shareholding

Table 14 and 15 lists the distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on 31st March 2016.

Table 14: Shareholding pattern by size

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	9475	73.86	1367442	1.69
501-1000	1353	10.55	1053782	1.30
1001-2000	956	7.45	1438333	1.78
2001-3000	343	2.67	869527	1.07
3001-4000	190	1.48	685665	0.85
4001-5000	118	0.92	545998	0.67
5001-10000	198	1.54	1424101	1.76
10001 and above	195	1.52	73554455	90.88
Total	**12828**	**100.00**	**80939303**	**100.00**

Table 15: Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters @	11	0.09	3492125	4.31
Promoter Bodies Corporate @	28	0.21	57141997	70.60
Central/State Governments	4	0.03	128155	0.16
Financial Institutions	2	0.02	1601246	1.98
Mutual Funds	2	0.02	608000	0.75
Foreign Institutional Investors	1	0.01	832900	1.03

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Insurance Companies	2	0.02	1601246	1.98
Bodies Corporate	357	2.78	3312582	4.09
Overseas Body Corporates	-	-	-	-
Foreign Corporate Bodies	-	-	-	-
NRI/Foreign Nationals	145	1.13	160125	0.02
Individuals/Others	12276	95.69	12060927	15.08
Total	**12828**	**100.00**	**80939303**	**100.00**

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

Dematerialisation of Shares

As on 31st March 2016, 96.21% shares of the Company were held in the dematerialised form. As on 31-3-2016, all shares are held by the Promoters in dematerialised form.

Outstanding GDRs/ADRs/Warrants/Options

NIL

Commodity Price Risk or Foreign exchange Risk and Hedging Activities

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

Details of Public Funding Obtained in the last three years

NIL

Registrar and Transfer Agent

For Equity Shares & Privately Placed Debentures:

Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Share Transfer System

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

Registered Office Address:

Dalmia Bharat Sugar and Industries Limited
Dalmiapuram -621651,
Dist. Tiruchirapalli, Tamil Nadu
Phone: 04329 - 235131, Fax: 04329 235111

Address for Correspondence

Dalmia Bharat Sugar and Industries Limited
Shares Department,
Dalmiapuram – 621651
Dist. Tiruchirapalli, Tamil Nadu
Phone: 04329 - 235131
Fax: 04329 235111

Plant Locations

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of ,
Dalmia Bharat Sugar and Industries Limited

We have examined the compliance of conditions of Corporate Governance by Dalmia Bharat Sugar and Industries Limited ("the Company") for the year ended 31st March, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 (erstwhile clause 49 of the Listing Agreement) with the documents and records maintained by the Company and the report on corporate governance as adopted by the Board of Directors.

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

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

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

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

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: May 23, 2016

CFO-CEO CERTIFICATION

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

Dear Sirs,

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

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

Dated: 23-5-2016
Place: New Delhi

Gautam Dalmia
Managing Director & Chief Executive Officer

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

Dear Sirs,

1. We have reviewed the Financial Statements and the Cash Flow Statements as at 31st March, 2016 and certify that to the best of our knowledge and belief:
   1) These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
   2) These Statements together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
4. We have indicated to the Auditors and the Audit Committee:
   (i) Significant changes in internal control over financial reporting during the year;
   (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

Dated: 23-5-2016
Place: New Delhi

Anil Kataria
Chief Financial Officer

Gautam Dalmia
Managing Director & Chief Executive Officer

Independent Auditors' Report

To the Members of
Dalmia Bharat Sugar and Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Dalmia Bharat Sugar and Industries Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2016, the statement of profit and loss, and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

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

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

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

For **S. S. KOTHARI MEHTA & Co.**
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: 23rd May, 2016

Annexure A to the Independent Auditor's Report to the members of Dalmia Bharat Sugar and Industries Limited dated May 23, 2016

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

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

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

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

ii. In respect of the Company's inventories:

(a) As explained to us the Management has conducted physical verification of inventory at reasonable intervals during the year, except stocks lying with third parties which have been verified with reference to correspondence received from third parties.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts.

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

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

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

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

vii. a) According to the records of the Company examined by us and the information and explanations given to us, the Company has generally deposited its statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues within the prescribed time with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.

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

Name of the Statue	Period for which the amount relates	Nature of Dues	Forum where the dispute is pending	Amount (in Rs Crores)
Central Excise Act, 1944	2014-15	Cenvat credit on cement & steel	Addl. Commissioner LTU, New Delhi	0.20
Central Excise Act, 1944	2014-15	Cenvat credit on cement & steel	Asst. Commissioner LTU Delhi	0.07
Central Excise Act, 1944	2013-14	Cenvat credit on cement & steel	CESTAT, Delhi	0.42
Central Excise Act, 1944	March 06 to March 2010	Cenvat credit on cement & steel	CESTAT, Delhi	5.86
Central Excise Act, 1944	March 06 to September 2012	Cenvat credit on cement & steel	Dy. Commissioner LTU, New Delhi	0.06
Central Excise Act, 1944	July 02, to June 2010	Demand of duty on bagasses & electricity sale	CESTAT, Delhi	16.56
Central Excise Act, 1944	2013-14	Demand of duty on molasses	CESTAT, Delhi	8.33
Central Excise Act, 1944	2014-15	Demand of duty on multilayer ceramic chip capacitors	Addl. Commissioner LTU, New Delhi	0.02
Central Excise Act, 1944	2006-07 Till Date	Demand of duty on multilayer ceramic chip capacitors	Cestat, Bangalore.	0.04
Central Excise Act, 1944	July 07 to March 2010	Demand on storage loss of finished goods	CESTAT, Delhi	0.01
Central Excise Act, 1944	2009-10	Demand on storage loss of finished goods	Dy. Commissioner LTU, New Delhi	0.07
Central Excise Act, 1944	2013-14	Disallowance of cenvat credit	CESTAT, Delhi	0.16
Central Excise Act, 1944	January 15 to February 15	Disallowance of cenvat credit	COMM, LTU.	4.01
Central Excise Act, 1944	September 2004 to March 2011	Disallowance of cenvat credit	Commissioner (A) LTU, New Delhi	0.16
Central Excise Act, 1944	2014-15	Disallowance of cenvat credit	Commissioner, LTU, New Delhi	24.09
Central Excise Act, 1944	April 10 to June 12	Disallowance of cenvat credit	Commissioner, LTU, New Delhi	10.70
Central Excise Act, 1944	April 10 to Sept. 12	Disallowance of cenvat credit	Dy. Commissioner LTU, New Delhi	0.38
Central Excise Act, 1944	2014-15	Disallowance of cenvat credit	Suptd, LTU New Delhi	0.01
Central Excise Act, 1944	April 10 to September 2012	Disallowance of cenvat credit	Suptd, LTU New Delhi	0.05
Central Excise Act, 1944	April 10 to September 2012	Loss on reprocessing of finished goods	Allahabad High Court	0.03
Central Excise Act, 1944	2002-03, 2003-04	Loss on reprocessing of finished goods	CESTAT, Delhi	0.02
Central Sale Tax	2006-07	Entry tax	Add. Comm (Appeal)	0.06
Central Sale Tax	2007-2012	Entry tax	Add. Comm (Appeal) Sitapur	0.18
Central Sale Tax	2010-11	Entry tax	Additional commissioner (A) - Sitapur	0.15
Central Sale Tax	2007-08	Entry tax	Dy. Comm (Assessment)-II Sitapur	0.01
Central Sale Tax	2001-02	Entry tax	High Court	0.03
Central Sale Tax	2013-14	Entry tax	Joint Commissioner, Bareily	0.02
Central Sale Tax	2013-14	Entry tax	Joint Commissioner, Muradabad	0.01
Central Sale Tax	2009-10	Entry tax	Dy. Comm (Assessment)-II Sitapur	1.37
Central Sale Tax	2006-07	Entry tax	Add. Commissioner (Appeal) - Sitapur	0.11
Finance Act, 1994	2013-14	Demand of service tax on Incentive received from HDFC Bank and on import of services.	Addl. Commissioner LTU, New Delhi	0.36
Finance Act, 1994	2014-15	Demand of service tax on Incentive received from HDFC Bank and on import of services.	Asst. Commissioner LTU Delhi	0.05
Finance Act, 1994	2014-15	Demand of service tax on the amount of air ticket cancelled.	Addl. Commissioner LTU, New Delhi	0.11
Finance Act, 1994	February 2015 to January 2016	Demand of service tax on the amount of air ticket cancelled.	Asstt. Comm.	0.04
Finance Act, 1994	2013-14	Demand of service tax on the amount of air ticket cancelled.	Dy. Comm.	0.08
Finance Act, 1994	2013-14	Demand of service tax on the amount of air ticket cancelled.	Dy. Commissioner LTU, New Delhi	0.05
Finance Act, 1994	October 2014 to January 2016	Demand of service tax on the commission	Asst. Comm.	0.03
Finance Act, 1994	2014-15	Demand of service tax on the commission	Asst. Commissioner LTU Delhi	0.02
Finance Act, 1994	2013-14	Demand of service tax on the commission	Dy. Commissioner LTU, New Delhi	0.02
Finance Act, 1994	2014-15	Disallowance of service tax credit	Asst. Commissioner LTU Delhi	0.19
Finance Act, 1994	2013-14	Disallowance of service tax credit	CESTAT, Delhi	0.08
Finance Act, 1994	October 04 to March 2011	Disallowance of service tax credit	CESTAT, Delhi	1.33
Finance Act, 1994	June 05 to March 10	Disallowance of service tax credit	Commissioner (A) LTU, New Delhi	0.09
Finance Act, 1994	March 2006 to September 12	Disallowance of service tax credit	Dy. Commissioner LTU, New Delhi	0.18
Finance Act, 1994	April 2010 to March 2012	Disallowance of service tax credit	Suptd, LTU New Delhi	0.11
Finance Act, 1994	March 03 to Oct. 10	Service tax demand on commission	CESTAT, Delhi	0.05
Finance Act, 1994	October 06 to September 2011	Service tax demand on commission	Dy. Commissioner LTU, New Delhi	0.11
Finance Act, 1994	November 2010 to December 2011	Service tax demand on commission	Suptd, LTU New Delhi	0.02
UP VAT	2007-08	UP VAT	Dy. Comm (Assessment)-II Sitapur	0.31

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

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

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

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

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

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

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

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

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

For **S. S. KOTHARI MEHTA & Co.**
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: 23rd May, 2016

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

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

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **S. S. KOTHARI MEHTA & Co.**
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: 23rd May, 2016

Balance Sheet as at 31st March, 2016

(₹ Crore)

	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	16.19	16.19
Reserves and surplus	3	494.91	442.31
		511.10	**458.50**
Non- current liabilities			
Long-term borrowings	4	570.99	460.87
Deferred tax liability (net)	5	51.44	62.43
Other long-term liabilities	6	4.24	1.90
Long-term provisions	7	5.93	4.60
		632.60	**529.80**
Current liabilities			
Short-term borrowings	8	390.65	354.54
Trade payables	9	240.86	301.06
Other current liabilities	10	280.27	186.68
Short-term provisions	11	3.82	2.14
		915.60	**844.42**
Total		**2059.30**	**1832.72**
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		749.06	742.66
Intangible assets		3.30	3.47
Capital work-in-progress		6.46	27.57
		758.82	**773.70**
Non-current investments	13	21.82	14.45
Long term loans and advances	14	85.78	82.05
Other non-current assets	15	0.87	3.60
		108.47	**100.10**
Current assets			
Current investments	16	70.13	68.32
Inventories	17	915.47	703.48
Trade receivables	18	106.40	77.40
Cash and cash equivalents	19	46.18	34.73
Short-term loans and advances	20	27.99	50.51
Other current assets	21	25.84	24.48
		1192.01	**958.92**
Total		**2059.30**	**1832.72**
Significant accounting policies	1.2		

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

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N

per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 23rd May, 2016

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

K V Mohan
Company Secretary

Anil Kataria
Chief Finance Officer

J. S. Baijal
Director

Gautam Dalmia
Managing Director

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

(₹ Crore)

	Notes	For the year ended 31 March 2016		For the year ended 31 March 2015	
Income					
Revenue from operations (Gross)	22		1,209.42		1,189.79
Less: Excise duty			43.02		39.75
Revenue from operations (net)			**1,166.40**		**1,150.04**
Other income	23		21.46		15.96
Total			**1,187.86**		**1,166.00**
Expenses					
Cost of raw materials consumed	24		916.54		899.44
(Increase)/ Decrease in inventories of finished goods, work in progress and traded goods	25		(214.93)		(72.41)
Employee benefit expenses	26		74.90		74.65
Other expenses	27		163.01		135.45
Finance costs	28		87.49		78.01
Depreciation and amortization expenses	12		113.39		50.58
Total			**1,140.40**		**1,165.72**
Profit before tax and exceptioal items			**47.46**		**0.28**
Less : Exceptional Items (net-gain/(loss))			0.00		0.00
Profit Before Tax			**47.46**		**0.28**
Tax expense:					
Current tax		10.17		0.09	
Mat credit (entitlement) / charge		(10.17)	-	12.58	12.67
Deferred tax			(10.99)		(13.87)
Total of Tax Expense			**(10.99)**		**(1.20)**
Net Profit After Tax			**58.45**		**1.48**
Earning per share	29				
Basic and diluted earning per share (in Rs.)			7.22		0.18
[Nominal value of share Rs. 2 (Rs. 2) each]					
Significant accounting policies	1.2				

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

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N

per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 23rd May, 2016

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

K V Mohan
Company Secretary

Anil Kataria
Chief Finance Officer

J. S. Baijal
Director

Gautam Dalmia
Managing Director

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

(₹ Crore)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash Flow from Operating Activities		
Net Profit before tax and exceptional items	47.46	0.28
Adjustments		
Depreciation / Amortization	113.39	50.58
Provision for doubtful debts/ advances	0.08	0.19
Provision for diminution in value of Inventory	0.02	0.01
Bad Debts/ Advances written off	3.72	0.00
Dividend Income	(0.33)	(0.19)
Finance Cost	87.49	78.01
Interest Income	(1.58)	(6.14)
(Profit)/Loss on sale of Investments	(11.36)	(5.18)
(Profit)/Loss on sale of Fixed Assets and Assets written off	0.06	0.25
Operating Profit before working Capital Changes	**238.95**	**117.81**
Adjustments for working Capital changes :		
Inventories	(212.01)	(74.18)
Trade and Other Payables	(28.28)	15.32
Trade and Other Receivables	(14.55)	(90.95)
Cash Generated from Operations	**(15.89)**	**(32.00)**
Direct Taxes (Paid)/Refund	(7.91)	20.64
Net Cash from Operating activities	**(23.80)**	**(11.36)**
B. Cash Flow from Investing Activities		
Purchase of fixed Assets(including Capital Reserve)	(86.12)	(50.35)
Proceeds from sale of Fixed Assets	-	0.37
(Purchase)/ Sale of Current Investments (net)	9.55	0.34
(Purchase)/ Sale of Non Current Investments (net)	(7.37)	0.00
Interest Received	6.73	6.59
Dividend Received from Current Investments	0.33	0.19
Net Cash used in Investing Activities	**(76.88)**	**(42.86)**

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

(₹ Crore)

	For the year ended 31 March 2016	For the year ended 31 March 2015
C. Cash Flow from Financing Activities		
Proceeds / (repayment) of Short term Borrowings	36.11	131.39
(Repayment) of Long term Borrowings	170.11	(11.77)
Finance Cost	(88.87)	(78.12)
Dividend Paid	(4.86)	0.00
Corporate Dividend tax paid	(0.99)	0.00
Net cash from / (used in) financing activities	**111.50**	**41.50**
Net increase in cash and cash equivalents (A+B+C)	**10.82**	**(12.72)**
Cash and cash equivalents (Opening Balance)	**35.51**	**48.23**
Cash and cash equivalents (Closing Balance)*	**46.33**	**35.51**
Change in Cash & Cash Equivalents	**10.82**	**(12.72)**

* includes Fixed deposit with banks shown under Other Non Current Assets Rs. 0.15 Cr (Rs. 0.78 Cr)

(₹ Crores)

Components of Cash & Cash Equivalents	As at 31 March 2016	As at 31 March 2015
Cash in Hand	0.47	0.60
Cheques in Hand	0.03	4.93
Balances with Banks		
Current/CC Accounts	36.22	16.89
Unpaid Dividend Accounts	0.81	0.91
Deposits Accounts	8.65	11.40
Fixed Deposit with Banks	0.15	0.78
Net Cash & Cash Equivalents	**46.33**	**35.51**

Note:
1) Cash & cash equivalents components are as per Note 19 & 15.
2) Previous year figures have been regrouped / restated wherever considered necessary

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N

per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 23rd May, 2016

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

K V Mohan
Company Secretary

Anil Kataria
Chief Finance Officer

J. S. Baijal
Director

Gautam Dalmia
Managing Director

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

1.1: Company overview:-

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

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

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

1.2: Significant accounting policies:-

A. Basis of preparation

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

B. Use of estimates

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

C. Fixed assets

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

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

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

D. Depreciation / amortisation

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

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

During the current year, the Company has changed the method of charging depreciation from Straight Line Method to Written Down Value Method for Power Cogeneration plant & Machinery (other than Boiler, which is already being depreciated as per Written Down Value method) considering that there is higher wear and tear and that the revised carrying values approximates the current replacement values.

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

E. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

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

F. Leases

Where the Company is the lessee

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

Where the Company is the lessor

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

G. Government grants and subsidies

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

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

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

H. Borrowing costs

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

I. Segment reporting

Identification of segments

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

Inter segment transfers

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

Allocation of common costs

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

Unallocated items

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

Segment policies

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

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

J. Employee benefits

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

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

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

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

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

K. Inventories

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

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

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

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

L. Investments

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

M. Revenue recognition

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

Sale of goods

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

Dividends

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

Insurance claim

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

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

N. Foreign currency transactions

(i) Initial recognition

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

(ii) Conversion

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

(iii) Exchange differences

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

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

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

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

O. Income taxes

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

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

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

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

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

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

P. Earnings per share

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

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

Q. Provisions

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

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

R. Cash and cash equivalents

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

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

2. Share Capital

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Authorised :		
11,47,26,820 (11,47,26,820) Ordinary equity shares of Rs. 2 /- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified equity shares of Rs 2/- each	17.05	17.05
	40.00	**40.00**
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) Ordinary equity shares of Rs. 2/- each	16.19	16.19
	16.19	**16.19**

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

	2015-16		2014-15	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
At the beginning of the year	80,939,303	16.19	80,939,303	16.19
Issued during the year	-	-	-	-
At the end of the year	80,939,303	16.19	80,939,303	16.19

(b) Terms/ rights attached to ordinary equity shares

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

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

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

	2015-16		2014-15	
	No. of Shares	% holding	No. of Shares	% holding
Ordinary Equity shares of ₹2 each fully paid up				
Mayuka Investment Limited	15,736,537	19.44%	15,736,537	19.44%
Sita Investment Company Limited	5,876,800	7.26%	5,876,800	7.26%
Ankita Pratisthan Limted	5,829,070	7.20%	5,829,070	7.20%
Dalmia Bharat Limited	14,829,764	18.32%	14,829,764	18.32%
Puneet Trading and Investment Co. Private Limited.	9,792,775	12.10%	9,792,775	12.10%

(d) Interim dividend declared during the year @30 % i.e. ₹ 0.60 (PY NIL) per share.

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

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

3. Reserves and surplus

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Capital reserve		
Opening balance as per last financial statements	4.07	2.44
Add: addition during the year	-	1.63
Closing balance	**4.07**	**4.07**
Revaluation reserve		
Opening balance as per last financial statements	3.74	4.33
Less: Amount adjusted against depreciation charged to retained earnings	-	0.59
Closing balance	**3.74**	**3.74**
General reserve		
Opening balance as per last financial statements	0.54	0.54
Add: Amount transferred from surplus balance in statement of profit & loss	8.00	-
Closing balance	**8.54**	**0.54**
Debenture redemption reserve		
Opening balance as per last financial statements	25.00	25.00
Add: Amount transferred from surplus balance in the statement of profit & loss	-	-
Closing balance	**25.00**	**25.00**
Surplus in the statement of profit and loss		
Balance as per last financial statements	408.96	412.21
Less: Depreciation on account of change in useful lifes of assets as per Companies Act 2013	-	7.23
Deferred tax relating to depreciation charged	-	(2.50)
Profit for the year	58.45	1.48
Less: appropriations		
(i) Transfer to general reserve	8.00	-
(ii) Interim dividend on ordinary shares	4.86	-
(iii) Dividend distribution tax	0.99	-
Total Appropriations	13.85	-
Net surplus in the statement of profit and loss	**453.56**	**408.96**
Total reserves and surplus	**494.91**	**442.31**

4. Long term borrowings

(₹ Crore)

	As at 31 March 2016		As at 31 March 2015	
Secured				
A. Redeemable non-convertible debentures	33.34		66.67	
Less: Shown in current maturities of long term borrowings	33.34	-	33.33	33.34
B. Term loans:				
i. From banks	677.55		475.93	
Less: Shown in current maturities of long term borrowings	130.32	547.23	64.00	411.93
ii. From others	36.16		34.33	
Less: Shown in current maturities of long term borrowings	12.40	23.76	18.73	15.60
		570.99		**460.87**

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

1) **Debentures referred to in A above to the extent of :**

10.42%, Series XII ₹ 33.34 crore (₹ 66.67 crore) are secured by mortgage and first charge on pari-passu basis on all the immovable and movable assets (both current and future) excluding current assets of the sugar units of the Company at Jawaharpur and Nigohi, last installment is redeemable for ₹ 33.34 crore on September 30, 2016.

2) **Term Loans from Banks referred to in B (i) above to the extent of :**

a) ₹ 120 crore (₹ 180 crore) is secured by subservient charge on entire fixed assets excluding vehicles of Company's sugar units at Jawaharpur and Nigohi and subservient charge on plant & machinery at Ramgarh Sugar unit. The same is repayable in two yearly equal installments of ₹ 60 crore each in Dec 2016 & Dec 2017, carrying interest @ Base rate + 1%. (Presently 10.65%).

b) ₹ 236.15 crore (₹ 217.73 crore) is secured by first exclusive charge on movable & immovable Fixed Assets at Shri Datta Sakhar Karkhana (unit Asurle Porle). The same is repayable in thirty unequal installments ranging from ₹ 4.00 crore to ₹ 9.33 crore each, commencing from March 2016, carrying interest @ Base rate + 1.5% (presently 11.20%).

c) ₹ 78.20 Crore (₹ 78.20 Crore), interest free loan (availed under "Scheme for Extending Financial Assistance to Sugar Undertaking 2014" of Govt of India) is secured by second charge on pari passu basis with SDF lendors and Allahabad Bank on entire fixed assets of the Company's sugar units. The same is repayable in twelve quarterly equal installments commencing from June 2016.

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

e) ₹ 120.00 Crore (₹ NIL), is secured by first pari passu charge on movable & immovable fixed assets of the Company at Ramgarh, Jawaharpur & Nigohi location repayable in 20 structured quarterly installments starting from Sept 2016. The applicable interest rate is linked with Base rate (Presently 11.15%).

f) ₹ 50.00 Crore (₹ NIL), is secured by first pari passu charge on movable & immovable fixed assets of the Company at Ramgarh, Jawaharpur & Nigohi location repayable in 18 equal quarterly installments starting from Dec 2016. The applicable interest rate is linked with Base rate (Presently 10.65%).

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

₹ 36.16 crore (₹ 34.33 crore) which consist of various loans and are secured by second exclusive charge on movable and immovable properties of the sugar units at Ramgarh, Jawaharpur, Nigohi and Kolhapur. The same is repayable in unequal structured installments in the range of ₹ 11 Lacs to ₹ 2.06 crore and carry interest in the range of 4% to 7.50%.

5. Deferred tax

Deferred tax assets/ liabilities are attributable to the following items :

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Liabilities		
Depreciation*	94.68	108.99
	94.68	**108.99**
Assets		
Voluntary retirement expenses	0.14	0.23
Expenses allowable for tax purpose when paid	4.81	7.05
Unabsorbed depreciation	38.29	39.28
	43.24	**46.56**
Net	**51.44**	**62.43**

* Includes ₹ NIL (₹ 2.50 Cr) relating to depreciation adjusted against retained earnings. (Refer note no. 3)

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

6. Other long term liabilities

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Other liabilities	4.24	1.90
	4.24	**1.90**

7. Long term provisions

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits	5.93	4.60
	5.93	**4.60**

8. Short Term borrowings

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Secured		
Working capital loan from banks	365.65	304.54
Bridge loan from banks	25.00	-
Unsecured		
Short term loan from related parties	-	50.00
	390.65	**354.54**

(i) Working capital Loan from Banks are secured by hypothecation of Inventories and other assets in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 9.85% to 10.75%.

(ii) Bridge Loan from bank is secured by subservient charge on movable & immovable fixed assets located at Kolhapur unit. Tenor is 6 months. Applicable interest rate is Base rate of the bank. (Presently 10.65%).

(iii) Short term loan from related parties are repayable on demand and carry interest @ 10%.

9. Trade Payables

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Trade Payables		
- Micro and small enterprises (to the extent information available)*	0.39	0.12
- Others	240.47	300.94
* Refer note no. 33	**240.86**	**301.06**

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

10. Other current liabilities

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Current maturities of long term borrowings	176.05	116.06
Interest accrued but not due on borrowings	0.82	2.20
Advances from customers	4.45	2.82
Security deposits received	1.74	0.72
Unclaimed dividend *	0.81	0.91
Other liabilities		
Excise duty payable on closing stock	58.92	26.44
Statutory dues	2.82	1.78
Accrued salaries & benefits	1.91	2.58
Others	32.75	33.17
	280.27	**186.68**

* Amount payable to Investor Education and Protection fund is NIL (₹ NIL).

11. Short term provisions

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits	3.82	2.14
	3.82	**2.14**

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

12. Fixed Assets

(₹ Crore)

Particulars	Tangible Assets							Intangible Assets		Total
	Land Freehold	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Operating Rights	Computer Software	
Cost										
as at 1st April, 2014	**59.68**	**0.58**	**139.24**	**1,034.36**	**7.07**	**3.31**	**4.16**	**3.58**	**0.22**	**1,252.19**
Additions	11.52	-	14.76	10.56	0.49	0.06	0.45	0.16	0.20	**38.21**
Disposals	0.00	-	-	0.91	0.00	0.02	0.02	0.13		**1.08**
as at 31st March, 2015	**71.20**	**0.58**	**154.00**	**1,044.01**	**7.56**	**3.35**	**4.59**	**3.61**	**0.42**	**1,289.32**
Additions	1.50	-	7.47	108.84	0.27	0.50	0.34	0.01	0.88	**119.81**
Disposals	-	-	0.25	0.22	0.40	0.08	0.07	-	-	**1.02**
as at 31st March, 2016	**72.70**	**0.58**	**161.22**	**1,152.63**	**7.43**	**3.77**	**4.86**	**3.62**	**1.30**	**1,408.11**
Depreciation										
as at 1st April, 2014	**0.01**	**0.12**	**32.99**	**444.03**	**4.18**	**1.01**	**2.39**	**0.04**	**0.12**	**484.89**
Charge for the year @	-	0.01	8.53	40.51	0.80	0.35	0.60	0.35	0.05	**51.20**
Disposals	-	-	-	0.11	-	0.01	0.02	-	-	**0.14**
Charged to opening reserves	-	-	5.43	1.15	0.05	0.00	0.59	-	-	**7.23**
as at 31st March, 2015	**0.01**	**0.13**	**46.96**	**485.58**	**5.03**	**1.35**	**3.56**	**0.39**	**0.17**	**543.19**
Charge for the year @	-	0.01	5.74	105.14	0.63	0.40	0.54	0.82	0.24	**113.52**
Disposals	-	-	0.25	0.20	0.36	0.08	0.07	-	-	**0.96**
as at 31st March, 2016	**0.01**	**0.14**	**52.44**	**590.52**	**5.30**	**1.67**	**4.03**	**1.21**	**0.41**	**655.75**
Net Block										
as at 31st March, 2015	**71.19**	**0.45**	**107.05**	**558.43**	**2.53**	**2.00**	**1.02**	**3.22**	**0.25**	**746.13**
as at 31st March, 2016	**72.69**	**0.44**	**108.77**	**562.11**	**2.13**	**2.09**	**0.83**	**2.41**	**0.89**	**752.36**
Capital Work in Progress*										
as at 31st March, 2015										**27.57**
as at 31st March, 2016										**6.46**

@ includes depreciation charged to opening revaluation reserves Rs. NIL (Rs. 0.59 Cr), capitalised during the year Rs. NIL (Rs. 0.03 Cr) and charged to other accounts Rs 0.13 Cr (NIL)

* Includes preoperative expenditure pending capitalisation of Rs.NIL (Rs. 7.55 Cr)

(Refer Note No. 42)

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

13. Non-current Investments

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Unquoted		
Shares of Co-operative Socities (Unquoted)		
DMC Employees Co-op Stores Limited	((2500))	((2500))
Government or Trust Securities (Unquoted)		
National Saving Certificates	((2000))	((2000))
Investments in Subsidiaries		
Equity Shares		
250000 (250000) Equity shares of Rs 10 each fully paid up in Dalmia Sugar Ventures Limited	0.05	0.05
450000 (450000) Equity shares of Rs 10 each fully paid up in Himshikhar Investment Limited	4.45	4.45
50000 (50000) Equity shares of Rs 10 each fully paid up in Dalmia Solar Power Limited	0.05	0.05
Investments Companies other than Subsidiaries		
Equity Shares (Quoted)		
942567 (942567) Equity shares of Rs 2 each fully paid up in Dalmia Bharat Limited	9.90	9.90
Others (Unquoted)		
10.40% Vijaya Bank Bonds 2020	1.98	-
9.55% Canara Bank (Perp.) Bonds	5.39	-
	21.82	**14.45**
Quoted investments :		
Book value	9.90	9.90
Aggregate market value	75.07	40.02
Book value of unquoted investments	11.92	4.55

14. Long term loans and advances (Considered good unless otherwise stated)

(₹ Crore)

	As at 31 March 2016		As at 31 March 2015	
Capital advances		0.69		4.73
Security deposits		1.18		0.69
Loans and advances to				
Related parties		0.36		0.36
Employees				
Unsecured		0.25		0.11
Others		25.64		25.78
Advances recoverable in cash or in kind or for value to be received		0.79		1.56
Advance Income tax (net of provisions of Rs 20.96 crore (₹10.37 crore))		10.32		12.57
MAT credit entiltlement		46.40		36.24
Others (considered doubtful)	1.51		1.30	
Less : Set off with provision for doubtful debts/advances	1.36	0.15	1.29	0.01
		85.78		**82.05**

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

15. Other Non Current Assets

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Fixed deposits with banks (with original maturity of more than 12 months)	0.15	0.78
Others	0.72	2.82
	0.87	**3.60**

16. Current investments

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Units of mutual funds (quoted)		
Debt based schemes	70.13	68.32
Total	**70.13**	**68.32**
Quoted :		
Book value	70.13	68.32
Market value	73.37	70.84

17. Inventories

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
(Mode of valuation - Refer Note No. 1.2 (K) on Inventories)		
Raw materials		
On hand	9.75	7.45
Work in progress	2.62	11.82
Finished goods	882.73	658.60
Stores, spares etc		
On hand	20.37	23.82
In transit	-	1.79
	915.47	**703.48**

18. Trade receivables

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
a) **Receivables outstanding for a period exceeding six months from the date they are due for payment**		
Considered good		
Unsecured	1.49	2.84
b) **Other receivables**		
Considered good		
Secured	-	-
Unsecured	104.91	74.56
	106.40	**77.40**

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

19. Cash and cash equivalents

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Cash in hand	0.47	0.60
Cheques in hand	0.03	4.93
Balances with banks :		
- On current accounts	23.39	15.96
- On cash credit accounts	12.83	0.93
- Deposits with original maturity of less than 3 months	8.44	10.06
- Unpaid dividend account	0.81	0.91
- Deposits with original maturity of more than 3 months but less than 12 months	0.21	1.34
	46.18	**34.73**

20. Short term loans and advances (unsecured considered good unless otherwise stated)

(₹ Crore)

	As at 31 March 2016		As at 31 March 2015	
Loans and advances to Employees		0.23		0.18
Advances recoverable in cash or in kind or for value to be received		15.70		43.77
Deposit and Balances with Government departments and other authorities		12.06		6.56
Others (Considered doubtful)	-		0.02	
Less: Provision for doubtful loans and advances	-	-	0.02	-
		27.99		**50.51**

21. Other current assets

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Interest receivable	2.55	7.71
Unbilled revenue	21.14	16.07
Others	2.15	0.70
	25.84	**24.48**

22. Revenue from operations (gross)

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Sales of products		
Sugar and molasses sales	894.62	889.58
Power sales	168.38	150.53
Refractory products sales	20.96	21.30
Other sales	86.38	99.74
	1170.34	**1161.15**
Sales of services	2.02	2.41
Other operating revenue	37.06	26.23
	1209.42	**1189.79**

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

23. Other Income

(₹ Crore)

	For the Year ended 31 March 2016		For the Year ended 31 March 2015	
Dividend income from non current investment		0.33		0.19
Interest Income from bank deposits and others		1.58		1.99
Interest on Income tax refund		-		4.15
Profit on sale of current investments	11.36		5.18	
Less: Loss on sale of current investments	-	11.36	-	5.18
Profit on sale of fixed assets		0.02		-
Gain on foreign exchange fluctuation		0.34		0.02
Miscellaneous receipts		7.83		4.43
		21.46		**15.96**

24. Consumption of Raw Materials

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Sugar Cane	898.93	889.87
Raw Magnesite	3.53	4.28
Others	14.41	7.34
	916.87	**901.49**
Less: Raw material cost capitalised	0.33	2.05
	916.54	**899.44**

25. (Increase)/ decrease in inventories of finished goods, work in progress

(₹ Crore)

	For the Year ended 31 March 2016		For the Year ended 31 March 2015	
Finished goods				
- Closing stock	882.73		658.60	
- Opening stock	658.60		580.13	
		(224.13)		(78.47)
Work-in-process				
- Closing stock	2.62		11.82	
- Opening stock	11.82		16.08	
		9.20		4.26
		(214.93)		**(74.21)**
Less: Capitalised		-		(1.80)
		(214.93)		**(72.41)**

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

26. Employee benefit expenses

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Salaries, wages and bonus	68.44	66.05
Contribution to Provident Fund and Other Funds	5.12	5.96
Workmen and Staff Welfare expenses	2.80	2.91
	76.36	**74.92**
Less: expenses capitalised	1.46	0.27
	74.90	**74.65**

27. Other Expenses

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Power and Fuel	24.69	32.48
Packing Materials	10.46	12.98
Consumption of Stores and Spares Parts	17.34	13.04
(after allocating Rs 23.62 crore (Rs 24.22 crore) to other accounts)		
Excise duty variation on opening/closing stock	32.73	6.42
Repairs and Maintenance :		
- Plant & Machinery	17.16	23.42
- Buildings	2.68	2.37
- Others	3.44	1.49
Rent	0.48	0.75
Rates and Taxes	1.35	1.28
Insurance	0.75	1.10
Travelling	1.06	0.79
Advertisement and Publicity	0.14	0.16
Freight and Forwarding Charges	5.31	0.04
Cane Development Expenses	2.81	4.26
Management Service Charges	10.49	10.63
Selling Expenses	7.70	0.10
Commission paid to Other Selling Agents	1.16	1.16
Rebates, Discount and Allowances	0.33	0.02
Director's Sitting Fees	0.33	0.20
Charity and Donation	0.17	0.49
Assets written off / Loss on sale of Fixed Assets	0.06	0.25
Bad Debts written Off	3.72	-
Provision for Doubtful Debts	0.08	0.19
Provision for diminution in value of Inventory	0.02	0.01
CSR Expenses	0.46	0.45
Miscellaneous Expenses	22.68	28.37
	167.60	**142.45**
Less: Expenses Capitalised	4.59	7.00
	163.01	**135.45**

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

28. Finance Costs

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Interest		
- On Debentures, Term loans & WCDL	77.32	64.40
- On Other Borrowing from Banks	3.96	4.06
- Others	7.33	9.55
	88.61	**78.01**
Less: Interest cost Capitalised	1.12	-
	87.49	**78.01**

29. Earning Per Share

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Net profit for calculation of basic and diluted EPS (Rs. In Crores)	58.45	1.48
Total number of equity shares outstanding at the end of the year	80939303	80939303
Weighted average number of equity shares in calculating basic and diluted EPS	80939303	80939303
Basic and Diluted EPS (Rs.)	**7.22**	**0.18**

30. Contingent Liabilities (not provided for) in respect of:

(₹ Crore)

S.No.	Particulars	2015-16	2014-15
a)	Claims against the Company not acknowledged as debts	0.59	0.51
b)	Demand raised by Income tax authorities under dispute	7.91	7.44
c)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	79.43	76.15
d)	Other money for which the Company is contingently liable	0.15	0.15
e)	Guarantee issued by the Company's banker on behalf of the Company	20.48	13.54

i) The Company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

ii) Based on favourable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors etc, the Company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

31. Capital and other commitments:

(₹ Crore)

	2015-16	2014-15
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1.84	46.42
Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-

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

32. Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(₹ Crore)

Particulars	2015-16	2014-15
a) Statutory Auditor		
i) Audit Fee	0.07	0.07
ii) For Tax Audit and Other services	0.05	0.05
iii) For Expenses	0.06	0.05
b) Cost Auditor		
i) Audit Fee	0.02	0.02

33. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company:

(₹ Crore)

Particulars	2015-16	2014-15
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.39	0.12
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	**0.39**	**0.12**

34. Operating Lease

Assets taken on Lease

Office premises are taken on operating lease. There is no escalation clause in the lease agreement.

(₹ Crore)

Particulars	2015-16	2014-15
Lease payments for the year	0.48	0.75
Total	**0.48**	**0.75**

There are no non-cancellable operating leases.

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

35. Details of Opening and Closing Inventory of Finished Goods:

(₹ Crore)

Class of Product	2015-16	2014-15
Opening stock		
Refractory products	13.48	8.92
Sugar	596.61	528.63
Multilayer Ceramic Chip Capacitors	0.01	0.01
Power-Banked	0.47	0.36
Industrial Alcohol	2.82	7.05
Others	45.21	35.16
Total	**658.60**	**580.13**
Closing stock		
Refractory products	12.53	13.48
Sugar	797.78	596.61
Multilayer Ceramic Chip Capacitors	0.01	0.01
Power-Banked	0.46	0.47
Industrial Alcohol	18.60	2.82
Others	53.35	45.21
Total	**882.73**	**658.60**

36. CIF Value of Imports:

(₹ Crore)

Particulars	2015-16	2014-15
Raw Materials	-	0.24
Components, spare parts, coal etc.	**0.01**	**0.22**

37. Expenditure in Foreign Currency (Accrual basis):

(₹ Crore)

Particulars	2015-16	2014-15
Professional Fees, Consultation Fee and Interest		-
Others	0.04	0.05
Total	**0.04**	**0.05**

38. Earnings in Foreign Currency (Accrual Basis):

(₹ Crore)

Particulars	2015-16	2014-15
Export of goods at FOB value	18.85	1.34
Total	**18.85**	**1.34**

39. Details regarding imported and indigenous materials consumed during the year:

	Imported		Indigenous		Value of total consumption
	Value (₹ Crore)	% to total consumption	Value (₹ Crore)	% to total consumption	Value (₹ Crore)
Raw Materials	-	0.00%	916.54	100.00%	916.54
	(0.23)	(0.03'%)	(899.21)	(99.97'%)	(899.44)
Stores, Spares Parts and Components	0.01	0.03%	40.94	99.97%	40.96
	(0.18)	(0.49'%)	(37.08)	(99.51'%)	(37.26)

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

40. Gratuity and Other Post Employment Benefit Plans:

Gratuity

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the plan.

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Benefit Expenses)

(₹ Crore)

Particulars	Gratuity Funded	
	2015-16	2014-15
Current Service Cost	1.54	1.38
Interest Cost	1.34	1.19
Expected return on plan assets	(1.42)	(1.35)
Net Actuarial (Gain)/ Loss	(0.05)	0.57
Past Service cost	-	-
Total Expense	**1.40**	**1.80**
Actual return on plan assets	1.19	1.33

Balance Sheet

(₹ Crore)

Particulars	Gratuity Funded	
	2015-16	2014-15
Present value of obligation as at year-end	19.20	17.22
Fair value of plan assets as at year-end	16.56	15.78
Less : Unrecognised past service cost	-	-
Funded status {Surplus/(Deficit}	**(2.64)**	**(1.44)**
Net Asset/(Liability) as at year end	**(2.64)**	**(1.44)**

Changes in the Present Value of the Defined Benefit Obligation are as follows:

(₹ Crore)

Particulars	Gratuity Funded	
	2015-16	2014-15
Opening defined benefit obligation	17.22	14.92
Interest cost	1.34	1.19
Current service cost	1.54	1.38
Benefits paid out of funds	(0.61)	(0.83)
Actuarial (gains)/ losses on obligation	(0.29)	0.56
Closing defined benefit obligation	**19.20**	**17.22**

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

40. Gratuity and Other Post Employment Benefit Plans: (*contd.*)

Changes in the Fair Value of Plan Assets are as follows:

(₹ Crore)

Particulars	Gratuity Funded	
	2015-16	2014-15
Opening fair value of plan assets	15.78	15.23
Expected return	1.42	1.35
Contribution by employer	0.20	0.05
Benefits paid	(0.61)	(0.83)
Actuarial gains/ (losses) on obligation	(0.23)	(0.01)
Closing fair value of plan assets	**16.56**	**15.78**

The Major Categories of Plan Assets as a Percentage of the Fair Value of Total Plan Assets are as follows:

Particulars	Gratuity Funded	
	2015-16	2014-15
Qualifying Insurance Policy	100%	100%
Bank Balance	-	-

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Principal Assumptions used in determining Gratuity for the Company's plans are shown below:

Particulars	Gratuity Funded	
	2015-16	2014-15
Discount Rate	7.75%	7.75%
Expected rate of return on assets	9.00%	9.00%
Mortality Table	LIC (2006-08)	LIC (2006-08)
Salary Escalation	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the Current and previous four years in respect of Gratuity are as follows:

(₹ Crore)

Particulars	Gratuity				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	19.20	17.22	14.92	14.08	12.66
Plan assets	16.56	15.78	15.23	14.81	13.49
Surplus / (deficit)	(2.64)	(1.44)	0.31	0.73	0.83
Experience adjustment on plan assets	(0.23)	(0.01)	(0.12)	0.15	0.04
Experience adjustment on plan liabilities	0.28	(0.56)	(0.03)	0.11	(0.28)

Provident and Other Funds

Contribution to Defined Contribution Plans:

(₹ Crore)

Particulars	2015-16	2014-15
Pension Fund/Superannuation funds/ESI/PF	4.14	4.08

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

40. Gratuity and Other Post Employment Benefit Plans: (*contd.*)

Provident Fund

The Guidance note issued by Accounting Standard Board (ASB) on implementing AS 15, Employee Benefit (Revised 2005) states that provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The fund does not have any existing deficit or interest shortfall.

41. Segment Information

Primary Segment: Business Segment

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided. The identified reportable segments are Own Manufactured Sugar, Power and Others.

The "**Own Manufactured Sugar Segment**" includes manufacture and marketing of Sugar.

The "**Power Segment**" includes generation and sale of Power. Power is also used for captive consumption by the Company.

The "**Others' segment**" includes Magnesite, Distillery, Travel, and Electronics activities of the Company.

The Company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments.

(₹ Crore)

Segment Particulars	Sugar	Power	Others	Total
Revenue				-
Gross Revenue	1,059.95	300.59	111.33	1,471.88
	(1,040.92)	(277.58)	(128.64)	(1,447.14)
Less: Inter/ Intra Segment Revenue	138.42	122.17	1.87	262.46
	(137.82)	(119.53)	-	(257.35)
Less: Excise Duty	36.31	-	6.71	43.02
	(33.56)	-	(6.19)	(39.75)
Net Revenue	**885.22**	**178.42**	**102.75**	**1,166.40**
	(869.54)	(158.05)	(122.45)	(1,150.04)
Results				
Segment result	23.64	82.28	29.03	134.96
	(-70.17)	(120.36)	(28.10)	(78.29)
Less: Finance Cost				87.49
				(78.01)
Less: Exceptional Items				-
				-
Profit before tax				47.47
				(0.28)
Tax expenses				(10.99)
				(-1.20)
Profit after tax				58.47
				(1.48)

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

41. Segment Information (*contd.*)

(₹ Crore)

Segment Particulars	Sugar	Power	Others	Total
Assets	**1,468.14**	**300.13**	**181.44**	**1,949.71**
	(1,216.71)	(352.42)	(99.55)	(1,668.68)
Non Segments Assets				109.59
				(164.04)
Total Assets				**2,059.30**
				(1,832.72)
Liabilities	**731.32**	**6.98**	**11.40**	**749.70**
	(677.05)	(1.23)	(6.58)	(684.86)
Non Segments liabilities				798.50
				(689.36)
Total Liabilities				**1,548.20**
				(1,374.22)
Depreciation	**23.42**	**85.90**	**4.07**	**113.39**
	(24.41)	(21.30)	(4.87)	(50.58)
Capital Expenditure	**43.50**	**7.18**	**69.13**	**119.81**
	(32.17)	(3.89)	(2.15)	(38.21)

42. The Company had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

(₹ Crore)

Particulars	2015-16	2014-15
Carried forward as part of Capital Work in Progress (A)	7.55	-
Expenditure incurred during the year		
Personnel Expenses:		
Salary and Wages	1.46	0.27
Operating and Other Expenses:		
Cost of material including change in Produced goods stock	0.33	0.25
Power & Fuel	0.74	0.42
Packing		0.02
Stores & Spares		0.04
Repair and Maintenance	0.38	2.85
Depreciation and amortisation		0.03
Finance Cost	1.12	-
Consultancy Charges	0.41	0.33
Miscellaneous Expenses	3.06	3.34
Total Expenditure incurred during the year (B)	**7.51**	**7.55**
Total Pre-operative Expenditure (A + B)	**15.06**	**7.55**
Less : Revenue during Trial Run	(0.55)	-
Less : Capitalised as Fixed Assets	14.51	-
Carried forward as part of Capital Work in Progress	-	**7.55**

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

43. "There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard (AS)-29 'Provisions, Contingent Liabilities & Contingent Assets."

44. The Company has started the commercial production at 1750 TCD Ninaidevi plant from 30th November 2015 and 60 KLPD distillary at Kolhapur plant from 1st March 2016.

45. Related Party Disclosure as required by Accounting Standard-18.

a) List of related parties along with nature and volume of transactions is given below:

Subsidiaries of the Company

Himshikhar Investment Limited, Dalmia Solar Power Limited and Dalmia Sugar Ventures Limited

Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman, Shri Gautam Dalmia - Managing Director, Shri K V Mohan- Company Secretary & Shri Anil Kataria- Chief Finance Officer

Relatives of Key Management Personnel

Shri Y. H. Dalmia (Brother of Vice Chairman) and Shri Puneet Yadu Dalmia (Son of Brother of Vice-Chairman).

Enterprises on which the Key Management Personnel of the Company exercise significant influence

Dalmia Refractories Limited, Dalmia Bharat Limited, Adhunik Cement Limited, Calcom Cement India Limited, DCB Power Ventures Limited, OCL India Limited, Dalmia Cement (Bharat) Limited & Dalmia Cement East Ltd.

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

45. Related Party Disclosure as required by Accounting Standard-18. (*contd.*)

b) The following transactions were carried out with the related parties in the ordinary course of business:

(₹ Crore)

Nature of Transaction	Subsidiary Companies	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services			9.79	9.79
			(7.88)	(7.88)
Reimbursement of expenses – receivable			0.15	0.15
			(0.16)	(0.16)
Reimbursement of expenses – payable			0.30	0.30
			(0.32)	(0.32)
Purchase of goods and services			12.17	12.17
			(12.57)	(12.57)
Loans and Advances given	-			-
	(0.02)		-	(0.02)
Loans Repaid			50.00	50.00
			(16.00)	(16.00)
Receipt of fund on their behalf and transfer			-	-
			(0.07)	(0.07)
Interest paid on Loans			4.61	4.61
			(5.35)	(5.35)
Salary and Perquisites		2.18	-	2.18
		(2.16)	-	(2.16)
Dividend Received			0.33	0.33
			(0.19)	(0.19)
Dividend Paid			0.89	0.89

1. Sale of goods and services includes transaction with Dalmia Cement (Bharat) Limited Rs.3.56 Crore (Rs. 0.84 Crore), OCL India Limited Rs.1.88 Crore (Rs. 0.82 Crore), Dalmia Bharat Limited Rs.2.30 Crore (Rs. 3.85 Crore), Adhunik Cement Limited Rs.1.02 Crore (Rs. 1.31 Crore), Dalmia Refectories Limited Rs.0.36 Crore (Rs. 0.30 Crore), Calcom Cement LimitedRs.0.45 Crore (Rs. 0.40 Crore) and Dalmia Cement East Limited Rs..23 Crore (Rs. 0.36 Crore).
2. Reimbursement of expenses – receivable includes transaction with Dalmia Bharat Limited Rs.0.15 Crore (Rs. 0.16 Crore).
3. Reimbursement of expenses – payable includes transaction with Dalmia Bharat Limited Rs.0.23 Crore (Rs. 0.32 Crore), Dalmia Cement (Bharat) Limited Rs. 0.07 (Rs. 0.00 Crore).
4. Purchase of goods & services includes transaction with Dalmia Bharat Limited Rs.10.48 Crore (Rs. 10.69 Crore), Dalmia Cement (Bharat) Limited Rs 1.65 Crore (Rs. 1.86 Crore) and Dalmia Refectories Limited Rs.0.03Crore (0.02 Crore).
5. Loans and advances given represent transaction with Dalmia Solar Power Limited Rs. 0.00 Crore (Rs. 0.01 Crore) and Dalmia Sugar Ventures Limited Rs. 0.00 Crore (Rs.0.01 Crore).
6. Loans repaid includes transaction with Dalmia Bharat Limited Rs. 34.00 Crore (Rs. 16.00 Crore) and DCB Power Ventures Limited Rs.16.00 Crore (Rs. 0.00 Crore).
7. Receipt of fund on their behalf and transfer includes transaction with Dalmia Bharat Limited Rs.0.00 Crore (Rs. 0.07 Crore).
8. Interest paid on loans includes transaction with Dalmia Bharat Limited Rs. 3.14 Crore (Rs. 3.75 Crore) and DCB Power Ventures Limited Rs.1.47 Crore (Rs 1.60 Crore).

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

45. Related Party Disclosure as required by Accounting Standard-18. (*contd.*)

9. Salary and perquisites includes transaction with Shri J. H. Dalmia Rs.0.52 Crore (Rs. 0.52 Crore) and Shri Gautam Dalmia Rs. 0.07 Crore (Rs. 0.07 Crore) .
10. Dividend received represent dividend from Dalmia Bharat Limited Rs 0.33 Crore (Rs 0.19 Crore).
11. Dividend paid represent dividend paid to Dalmia Bharat Limited Rs 0.89 Crore (Rs 0.00 Crore).

c) Balances Outstanding at Year End:

(₹ Crore)

Nature of Transaction	Subsidiary Companies	Key Management Personnel / Promoters	Key Management Personnel / Promoters controlled enterprises	Total
Loans receivable	0.36	-	-	0.36
	(0.36)	-	-	(0.36)
Loans Payable	-	-	-	-
	-	-	(50.00)	(50.00)
Interest Payable	-	-	-	-
	-	-	(0.23)	(0.23)
Amounts receivable	-	-	0.25	0.25
	-	-	(0.63)	(0.63)
Amounts payable	-	-	1.77	1.77
	-	-	(0.50)	(0.50)

1. Loans receivable include Dalmia Solar Power Limited Rs.0.35 Crore (Rs. 0.35 Crore) and Dalmia Sugar Venture Limited Rs. 0.01 Crore (Rs.0.01 Crore) .
2. Loans payable includes Dalmia Bharat Limited Rs. 0.00 Crore (Rs. 34.00 Crore) and DCB Power Ventures Limited Rs. 0.00 Crore (Rs. 16.00 Crore).
3. Interest payable includes Dalmia Bharat Limited Rs 0.00 Crore (Rs 0.00 Crore) and DCB Power Ventures Limited Rs.0.00 Crore (Rs. 0.23 Crore).
4. Amount receivable includes Dalmia Cement (Bharat) Limited Rs.0.25 Crore (Rs. 0.19 Crore), Dalmia Bharat Limited 0.00 Crore (Rs.0.19 Crore), Dalmia Refectories Limited Rs.0.00 Crore (Rs.0.03 Crore), Calcom Cement Limited Rs.0.00 Crore (Rs.0.09 Crore), Adhunik Cement Limited Rs.0.00 Crore (Rs.0.09 Crore) and Dalmia Cement East Limited Rs.0.00 Crore (Rs.0.04 Crore).
5. Amount payable includes Dalmia Cement (Bharat) Limited Rs.0.08 (Rs. 0.00 Crore) and Dalmia Bharat Limited Rs.1.69 Crore (Rs. 0.50 Crore).

46. Disclosure required under Section 186 (4) of the Companies Act 2013

(a) Particulars of Loans given:

(₹ Crore)

Sr. No.	Name of the Loanee	Opening Balance	Loan given	Loan repaid	Outstanding Balance	Purpose
1	Dalmia Solar Power Limited	0.35	-	-	0.35	Operational
2	Dalmia Sugar Ventures Ltd	0.01	-	-	0.01	Operational

(b) Particulars of Guarantee given: NIL

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

46. Disclosure required under Section 186 (4) of the Companies Act 2013 (contd.)

(c) Particulars of Investments made:

(₹ Crore)

Sr. No.	Name of the Investee	Opening Balance	Investment made	Investment redeemed	Outstanding Balance	Purpose
1	Dalmia Bharat Limited	9.90	-	-	9.90	Long term Investment
2	Dalmia Sugar Ventures Limited	0.05	-	-	0.05	Long term Investment
3	Himshikhar Investment Limited	4.45	-	-	4.45	Long term Investment
4	Dalmia Solar Power Ltd	0.05	-	-	0.05	Long term Investment

(d) Particulars of Security Deposit : NIL

47. Loans & Advances in the nature of Loans (including interest) given to Subsidiaries - Disclosure as per Clause 32 of listing agreement with stock exchanges :

(₹ Crore)

Sr. No.	Particulars Subsidiary Company	As at the balance sheet date	Maximum Balance during the year
I.	Dalmia Solar Power Limited	0.35	0.35
		(0.35)	(0.35)
II.	Dalmia Sugar Ventures Ltd	0.01	0.01
		(0.01)	(0.01)

48. Foreign Currency Exposures

The amount of foreign currency exposures as at March 31, 2016 that are not hedged by a derivative instrument or otherwise are as under:-

(₹ Crore)

Particulars	Foreign Currency (FC)	Amount in FC	₹ Crore
Amount Receivable			
Trade Receivables		-	-
	USD	(8,500)	(0.05)

There is no hedged foreign currency exposure as on the balance sheet date.

49. Figures less than Rs. Fifty thousand which are required to be shown separately have been shown at actual in double brackets.

50. The Company has changed the method of charging depreciation from Straight Line Method to Written Down Value Method for Power Cogeneration plant & Machinery (other than Boiler, which is already being depreciated as per Written Down Value method) considering that there is higher wear and tear and that the revised carrying values approximates the current replacement values.

In compliance to the accounting standard (AS-6), depreciation has been recomputed from the date of commissioning of these plants at WDV rates applicable to those years. Consequent to this there is an additional charge for depreciation during the year of Rs. 59.65 Cr which relates to previous years. Additional depreciation on account of current year is Rs 4.99 Cr. Consequently the net block of Fixed Assets and profits are lower by Rs. 64.64 Cr.

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

51. In the opinion of the Management there is no reduction in the value of any assets, hence no provisions is required in terms of Accounting Standard AS 28 "Impairment of Assests".

52. In the opinion of the Board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

53. Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N

per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 23rd May, 2016

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

K V Mohan	**Anil Kataria**	**J. S. Baijal**	**Gautam Dalmia**
Company Secretary	Chief Finance Officer	Director	Managing Director

Independent Auditors' Report

To the Members of
Dalmia Bharat Sugar and Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Dalmia Bharat Sugar and Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

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

Other Matters

We did not audit the financial statements/financial information of three subsidiaries whose financial statements reflect total assets of ₹6.44 crores as at 31st March, 2016, total revenues of ₹0.10 crores and net cash outflows amounting to ₹Nil for the year ended on that date, as considered in the consolidated financial statements.

These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

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

   c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 31 to the consolidated financial statements.

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

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

For **S. S. KOTHARI MEHTA & Co.**
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: 23rd May, 2016

Annexure A to the Independent Auditor's Report to the Members of Dalmia Bharat Sugar and Industries Limited dated May 23, 2016 on its consolidated financial statements

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

In conjunction with our audit of the consolidated financial statements of **Dalmia Bharat Sugar and Industries Limited** as of and for the year ended March 31, 2016, we have audited the Internal Financial Controls Over Financial Reporting of Dalmia Bharat Sugar and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper

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

Opinion

In our opinion, the Holding Company, its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **S. S. KOTHARI MEHTA & Co.**
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: 23rd May, 2016

Consolidated Balance Sheet as at 31st March, 2016

(₹ Crore)

	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	2	16.19	16.19
Reserves and surplus	3	496.42	443.87
		512.61	**460.06**
Non- current liabilities			
Long-term borrowings	4	570.99	460.87
Deferred tax liability (net)	5	51.44	62.43
Other long-term liabilities	6	4.24	1.90
Long-term provisions	7	5.93	4.60
		632.60	**529.80**
Current liabilities			
Short-term borrowings	8	390.65	354.54
Trade payables	9	240.87	301.08
Other current liabilities	10	280.29	186.70
Short-term provisions	11	3.82	2.14
		915.63	**844.46**
Total		**2060.84**	**1834.32**
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		749.15	742.75
Intangible assets		3.30	3.47
Capital work-in-progress		6.54	27.78
		758.99	**774.00**
Non-current investments	13	23.44	15.97
Long term loans and advances	14	85.44	81.73
Other non-current assets	15	0.87	3.60
		109.75	**101.30**
Current assets			
Current investments	16	70.13	68.32
Inventories	17	915.47	703.48
Trade receivables	18	106.40	77.40
Cash and cash equivalents	19	46.25	34.82
Short-term loans and advances	20	28.00	50.51
Other current assets	21	25.85	24.49
		1192.10	**959.02**
Total		**2060.84**	**1834.32**
Significant accounting policies	1.2		

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

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N

per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 23rd May, 2016

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

K V Mohan
Company Secretary

Anil Kataria
Chief Finance Officer

J. S. Baijal
Director

Gautam Dalmia
Managing Director

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

(₹ Crore)

	Notes	For the year ended 31 March 2016		For the year ended 31 March 2015	
Income					
Revenue from operations (gross)	22		1,209.43		1,189.80
Less: Excise duty			43.02		39.75
Revenue from operations (net)			**1,166.41**		**1,150.05**
Other income	23		21.56		16.00
Total			**1,187.97**		**1,166.05**
Expenses					
Cost of raw materials consumed	24		916.54		899.44
(Increase)/ Decrease in inventories of finished goods, work in progress and traded goods	25		(214.93)		(72.41)
Employee benefit expenses	26		74.90		74.65
Other expenses	27		163.17		135.49
Finance costs	28		87.49		78.01
Net Depreciation and amortization expenses	12		113.39		50.58
Total			**1,140.56**		**1,165.76**
Profit before tax and exceptioal items			**47.41**		**0.29**
Less : Exceptional Items (net-gain/(loss))			-		-
Profit Before Tax			**47.41**		**0.29**
Tax expense:					
Current tax		10.17		0.09	
Mat credit (entitlement) / charge		(10.17)	-	12.58	12.67
Deferred tax			(10.99)		(13.87)
Prior year tax charge/(written back)			-		-
Total of Tax Expense			**(10.99)**		**(1.20)**
Net Profit After Tax			**58.40**		**1.49**
Earning per share	29				
Basic and diluted earning per share (in Rs.)			7.22		0.18
[Nominal value of share ₹2 (₹2) each]					
Significant accounting policies	1.2				

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

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N

per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 23rd May, 2016

K V Mohan
Company Secretary

Anil Kataria
Chief Finance Officer

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

J. S. Baijal
Director

Gautam Dalmia
Managing Director

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

(₹ Crore)

		For the year ended 31 March 2016	For the year ended 31 March 2015
A.	Cash Flow from Operating Activities		
	Net Profit before tax and exceptional items	47.41	0.29
	Adjustments		
	Depreciation / Amortization	113.39	50.58
	Provision for doubtful debts/ advances	0.08	0.19
	Provision for diminution in value of Inventory	0.02	0.01
	Bad Debts/ Advances written off	3.72	-
	Dividend Income	(0.43)	(0.23)
	Finance Cost	87.49	78.01
	Interest Income	(1.58)	(6.14)
	(Profit)/Loss on sale of Investments	(11.36)	(5.18)
	(Profit)/Loss on sale of Fixed Assets and Assets written off	0.06	0.25
	Operating Profit before working Capital Changes	**238.80**	**117.78**
	Adjustments for working Capital changes :		
	Inventories	(212.01)	(74.18)
	Trade and Other Payables	(28.29)	15.32
	Trade and Other Receivables	(14.56)	(90.94)
	Cash Generated from Operations	**(16.06)**	**(32.02)**
	Direct Taxes Paid	(7.92)	20.64
	Net Cash from Operating activities	**(23.98)**	**(11.38)**
B.	Cash Flow from Investing Activities		
	Purchase of fixed Assets(including Capital Reserve)	(85.97)	(50.32)
	Proceeds from sale of Fixed Assets	-	0.37
	(Purchase)/ Sale of Current Investments (net)	9.55	0.34
	(Purchase)/ Sale of Non Current Investments (net)	(7.47)	0.00
	Interest Received	6.74	6.58
	Dividend Received from Current Investments	0.43	0.23
	Net Cash used in Investing Activities	**(76.72)**	**(42.80)**

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

(₹ Crore)

	For the year ended 31 March 2016	For the year ended 31 March 2015
C. Cash Flow from Financing Activities		
Proceeds / (repayment) of Short term Borrowings	36.11	131.40
Proceeds/(repayment) of Long term Borrowings	170.11	(11.78)
Finance Cost	(88.87)	(78.12)
Dividend Paid	(4.86)	-
Corporate Dividend tax paid	(0.99)	-
Net cash from / (used in) financing activities	**111.50**	**41.50**
Net increase in cash and cash equivalents (A+B+C)	**10.80**	**(12.68)**
Cash and cash equivalents (Opening Balance)	35.60	48.28
Cash and cash equivalents (Closing Balance)*	46.40	35.60
Change in Cash & Cash Equivalents	**10.80**	**(12.68)**

* includes Fixed deposit with banks shown under Other Non Current Assets ₹0.15 Cr (₹0.78 Cr)

(₹ Crore)

Components of Cash & Cash Equivalents	As at 31 March 2016	As at 31 March 2015
Cash in Hand	0.47	0.60
Cheques in Hand	0.08	4.93
Balances with Banks		
Current/CC Accounts	36.24	16.98
Unpaid Dividend Accounts	0.81	0.91
Deposits Accounts	8.65	11.40
Fixed Deposit with Banks	0.15	0.78
Net Cash & Cash Equivalents	**46.40**	**35.60**

Note:
1) Cash & cash equivalents components are as per Note 19 & 15.
2) Previous year figures have been regrouped / restated wherever considered necessary

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N

per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 23rd May, 2016

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

K V Mohan
Company Secretary

Anil Kataria
Chief Finance Officer

J. S. Baijal
Director

Gautam Dalmia
Managing Director

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

1.1: Company overview:-

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

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

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

1.2: Significant accounting policies:-

A. Basis of preparation

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

The CFS relates to Dalmia Bharat Sugar and Industries Limited (hereinafter referred as the "Company") and its Subsidiaries, Associate and Joint Venture (hereinafter referred as the "Group").

B. Principles of Consolidation

In the preparation of these Consolidated Financial Statements, investment in Subsidiaries, Associate and Joint Venture have been accounted for in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures. The Consolidated Financial Statements have been prepared on the following basis:

a) Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.

b) Minorities' interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Holding Company.

c) Interests in the assets, liabilities, income and expenses of the joint venture are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealised profits/ losses are eliminated to the extent of Company's proportionate share.

d) The difference of the cost to the Company of its investment in subsidiaries and joint venture over its proportionate share in the equity of the Investee Company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.

e) Investment in entities in which the Group has significant influence but not controlling interest, are reported according to the equity method i.e. the investment is initially recorded at cost adjusted thereafter for post-acquisition change in the Company's share of net assets of the associates. The Consolidated Statement of Profit and Loss includes the Company's share of the result of the operations of the associate.

Unrealised profits and losses resulting from transactions between the investor (or its consolidated subsidiaries) and the associate have been eliminated to the extent of the investor's interest in the associate. Unrealised losses have not been eliminated if and to the extent the cost of the transferred asset cannot be recovered.

f) Goodwill/capital reserve arising on the acquisition of an associate by an investor is included in the carrying amount of investment in the associate and is disclosed separately.

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

g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Consolidated Financial Statements. Differences in accounting policies have been disclosed separately.

h) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.

i) The accounts of all the Group Companies are drawn up to the same reporting date as the parent entity (i.e. financial year ended March 31, 2016).

C. Use of Estimates

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

D. Fixed assets

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

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

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

E. Depreciation / amortisation

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

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

During the current year, the Company has changed the method of charging depreciation from Straight Line Method to Written Down Value Method for Power Cogeneration plant & Machinery (other than Boiler, which is already being depreciated as per Written Down Value method) considering that there is higher wear and tear and that the revised carrying values approximates the current replacement values.

E. Impairment of Assets

The carrying amounts of assets are reviewed at each Consolidated Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

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

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

G. Goodwill on Consolidation

Goodwill represents the difference between the Groups' share in the net worth of the investee companies and the cost of acquisition at the date of investment. For this purpose, the Groups' share of equity in the investee companies is determined on the basis of the latest Consolidated Financial Statements of the respective companies available as on the date of acquisition, after making necessary adjustments for material events between the date of such Consolidated Financial Statements and the date of acquisition.

H. Leases

Where the Company is the lessee

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

Where the Company is the lessor

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

I. Government grants and subsidies

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

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

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

J. Borrowing costs

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

K. Segment reporting

Identification of segments

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

Inter segment transfers

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

Allocation of common costs

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

Unallocated items

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

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Company as a whole.

L. Employee benefits

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

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

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

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

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

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

M. Inventories

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

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

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

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

N. Investments

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

O. Revenue recognition

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

Sale of goods

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

Dividends

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

Insurance claim

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

P. Foreign currency transactions

(i) Initial recognition

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

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

(ii) Conversion

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

(iii) Exchange differences

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

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

iv) Forward exchange contracts not intended for Trading or Speculation Purposes

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

Q. Income taxes

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

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

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

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

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

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

R. Earnings per share

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

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

S. Provisions

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

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

T. Cash and cash equivalents

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

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

2. Share Capital

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Authorised :		
11,47,26,820 (11,47,26,820) Ordinary equity shares of ₹ 2 /- each	22.95	22.95
8,52,73,180 (8,52,73,180) Unclassified equity shares of ₹2/- each	17.05	17.05
	40.00	**40.00**
Issued, Subscribed and Fully Paid Up :		
8,09,39,303 (8,09,39,303) Ordinary equity shares of ₹2/- each	16.19	16.19
	16.19	**16.19**

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

	2015-16		2014-15	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
At the beginning of the period	80,939,303	16.19	80,939,303	16.19
Issued during the period	-	-	-	-
At the end of the period	80,939,303	16.19	80,939,303	16.19

(b) **Terms/ rights attached to ordinary equity shares**

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

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

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

	2015-16		2014-15	
	No. of Shares	% holding	No. of Shares	% holding
Ordinary equity shares of ₹2 each fully paid up				
Mayuka Investment Limited	15,736,537	19.44%	15,736,537	19.44%
Sita Investment Company Limited	5,876,800	7.26%	5,876,800	7.26%
Ankita Pratisthan Limted	5,829,070	7.20%	5,829,070	7.20%
Dalmia Bharat Limited	14,829,764	18.32%	14,829,764	18.32%
Puneet Trading and Investment Co. Pvt. Ltd.	9,792,775	12.10%	9,792,775	12.10%

(d) Interim dividend declared during the year @30 % i.e. ₹ 0.60 (PY NIL) per share.

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

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

3. Reserves and surplus

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Capital reserve		
Opening balance as per last financial statements	4.07	2.44
Add: Addition in pursuant to acquisition of new unit (Refer note no. 41)	-	1.63
Closing balance	**4.07**	**4.07**
Revaluation reserve		
Opening balance as per last financial statements	3.75	4.33
Less: Amount adjusted against depreciation charged to retained earnings	-	0.58
Closing balance	**3.75**	**3.75**
General reserve		
Opening balance as per last financial statements	0.54	0.54
Add: Amount transferred from surplus balance in statement of profit & loss	8.00	-
Closing balance	**8.54**	**0.54**
Reserve fund as per RBI		
Opening balance as per last financial statements	0.36	0.35
Add: Amount transferred from surplus balance in consolidated statement of profit & loss	0.02	0.01
Closing balance	**0.38**	**0.36**
Debenture redemption reserve		
Opening balance as per last financial statements	25.00	25.00
Add: Amount transferred from surplus balance in the statement of profit & loss	-	-
Closing balance	**25.00**	**25.00**
Surplus in the statement of profit and loss		
Balance as per last financial statements	410.15	413.40
Less: Depreciation on account of change in useful lifes of assets as per Companies Act 2013	-	7.23
Deferred tax relating to depreciation charged	-	(2.50)
Profit for the year	58.40	1.49
Less: appropriations		
(i) Transfer to general reserve	8.00	-
(ii) Transfer to reserve fund as per RBI	0.02	0.01
(iii) Proposed dividend on ordinary shares	4.86	-
(iv) Dividend distribution tax	0.99	-
Total Appropriations	13.86	0.01
Net surplus in the statement of profit and loss	**454.68**	**410.15**
Total reserves and surplus	**496.42**	**443.87**

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

4. Long term borrowings

(₹ Crore)

	For the year ended 31 March 2016		For the year ended 31 March 2016	
Secured				
A. Redeemable non-convertible debentures	33.34		66.67	
Less: Shown in current maturities of long term borrowings	33.34	-	33.33	33.34
B. Term loans:				
i. From banks	677.55		475.93	
Less: Shown in current maturities of long term borrowings	130.32	547.23	64.00	411.93
ii. From others	36.16		34.33	
Less: Shown in current maturities of long term borrowings	12.40	23.76	18.73	15.60
		570.99		460.87

1) **Debentures referred to in A above to the extent of :**

10.42%, Series XII ₹33.34 crore (₹66.67 crore) are secured by mortgage and first charge on pari-passu basis on all the immovable and movable assets (both current and future) excluding current assets of the sugar units of the Company at Jawaharpur and Nigohi, last installment is redeemable for ₹33.34 crore on September 30, 2016.

2) **Term Loans from Banks referred to in B (i) above to the extent of :**

a) ₹120 crore (₹180 crore) is secured by subservient charge on entire fixed assets excluding vehicles of Company's sugar units at Jawaharpur and Nigohi and subservient charge on plant & machinery at Ramgarh Sugar unit. The same is repayable in two yearly equal installments of ₹60 crore each in Dec 2016 & Dec 2017, carrying interest @ Base rate + 1%. (Presently 10.65%).

b) ₹236.15 crore (₹217.73 crore) is secured by first exclusive charge on movable & immovable Fixed Assets at Shri Datta Sakhar Karkhana (unit Asurle Porle). The same is repayable in thirty unequal installments ranging from ₹4.00 crore to ₹9.33 crore each, commencing from March 2016, carrying interest @ Base rate + 1.5% (presently 11.20%).

c) ₹78.20 Crore (₹78.20 Crore), interest free loan (availed under "Scheme for Extending Financial Assistance to Sugar Undertaking 2014" of Govt of India) is secured by second charge on pari passu basis with SDF lendors and Allahabad Bank on entire fixed assets of the Company's sugar units. The same is repayable in twelve quarterly equal installments commencing from June 2016.

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

e) ₹120.00 Crore (₹NIL), is secured by first pari passu charge on movable & immovable fixed assets of the Company at Ramgarh, Jawaharpur & Nigohi location repayable in 20 structured quarterly installments starting from Sept 2016. The applicable interest rate is linked with Base rate (Presently 11.15%).

f) ₹50.00 Crore (₹NIL), is secured by first pari passu charge on movable & immovable fixed assets of the Company at Ramgarh, Jawaharpur & Nigohi location repayable in 18 equal quarterly installments starting from Dec 2016. The applicable interest rate is linked with Base rate (Presently 10.65%).

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

₹36.16 crore (₹34.33 crore) which consist of various loans and are secured by second exclusive charge on movable and immovable properties of the sugar units at Ramgarh, Jawaharpur,Nigohi and Kolhapur. The same is repayable in unequal structured installments in the range of ₹11 Lacs to ₹2.06 crore and carry interest in the range of 4% to 7.50%.

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

5. Deferred tax

Deferred tax assets/ liabilities are attributable to the following items :

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Liabilities		
Depreciation*	94.68	108.99
	94.68	**108.99**
Assets		
Voluntary retirement expenses	0.14	0.23
Expenses allowable for tax purpose when paid	4.81	7.05
Unabsorbed depreciation	38.29	39.28
	43.24	**46.56**
Net	**51.44**	**62.43**

* Includes ₹ NIL (₹ 2.50 Cr) relating to depreciation adjusted against retained earnings. (Refer note no. 3)

6. Other long term liabilities

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Other liabilities	4.24	1.90
	4.24	**1.90**

7. Long term provisions

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits	5.93	4.60
	5.93	**4.60**

8. Short Term borrowings

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Secured		
Working Capital Loan from banks	365.65	304.54
Short Term Loan from banks	25.00	-
Unsecured		
Short Term Loan from related parties	-	50.00
	390.65	**354.54**

(i) Working capital Loan from Banks are secured by hypothecation of Inventories and other assets in favour of the participating banks ranking pari passu on inter-se-basis, repayable during next one year and carrying interest in the range of 9.85% to 10.75%.

(ii) Bridge Loan from bank is secured by subservient charge on movable & immovable fixed assets located at Kolhapur unit. Tenor is 6 months. Applicable interest rate is Base rate of the bank. (Presently 10.65%).

(iii) Short term loan from related parties are repayable on demand and carry interest @ 10%.

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

9. Trade Payables

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Trade Payables		
- Micro and small enterprises*	0.39	0.12
- Others	240.48	300.96
* Refer note no. 34	**240.87**	**301.08**

10. Other current liabilities

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Current maturities of long term borrowings	176.05	116.06
Interest accrued but not due on borrowings	0.82	2.20
Advances from customers	4.45	2.83
Security deposits received	1.74	0.72
Unclaimed dividend *	0.81	0.91
Other liabilities		
Excise duty payable on closing stock	58.92	26.44
Statutory dues	2.82	1.78
Accrued salaries & benefits	1.91	2.58
Others	32.77	33.18
	280.29	**186.70**

* Amount payable to Investor Education and Protection fund is NIL (₹ NIL).

11. Short term provisions

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits	3.82	2.14
	3.82	**2.14**

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

12. Fixed Assets

(₹ Crore)

Particulars	Tangible Assets							Intangible Assets		Total
	Land Freehold	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Operating Rights	Computer Software	
Cost										
as at 1st April,2014	59.68	0.58	139.24	1,034.54	7.07	3.31	4.16	3.58	0.22	1,252.38
Additions	11.52	-	14.76	10.56	0.49	0.06	0.45	0.16	0.20	38.21
Disposals	0.00	-	-	0.93	0.00	0.03	0.03	0.13	-	1.12
as at 31st March,2015	**71.20**	**0.58**	**154.00**	**1,044.17**	**7.56**	**3.34**	**4.58**	**3.61**	**0.42**	**1,289.47**
Additions	1.50	-	7.47	108.86	0.27	0.50	0.34	0.01	0.88	119.82
Disposals	-	-	0.25	0.22	0.40	0.08	0.07	-	-	1.03
as at 31st March,2016	**72.70**	**0.58**	**161.22**	**1,152.81**	**7.43**	**3.76**	**4.85**	**3.62**	**1.30**	**1,408.26**
Depreciation										
as at 1st April,2014	0.01	0.12	32.99	444.09	4.18	1.01	2.39	0.04	0.12	484.96
Charge for the year @	-	0.01	8.53	40.51	0.80	0.35	0.60	0.35	0.05	51.20
Disposals	-	-	-	0.11	-	0.01	0.02	-	-	0.14
Charged to opening reserves	-	-	5.43	1.15	0.05	0.00	0.59	-	-	7.23
as at 31st March,2015	**0.01**	**0.13**	**46.96**	**485.65**	**5.03**	**1.35**	**3.56**	**0.39**	**0.17**	**543.25**
Charge for the year @	-	0.01	5.74	105.16	0.63	0.40	0.54	0.80	0.24	113.52
Disposals	-	-	0.25	0.20	0.36	0.08	0.07	-	-	0.96
Charged to opening reserves	-	-	-	-	-	-	-	-	-	-
as at 31st March,2016	0.01	0.14	52.45	590.61	5.30	1.67	4.03	1.21	0.41	655.81
Net Block										
as at 31st March,2015	**71.19**	**0.45**	**107.05**	**558.52**	**2.53**	**1.99**	**1.02**	**3.21**	**0.25**	**746.22**
as at 31st March,2016	**72.69**	**0.44**	**108.77**	**562.20**	**2.13**	**2.09**	**0.83**	**2.41**	**0.89**	**752.45**
Capital Work in Progress*										
as at 31st March,2015										**27.78**
as at 31st March,2016										**6.54**

@ includes depreciation charged to opening revaluation reserves ₹NIL (₹0.59 Cr), capitalised during the year ₹NIL (₹0.03 Cr) and charged to other accounts ₹0.13 Cr (NIL)

* Includes preoperative expenditure pending capitalisation of ₹NIL (₹7.77 Cr)

(Refer Note No. 39)

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

13. Non-current Investments

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Unquoted		
Shares of Co-operative Socities (Unquoted)		
DMC Employees Co-op Stores Limited	((2500))	((2500))
Government or Trust Securities (Unquoted)		
National Saving Certificates	((2000))	((2000))
Equity Shares (Quoted)		
942567 (942567) Equity shares of ₹2 each fully paid up in Dalmia Bharat Limited	9.90	9.90
203,655 (203,655) equity shares of ₹10 each, fully paid up of Poddar Pigments Limited	0.67	0.67
Others (Unquoted)		
10.40% Vijaya Bank Bonds 2020	1.98	-
9.55% Canara Bank (Perp.) Bonds	5.39	-
Mutual Funds		
Quoted - Debt Based Scheme	5.50	5.40
	23.44	**15.97**
Quoted investments :		
Book value	16.07	15.97
Aggregate market value	87.04	42.53
Book value of unquoted investments	7.37	((4500))

14. Long term loans and advances (Considered good unless otherwise stated)

(₹ Crore)

	As at 31 March 2016		As at 31 March 2015	
Capital advances		0.69		4.74
Security deposits		1.18		0.68
Loans and advances to				
Employees				
Unsecured		0.25		0.11
Others		25.64		25.78
Advances recoverable in cash or in kind or for value to be received		0.79		1.58
Advance Income tax (net of provisions of ₹20.96 crore (₹10.37 crore))		10.34		12.59
MAT credit entiltlement		46.40		36.24
Others (considered doubtful)	1.51		1.30	
Less : Set off with provision for doubtful debts/advances	1.36	0.15	1.29	0.01
		85.44		**81.73**

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

15. Other Non Current Assets

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Fixed deposits with banks (with original maturity of more than 12 months)	0.15	0.78
Others	0.72	2.82
	0.87	**3.60**

16. Current investments

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Units of mutual funds (quoted)		
Debt based schemes	70.13	68.32
Total	**70.13**	**68.32**
Quoted :		
Book value	70.13	68.32
Market value	73.37	70.84

17. Inventories

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
(Mode of valuation - Refer Note No. 1.2 (M) on Inventories)		
Raw materials		
On hand	9.75	7.45
Work in progress	2.62	11.82
Finished goods	882.73	658.60
Stores, spares etc		
On hand	20.37	23.82
In transit	-	1.79
	915.47	**703.48**

18. Trade receivables

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
a) **Receivables outstanding for a period exceeding six months from the date they are due for payment**		
Considered good		
Unsecured	1.49	2.84
b) **Other receivables**		
Considered good		
Unsecured	104.91	74.56
	106.40	**77.40**

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

19. Cash and cash equivalents

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Cash in hand	0.47	0.60
Cheques in hand	0.08	4.93
Balances with banks :		
- On current accounts	23.41	16.05
- On cash credit accounts	12.83	0.93
- Deposits with original maturity of less than 3 months	8.44	10.06
- Unpaid dividend account	0.81	0.91
- Deposits with original maturity of more than 3 months but less than 12 months	0.21	1.34
	46.25	**34.82**

20. Short term loans and advances (unsecured considered good unless otherwise stated)

(₹ Crore)

	As at 31 March 2016		As at 31 March 2015	
Loans and advances to Employees		0.23		0.18
Advances recoverable in cash or in kind or for value to be received		15.71		43.77
Deposit and Balances with Government departments and other authorities		12.06		6.56
Others (Considered doubtful)	-		0.02	
Less: Provision for doubtful loans and advances	-	-	0.02	-
		28.00		**50.51**

21. Other current assets

(₹ Crore)

	As at 31 March 2016	As at 31 March 2015
Interest receivable	2.55	7.71
Unbilled revenue	21.14	16.08
Others	2.16	0.70
	25.85	**24.49**

22. Revenue from operations (gross)

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Sales of products		
Sugar and molasses sales	894.62	889.58
Power sales	168.38	150.53
Refractory products sales	20.96	21.30
Other sales	86.39	99.75
	1170.35	**1161.16**
Sales of services	2.02	2.41
Other operating revenue	37.06	26.23
	1209.43	**1189.80**

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

23. Other Income

(₹ Crore)

	For the Year ended 31 March 2016		For the Year ended 31 March 2015	
Dividend income from non current investment		0.43		0.23
Interest Income from bank deposits and others		1.58		1.99
Interest on Income tax refund		-		4.15
Profit on sale of current investments	11.36		5.18	
Less: Loss on sale of current investments	-	11.36	-	5.18
Profit on sale of fixed assets		0.02		-
Gain on foreign exchange fluctuation		0.34		0.02
Miscellaneous receipts		7.83		4.43
		21.56		**16.00**

24. Consumption of Raw Materials

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Sugar Cane	898.93	889.87
Raw Magnesite	3.53	4.28
Others	14.41	7.34
	916.87	**901.49**
Less: Raw material cost capitalised	0.33	2.05
	916.54	**899.44**

25. (Increase)/ decrease in inventories of finished goods, work in progress

(₹ Crore)

	For the Year ended 31 March 2016		For the Year ended 31 March 2015	
Finished goods				
- Closing stock	882.73		658.60	
- Opening stock	658.60		580.13	
		(224.13)		(78.47)
Work-in-process				
- Closing stock	2.62		11.82	
- Opening stock	11.82		16.08	
		9.20		4.26
		(214.93)		**(74.21)**
Less: Capitalised		-		(1.80)
		(214.93)		**(72.41)**

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

26. Employee benefit expenses

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Salaries, wages and bonus	68.44	66.05
Contribution to Provident Fund and Other Funds	5.12	5.96
Workmen and Staff Welfare expenses	2.80	2.91
	76.36	**74.92**
Less: expenses Capitalised	1.46	0.27
	74.90	**74.65**

27. Other Expenses

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Power and fuel	24.69	32.48
Packing materials	10.46	12.98
Consumption of stores and spares parts	17.34	13.04
Excise duty variation on opening/closing stock	32.73	6.42
Repairs and maintenance :		
- Plant & machinery	17.16	23.42
- Buildings	2.68	2.37
- Others	3.44	1.49
Rent	0.48	0.75
Rates and taxes	1.35	1.28
Insurance	0.75	1.10
Travelling	1.06	0.79
Advertisement and publicity	0.14	0.16
Freight and forwarding charges	5.31	0.04
Cane development expenses	2.81	4.26
Management service charges	10.49	10.63
Selling expenses	7.70	0.10
Commission paid to other selling agents	1.16	1.16
Rebates, discount and allowances	0.33	0.02
Director's sitting fees	0.33	0.20
Charity and donation	0.17	0.49
Assets written off / loss on sale of fixed assets	0.06	0.25
Bad debts written off	3.72	-
Provision for doubtful debts	0.08	0.19
Provision for diminution in value of Inventory	0.02	0.01
CSR expenses	0.46	0.45
Miscellaneous expenses	22.84	28.41
	167.76	**142.49**
Less: Expenses capitalised	4.59	7.00
	163.17	**135.49**

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

28. Finance Costs

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Interest		
- On term loans and debentures	77.32	64.40
- On borrowing from banks	3.96	4.06
- Others	7.33	9.55
	88.61	**78.01**
Less: Interest cost Capitalised	1.12	-
	87.49	**78.01**

29. Earning Per Share

(₹ Crore)

	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Net profit for calculation of basic and diluted EPS (₹In Crores)	58.40	1.49
Total number of equity shares outstanding at the end of the year	80939303	80939303
Weighted average number of equity shares in calculating basic and diluted EPS	80939303	80939303
Basic and Diluted EPS (Rs.)	**7.22**	**0.18**

30. The Group comprises of the following entities:

The subsidiaries, associates and joint ventures considered in the Consolidated Financial Statements are:

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2016	Percentage of Ownership held as at March 31, 2015
Subsidiaries			
Himshikhar Investment Limited (HIL)	India	100%	100%
Dalmia Solar Power Limited (DSPL)	India	100%	100%
Dalmia Sugar Ventures Limited (DSVL)	India	**100%**	**100%**

31. Contingent Liabilities (not provided for) in respect of:

(₹ Crore)

S.No.	Particulars	2015-16	2014-15
a)	Claims against the Company not acknowledged as debts	0.59	0.51
b)	Demand raised by Income tax authorities under dispute	7.91	7.44
c)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	79.43	76.15
d)	Other money for which the Company is contingently liable	0.15	0.15
e)	Guarantee issued by the Company's banker on behalf of the Company	20.48	13.54

i) The Company assesses it's obligation arising in the normal course of business including pending litigations, proceedings with tax authorities and other contracts including derivative & long-term contracts. A provision for material foreseeable losses is recognised in accordance with the applicable accounting standards. Disclosure of contingent liabilities is made as applicable.

ii) Based on favourable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors etc, the Company believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

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

32. Capital and other commitments:

(₹ Crore)

Particulars	2015 - 16	2014 - 15
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1.84	46.42
Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-

33. Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(₹ Crore)

Particulars	2015-16	2014-15
a) Statutory Auditor		
i) Audit Fee	0.08	0.08
ii) For Tax Audit and Other services	0.05	0.05
iii) For Expenses	0.06	0.05
b) Cost Auditor		
i) Audit Fee	0.02	0.02

34. Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company:

(₹ Crore)

Particulars	2015-16	2014-15
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.39	0.12
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	**0.39**	**0.12**

35. In the opinion of the Board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

36. Operating Lease

Assets taken on Lease

Office premises are taken on operating lease. There is no escalation clause in the lease agreement.

(₹ Crore)

Particulars	2015-16	2014-15
Lease payments for the year	0.48	0.75
Total	**0.48**	**0.75**

There are no non-cancellable operating leases.

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

37. Gratuity and Other Post Employment Benefit Plans:

Gratuity

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Benefit Expenses)

(₹ Crore)

Particulars	Gratuity Funded	
	2015-16	2014-15
Current Service Cost	1.54	1.38
Interest Cost	1.34	1.19
Expected return on plan assets	(1.42)	(1.35)
Net Actuarial (Gain)/ Loss	(0.05)	0.57
Past Service cost	-	-
Total Expense	**1.40**	**1.80**
Actual return on plan assets	1.19	1.33

Consolidated Balance Sheet

(₹ Crore)

Particulars	Gratuity Funded	
	2015-16	2014-15
Present value of obligation as at year-end	19.20	17.22
Fair value of plan assets as at year-end	16.56	15.78
Less : Unrecognised past service cost	-	-
Funded status {Surplus/(Deficit}	**(2.64)**	**(1.44)**
Net Asset / (Liability) as at year end	**(2.64)**	**(1.44)**

Changes in the Present Value of the Defined Benefit Obligation are as follows:

(₹ Crore)

Particulars	Gratuity Funded	
	2015-16	2014-15
Opening defined benefit obligation	17.22	14.92
Interest cost	1.34	1.19
Current service cost	1.54	1.38
Benefits paid out of funds	(0.61)	(0.83)
Actuarial (gains)/ losses on obligation	(0.29)	0.56
Closing defined benefit obligation	**19.20**	**17.22**

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

37. Gratuity and Other Post Employment Benefit Plans: (*contd.*)

Changes in the Fair Value of Plan Assets are as follows:

(₹ Crore)

Particulars	Gratuity Funded	
	2015-16	2014-15
Opening fair value of plan assets	15.78	15.23
Expected return	1.42	1.35
Contribution by employer	0.20	0.05
Benefits paid	(0.61)	(0.83)
Actuarial gains/ (losses) on obligation	(0.23)	(0.01)
Closing fair value of plan assets	**16.56**	**15.78**

The Major Categories of Plan Assets as a Percentage of the Fair Value of Total Plan Assets are as follows:

Particulars	Gratuity Funded	
	2015-16	2014-15
Qualifying Insurance Policy	100%	100%
Bank Balance	-	-

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Principal Assumptions used in determining Gratuity for the Company's plans are shown below:

Particulars	Gratuity Funded	
	2015-16	2014-15
Discount Rate	7.75%	7.75%
Expected rate of return on assets	9.00%	9.00%
Mortality Table	LIC (2006-08)	LIC (2006-08)
Salary Escalation	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the Current and previous four years in respect of Gratuity are as follows:

(₹ Crore)

Particulars	Gratuity				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	19.20	17.22	14.92	14.08	12.66
Plan assets	16.56	15.78	15.23	14.81	13.49
Surplus / (deficit)	(2.64)	(1.44)	0.31	0.73	0.83
Experience adjustment on plan assets	(0.23)	(0.01)	(0.12)	0.15	0.04
Experience adjustment on plan liabilities	0.28	(0.56)	(0.03)	0.11	(0.28)

Provident and Other Funds

Contribution to Defined Contribution Plans:

(₹ Crore)

Particulars	2015-16	2014-15
Pension Fund/Superannuation funds/ESI/PF	4.14	4.08

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

37. Gratuity and Other Post Employment Benefit Plans: (*contd.*)

Provident Fund

The Guidance note issued by Accounting Standard Board (ASB) on implementing AS 15, Employee Benefit (Revised 2005) states that provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The fund does not have any existing deficit or interest shortfall.

38. Segment Information

Primary Segment: Business Segment

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided. The identified reportable segments are Own Manufactured Sugar, Power and Others.

The **"Own Manufactured Sugar Segment"** includes manufacture and marketing of Sugar.

The **"Power Segment"** includes generation and sale of Power. Power is also used for captive consumption by the Company.

The **"Others' segment"** includes Magnesite, Distillery, Travel, and Electronics activities of the Company.

The Company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such there are no reportable Geographical Segments.

Segment Information

The following table presents segment revenues, results, assets & liabilities in accordance with AS-17 as on March 31, 2016:

(₹ Crore)

Segment Particulars	Sugar	Power	Others	Total
Revenue				-
Gross Revenue	1,059.95	300.59	111.35	1,471.89
	(1,040.92)	(277.58)	(128.65)	(1,447.15)
Less: Inter/ Intra Segment Revenue	138.42	122.17	1.87	262.46
	(137.82)	(119.53)	-	(257.35)
Less: Excise Duty	36.31	-	6.71	43.02
	(33.56)	-	(6.19)	(39.75)
Net Revenue	**885.22**	**178.42**	**102.76**	**1,166.41**
	(869.54)	(158.05)	(122.46)	(1,150.05)
Results				
Segment result	23.64	82.28	28.98	134.90
	(-70.17)	(120.36)	(28.11)	(78.30)
Less: Finance Cost				87.49
				(78.01)
Less: Exceptional Items				-
				-
Profit before tax				47.41
				(0.29)
Tax expenses				(10.99)
				(-1.20)
Profit after tax				58.41
				(1.49)

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

38. Segment Information (*contd.*)

(₹ Crore)

Segment Particulars	Sugar	Power	Others	Total
Assets	**1,467.78**	**300.23**	**181.53**	**1,949.53**
	(1,216.35)	(352.52)	(99.65)	(1,668.52)
Non Segments Assets				111.31
				(165.80)
Total Assets				**2,060.84**
				(1,834.32)
Liabilities	**731.32**	**6.99**	**11.41**	**749.72**
	(677.05)	(1.23)	(6.59)	(684.87)
Non Segments liabilities				**798.51**
				(689.39)
Total Liabilities				**1,548.23**
				(1,374.26)
Depreciation	**23.42**	**85.90**	**4.07**	**113.39**
	(24.41)	(21.30)	(4.87)	(50.58)
Capital Expenditure	**43.50**	**7.18**	**69.14**	**119.82**
	(32.17)	(3.89)	(2.15)	(38.21)

39. The Company had incurred some expenditure related to acquisition/construction of fixed assets and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

Parent Group

(₹ Crore)

Particulars	2015-16	2014-15
Carried forward as part of Capital Work in Progress (A)	7.55	-
Expenditure incurred during the year		
Personnel Expenses:		
Salary and Wages	1.46	0.27
Operating and Other Expenses		
Cost of material including change in Produced goods stock	0.33	0.25
Power & Fuel	0.74	0.42
Packing		0.02
Stores & Spares		0.04
Repair and Maintenance	0.38	2.85
Depreciation and amortisation		0.03
Finance Cost	1.12	-
Consultancy Charges	0.41	0.33
Miscellaneous Expenses	3.06	3.34
Total Expenditure incurred during the year (B)	**7.51**	**7.55**
Total Pre-operative Expenditure (A + B)	**15.06**	**7.55**
Less : Revenue during Trial Run	0.55	-
Less : Capitalised as Fixed Assets	14.51	-
Carried forward as part of Capital Work in Progress	-	**7.55**

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

39. (contd.)

Subsidiaries

(₹ Crore)

Particulars	2015-16	2014-15
Carried forward as part of Capital Work in Progress	0.22	0.20
Expenditure incurred during the year	-	
Other Expenses		
Miscellaneous Expenses		0.02
Grand Total		**0.22**
Less: Charged in Profit & Loss Account	0.13	-
Carried forward as part of Capital Work in Progress	**0.09**	**0.22**

40. "There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard (AS)-29 'Provisions, Contingent Liabilities & Contingent Assets."

41. The Company has started the commercial production at 1750 TCD Ninaidevi plant from 30th November 2015 and 60 KLPD distillary at Kolhapur plant from 1st March 2016.

42. Related Party Disclosure as required by Accounting Standard-18.

a) List of related parties along with nature and volume of transactions is given below:

Key Management Personnel of the Company

Shri Jai Hari Dalmia– Vice-Chairman, Shri Gautam Dalmia - Managing Director, Shri K V Mohan- Company Secretary & Shri Anil Kataria- Chief Finance Officer

Relatives of Key Management Personnel

Shri Y. H. Dalmia (Brother of Vice Chairman) and Shri Puneet Yadu Dalmia (Son of Brother of Vice-Chairman).

Enterprises on which the Key Management Personnel of the Company exercise significant influence

Dalmia Refractories Limited, Dalmia Bharat Limited, Adhunik Cement Limited, Calcom Cement India Limited, DCB Power Ventures Limited, OCL India Limited, Dalmia Cement (Bharat) Limited & Dalmia Cement East Ltd.

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

42. Related Party Disclosure as required by Accounting Standard-18. (*contd.*)

b) The following transactions were carried out with the related parties in the ordinary course of business:

(₹ Crore)

Nature of Transaction	Key Management Personnel	Key Management Personnel controlled enterprises	Total
Sale of goods and services	-	9.79	9.79
	-	(7.88)	(7.88)
Reimbursement of expenses – receivable	-	0.15	0.15
	-	(0.16)	(0.16)
Reimbursement of expenses – payable	-	0.30	0.30
	-	(0.32)	(0.32)
Purchase of goods and services	-	12.17	12.17
	-	(12.57)	(12.57)
Loans Repaid	-	50.00	50.00
	-	(16.00)	(16.00)
Receipt of fund on their behalf and transfer	-	-	-
	-	(0.07)	(0.07)
Interest paid on Loans	-	4.61	4.61
	-	(5.35)	(5.35)
Salary and Perquisites	2.18	-	2.18
	(2.16)	-	(2.16)
Dividend Received	-	0.33	0.33
	-	(0.19)	(0.19)
Dividend Paid	-	0.89	0.89
	-	-	-

1. Sale of goods and services includes transaction with Dalmia Cement (Bharat) Limited ₹3.56 Crore (₹0.84 Crore), OCL India Limited ₹1.88 Crore (₹ 0.82 Crore), Dalmia Bharat Limited ₹2.30 Crore (₹3.85 Crore), Adhunik Cement Limited ₹1.02 Crore (₹1.31 Crore), Dalmia Refectories Limited Rs.0.36 Crore (₹0.30 Crore), Calcom Cement LimitedRs.0.45 Crore (₹0.40 Crore) and Dalmia Cement East Limited Rs..23 Crore (₹0.36 Crore).
2. Reimbursement of expenses – receivable includes transaction with Dalmia Bharat Limited Rs.0.15 Crore (₹0.16 Crore).
3. Reimbursement of expenses – payable includes transaction with Dalmia Bharat Limited Rs.0.23 Crore (₹0.32 Crore), Dalmia Cement (Bharat) Limited ₹0.07 (₹0.00 Crore).
4. Purchase of goods & services includes transaction with Dalmia Bharat Limited Rs.10.48 Crore (₹10.69 Crore), Dalmia Cement (Bharat) Limited ₹1.65 Crore (₹1.86 Crore) and Dalmia Refectories Limited Rs.0.03Crore (0.02 Crore).
5. Loans repaid includes transaction with Dalmia Bharat Limited ₹34.00 Crore (₹16.00 Crore) and DCB Power Ventures Limited Rs.16.00 Crore (₹0.00 Crore).
6. Receipt of fund on their behalf and transfer includes transaction with Dalmia Bharat Limited Rs.0.00 Crore (₹0.07 Crore).
7. Interest paid on loans includes transaction with Dalmia Bharat Limited ₹3.14 Crore (₹3.75 Crore) and DCB Power Ventures Limited Rs.1.47 Crore (₹1.60 Crore).

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

42. Related Party Disclosure as required by Accounting Standard-18. (*contd.*)

8. Salary and perquisites includes transaction with Shri J. H. Dalmia Rs.0.52 Crore (₹0.52 Crore) and Shri Gautam Dalmia ₹0.07 Crore (₹0.07 Crore) .
9. Dividend received represent dividend from Dalmia Bharat Limited ₹0.33 Crore (₹0.19 Crore).
10. Dividend paid represent dividend paid to Dalmia Bharat Limited ₹0.89 Crore (₹0.00 Crore).

c) Balances Outstanding at Year End:

(₹ Crore)

Nature of Transaction	Key Management Personnel / Promoters	Key Management Personnel / Promoter controlled enterprises	Total
Loans Payable	-	-	-
	-	(50.00)	(50.00)
Interest Payable	-	-	-
	-	(0.23)	(0.23)
Amounts receivable	-	0.25	0.25
	-	(0.63)	(0.63)
Amounts payable	-	1.77	1.77
	-	(0.50)	(0.50)

1. Loans payable includes Dalmia Bharat Limited ₹0.00 Crore (₹34.00 Crore) and DCB Power Ventures Limited ₹0.00 Crore (₹16.00 Crore).
2. Interest payable includes Dalmia Bharat Limited ₹0.00 Crore (₹0.00 Crore) and DCB Power Ventures Limited Rs.0.00 Crore (₹0.23 Crore).
3. Amount receivable includes Dalmia Cement (Bharat) Limited Rs.0.25 Crore (₹0.19 Crore), Dalmia Bharat Limited 0.00 Crore (Rs.0.19 Crore), Dalmia Refectories Limited Rs.0.00 Crore (Rs.0.03 Crore), Calcom Cement Limited Rs.0.00 Crore (Rs.0.09 Crore), Adhunik Cement Limited Rs.0.00 Crore (Rs.0.09 Crore) and Dalmia Cement East Limited Rs.0.00 Crore (Rs.0.04 Crore).
4. Amount payable includes Dalmia Cement (Bharat) Limited Rs.0.08 (₹0.00 Crore) and Dalmia Bharat Limited Rs.1.69 Crore (Rs.0.50 Crore).

43. Disclosure required under Section 186 (4) of the Companies Act 2013

(a) Particulars of Loans given: NIL

(b) Particulars of Guarantee given: NIL

(c) Particulars of Investments made:

(₹ Crore)

Sr. No.	Name of the Loanee	Opening Balance	Investment made	Investment redeemed	Outstanding Balance	Purpose
1	Dalmia Bharat Ltd	9.90	-	-	9.90	Long Term Investment

(d) Particulars of Security Deposit: NIL

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

44. Foreign Currency Exposures

The amount of foreign currency exposures as at March 31, 2016 that are not hedged by a derivative instrument or otherwise are as under:-

(₹ Crore)

Particulars	Foreign Currency (FC)	Amount in FC	₹ Crore
Amount Receivable			
Trade Receivables		-	-
	USD	(8,500)	(0.05)

There is no hedged foreign currency exposure as at the balance sheet date.

45. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

(₹ Crore)

Name of the Entity	As on the Balance Sheet date			
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	(₹ Crore)	As % of consolidated profit or loss	(₹ Crore)
Himshikhar Investment Limited (HIL)	1.22%	6.25	0.17%	0.10
	(-1.34%)	(6.15)	(-2.42%)	(0.04)
Dalmia Solar Power Limited (DSPL)	-0.03%	-0.17	-0.24%	-0.14
	(0.00%)	(-.03)	0.00%	(-0.00)
Dalmia Sugar Ventures Limited (DSVL)	0.00%	-0.01	-0.01%	-0.00
	(0.00%)	(-0.00)	0.00%	(-0.00)

46. Figures less than ₹Fifty thousand which are required to be shown separately have been shown at actual in double brackets.

47. In the opinion of the Management there is no reduction in the value of any assets, hence no provisions is required in terms of Accounting Standard AS 28 "Impairment of Assests".

48. The Company has changed the method of charging depreciation from Straight Line Method to Written Down Value Method for Power Cogeneration plant & Machinery (other than Boiler, which is already being depreciated as per Written Down Value method) considering that there is higher wear and tear and that the revised carrying values approximates the current replacement values.

In compliance to the accounting standard (AS-6), depreciation has been recomputed from the date of commissioning of these plants at WDV rates applicable to those years. Consequent to this there is an additional charge for depreciation during the year of ₹59.65 Cr which relates to previous years. Additional depreciation on account of current year is ₹4.99 Cr. Consequently the net block of Fixed Assets and profits are lower by ₹64.64 Cr.

49. Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN - 000756N

per **Sunil Wahal**
Partner
Membership No.: 87294

Place : New Delhi
Date : 23rd May, 2016

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

K V Mohan
Company Secretary

Anil Kataria
Chief Finance Officer

J. S. Baijal
Director

Gautam Dalmia
Managing Director

Annexure Forming Part of the Directors' Report

Annexure - 1

Working Results of FY 15-16

Particulars	FY 16	FY 15	FY 14
Sugar Division ('000 MT)			
Cane Crushed	3,097	3,093	2,783
Sugar Production	375	338	292
Sugar Sales	317	287	319
Molasses Production	141	147	143
Magnesite Division ('000 MT)			
Refractory Product Production	9	17	15
Refractory Product Sale & Self Consumption	10	15	17
Electronic Division ('000 MT)			
Chip Capacitor Production	202	110	146
Chip Capacitor Sales	202	110	146
Chip Resistor Production	-	-	-
Chip Resistor Sales	-	-	-
Wind Farm			
Installed Capacity (MW)	16.5	16.5	16.5
Production (Million Units)	19.8	25	29
Plant Load Factor	13.0%	17.2%	19.8%
Govan Travels			
Business Handled (₹ in Crore)	24.3	23.1	24.7
Co-Generation			
Installed Capacity (MW)	102	102	94
Production (Million Units)	431	417	354

Annexure - 2

Form AOC-I

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

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

Part "A": Subsidiaries

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

		1	2	3
SL. No.	Name of the subsidiary	HIMSHIKHAR INVESTMENT LIMITED	DALMIA SUGAR VENTURES LIMITED	DALMIA SOLAR POWER LIMITED
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company (31 March of every year)	Same as Holding Company (31 March of every year)	Same as Holding Company (31 March of every year)
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable
3	Share capital	0.45	0.05	0.05
4	Reserves & surplus	5.80	(0.06)	(0.22)
5	Total assets	6.25	0.00	0.18
6	Total Liabilities	0.00	0.01	0.35
7	Investments	6.17	Nil	Nil
8	Turnover	0.10	Nil	Nil
9	Profit before taxation	0.10	0.00	0.00
10	Provision for taxation	Nil	Nil	Nil
11	Profit after taxation	0.10	0.00	0.00
12	Proposed Dividend	Nil	Nil	Nil
13	% of shareholding	100%	100%	100%

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

Part "B": Associates and Joint Ventures: Not Applicable

Place: New Delhi
Date: 23rd May, 2016

K.V. Mohan
Company Secretary

Anil Kataria
Chief Financial Officer

J.S. Baijal
Director

Gautam Dalmia
Managing Director

Annexure - 3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

on the financial year ended on 31-3-2016

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

I. Registration and other details:

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

II. Principal Business Activities of the Company

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

S.No	Name and Description of main products/services	NIC Code of the Product/ Service	% of total turnover of the Company
1	Sugar	1072	78.03
2	Power	3510	14.38

III. Particulars of Holding, Subsidiary and Associate Companies –

S.No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Dalmia Sugar Ventures Limited	U24233DL2007PLC166943	SUBSIDIARY	100	2 (87)
2	Dalmia Solar Power Limited	U40102TN2005PLC057328	SUBSIDIARY	100	2 (87)
3	Himshikhar Investment Limited	U67190TN1997PLC038989	SUBSIDIARY	100	2 (87)

IV. Shareholding Pattern

(Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3405460	0	3405460	4.21	3405460	0	3405460	4.21	0
b) Central Govt./ State Govt(s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp	57141997	0	57141997	70.60	57141997	0	57141997	70.60	0
d) Banks/FI	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
e) Any other… Trusts	86665	0	86665	0.10	86665	0	86665	0.10	0
Sub-total (A) (1):-	**60634122**	**0**	**60634122**	**74.91**	**60634122**	**0**	**60634122**	**74.91**	**0**
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other…	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**60634122**	**0**	**60634122**	**74.91**	**60634122**	**0**	**60634122**	**74.91**	**0**
B. Public Shareholding									
1. Institution									
a) Mutual Funds	0	2500	2500	0	605500	2500	608000	0.75	0.75
b) Banks/FI	3972932	21826	3994758	4.94	2472465	21326	2493791	3.08	(1.86)
c) Central Govt./ State Govt(s)	59200	68955	128155	0.16	59200	68955	128155	0.16	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	128491	0	128491	0.16	0	0	0	0	(0.16)
f) FIIs	768756	0	768756	0.95	832900	0	832900	1.03	0.08
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
h) Other (specify)	0	0	0	0	0	0	0	0	0
Sub- total (B)(I):	**4929379**	**93281**	**5022660**	**6.21**	**3970065**	**92781**	**4062846**	**5.02**	**(1.19)**
2. Non Institutions									
a) Bodies Corp	2441506	29824	2471330	3.05	3293683	29399	3323082	4.11	1.06
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹1 Lakh	6146796	2688687	8835483	10.92	5610065	2659887	8269952	10.22	(0.70)
ii. Individual Shareholders holding nominal share capital in excess of ₹1 Lakh	3569903	0	3569903	4.41	3338188	0	3338188	4.12	(0.29)
c) Other (specify)									
Clearing Member	2357	0	2357	0	902688	0	902688	1.12	1.12
Directors And Their Relatives	6260	0	6260	0.01	6260	0	6260	0.01	0
Enemy Individuals	0	188303	188303	0.23	0	188303	188303	0.23	0
Foreign Nationals	0	19655	19655	0.02	0	17325	17325	0.02	0
Non Resident Indians	77117	58376	135493	0.17	84424	58376	142800	0.18	0.01
Trusts	32817	20920	53737	0.07	32817	20920	53737	0.07	0
Sub- total (B)(2):-	**12276756**	**3005765**	**15282521**	**18.88**	**13268125**	**2974210**	**16242335**	**20.07**	**1.19**
Total Public Shareholding(B)=(B)(1)+(B)(2)	**17206135**	**3099046**	**20305181**	**25.09**	**17238190**	**3066991**	**20305181**	**25.09**	**0**
C. Shares Held By Custodian For GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**77840257**	**3099046**	**80939303**	**100.00**	**77872312**	**3066991**	**80939303**	**100.00**	**0**

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
	Shri Jai Hari Dalmia	1635010	2.02	NIL	1635010	2.02	NIL	0
	Smt. Kavita Dalmia	376670	0.47	NIL	376670	0.47	NIL	0
	Shri Gautam Dalmia	751990	0.93	NIL	751990	0.93	NIL	0
	Smt. Anupama Dalmia	11250	0.01	NIL	11250	0.01	NIL	0
	Ku. Vaidehi Dalmia	37180	0.05	NIL	37180	0.05	NIL	0
	Ku. Sukeshi Dalmia	37180	0.05	NIL	37180	0.05	NIL	0
	Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF)	315175	0.39	NIL	315175	0.39	NIL	0
	Shri Yadu Hari Dalmia	0	0	NIL	0	0	NIL	0
	Smt. Bela Dalmia	0	0	NIL	0	0	NIL	0
	Shri Puneet Yadu Dalmia	0	0	NIL	0	0	NIL	0
	Smt. Avantika Dalmia	0	0	NIL	0	0	NIL	0
	Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)	241005	0.30	NIL	241005	0.30	NIL	0
	Mayuka Investment Limited	15736537	19.44	NIL	15736537	19.44	NIL	0
	Shree Nirman Limited	130	0.00	NIL	130	0.00	NIL	0
	Sita Investment Company Limited	5876800	7.26	NIL	5876800	7.26	NIL	0
	Keshav Power Limited	1268241	1.57	NIL	1268241	1.57	NIL	0
	Ankita Pratisthan Limited	5829070	7.20	NIL	5829070	7.20	NIL	0
	Rama Investment Company Private Limited	2644985	3.27	NIL	2644985	3.27	NIL	0
	Himgiri Commercial Limited	738265	0.91	NIL	738265	0.91	NIL	0
	Kavita Trading & Investment Co. Pvt. Ltd.	300570	0.37	NIL	300570	0.37	NIL	0
	Puneet Trading and Investment Co. Pvt. Ltd.	9792775	12.10	NIL	9792775	12.10	NIL	0
	Alirox Abrasives Limited	120360	0.15	NIL	120360	0.15	NIL	0
	Valley Agro Industries Limited	3500	0.00	NIL	3500	0.00	NIL	0
	Shri Nataraj Ceramic and Chemical Industries Ltd. (now known as Dalmia Refractories Ltd.)	1000	0.00	NIL	1000	0.00	NIL	0
	Dalmia Bharat Limited	14829764	18.32	NIL	14829764	18.32	NIL	0
	Total	**60634122**	**74.91**	**NIL**	**60634122**	**74.91**	**NIL**	**0**

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

Datewise Changes In Top Promoters' Shareholding							
Sl. no	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares held	% of total shares of the company	No of Shares	% of total shares of the company
No Change							

iv) Promoters and Holders of GDRs and ADRs):

Sl. no	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
1	Axis Bank Limited	Opening Balance	01/04/2015	2335227	2.89	2335227	2.89
		Sale	18/03/2016	383000	0.47	1952227	2.41
		Sale	25/03/2016	19606	0.02	1932621	2.39
		Purchase	31/03/2016	892463	1.10	2825084	3.49
		Sale	31/03/2016	1127861	1.39	1697223	2.10
		Closing Balance	31/03/2016			1697223	2.10
2	Life Insurance Corporation of India	Opening Balance	01/04/2015	1259685	1.56	1259685	1.56
		Closing Balance	31/03/2016			1259685	1.56
3	Gagandeep Credit Capital Pvt. Ltd.	Opening Balance	01/04/2015	742500	0.92	742500	0.92
		Purchase	08/01/2016	742500	0.92	1485000	1.83
		Sale	08/01/2016	742500	0.92	742500	0.92
		Closing Balance	31/03/2016			742500	0.92
4	Harsh Jain	Opening Balance	01/04/2015	586683	0.72	586683	0.72
		Sale	16/10/2015	22006	0.03	564677	0.70
		Sale	30/10/2015	114677	0.14	450000	0.56
		Closing Balance	31/03/2016			450000	0.56
5	Ankit Jain	Opening Balance	01/04/2015	558850	0.69	558850	0.69
		Closing Balance	31/03/2016			558850	0.69

Sl. no	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
6	L And T Mutual Fund Trustee Ltd	Opening Balance	01/04/2015	0	0	0	0.00
		Purchase	18/03/2016	400000	0.49	400000	0.49
		Purchase	31/03/2016	205500	0.25	605500	0.75
		Closing Balance	31/03/2016			605500	0.75
7	Gaurav Jain	Opening Balance	01/04/2015	463350	0.57	463350	0.57
		Closing Balance	31/03/2016			463350	0.57
8	Dynamic Equities Pvt Ltd	Opening Balance	1/04/2015	674475	0.83	674475	0.83
		Purchase	16/10/2015	9150	0.01	683625	0.84
		Purchase	23/10/2015	3500	0.01	687125	0.85
		Sale	30/10/2015	7550	0.01	679575	0.84
		Purchase	06/11/2015	4900	0.01	684475	0.85
		Sale	13/11/2015	100	0.00	684375	0.85
		Sale	20/11/2015	13649	0.02	670726	0.83
		Sale	27/11/2015	4285	0.01	666441	0.82
		Sale	04/12/2015	26306	0.03	640135	0.79
		Purchase	11/12/2015	300	0.00	640435	0.79
		Sale	11/12/2015	2810	0.00	637625	0.79
		Sale	18/12/2015	25985	0.00	611640	0.76
		Purchase	25/12/2015	2604	0.00	614244	0.76
		Purchase	31/12/2015	596	0.00	614840	0.76
		Purchase	01/01/2016	1900	0.00	616740	0.76
		Sale	08/01/2016	200	0.00	616540	0.76
		Purchase	15/01/2016	6000	0.00	622540	0.77
		Sale	15/01/2016	45350	0.06	577190	0.71
		Sale	22/01/2016	18100	0.02	559090	0.69
		Purchase	29/01/2016	2200	0.00	561290	0.69
		Purchase	05/02/2016	3900	0.01	565190	0.70
		Sale	05/02/2016	49213	0.06	515977	0.64
		Sale	12/02/2016	36999	0.05	478978	0.59

Sl. no	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares Purchase or Sale	% of total shares of the company	No of Shares	% of total shares of the company
		Sale	19/02/2016	2001	0.00	476977	0.59
		Purchase	26/02/2016	1000	0.00	477977	0.59
		Sale	04/03/2016	12447	0.01	465530	0.58
		Purchase	11/03/2016	100	0.00	465630	0.58
		Purchase	18/03/2016	12199	0.01	477829	0.59
		Sale	25/03/2016	11549	0.01	466280	0.58
		Purchase	31/03/2016	9750	0.01	476030	0.59
		Sale	31/03/2016	30000	0.04	446030	0.55
		Closing Balance	31/03/2016			446030	0.55
9	Hemanth Dhandapani	Opening Balance	01/04/2015	357532	0.44	357532	0.44
		Purchase	17/04/2015	500	0	358032	0.44
		Purchase	21/08/2015	5383	0.01	363415	0.45
		Purchase	28/08/2015	9347	0.01	372762	0.46
		Purchase	11/09/2015	3674	0.01	376436	0.47
		Closing Balance	31/03/2016			376436	0.47
10	Morgan Stanley Asia (Singapore) PTE.	Opening Balance	01/04/2015	740557	0.91	740557	0.91
		Purchase	08/05/2015	696	0.00	741253	0.92
		Purchase	15/05/2015	28486	0.04	769739	0.95
		Purchase	22/05/2015	58174	0.07	827913	1.02
		Purchase	29/05/2015	18455	0.02	846368	1.05
		Purchase	05/06/2015	90109	0.11	936477	1.16
		Purchase	12/06/2015	40782	0.05	977259	1.21
		Purchase	19/06/2015	8852	0.01	986111	1.22
		Purchase	26/06/2015	4727	0	990838	1.22
		Purchase	03/07/2015	1	0	990839	1.22
		Purchase	22/01/2016	1	0	990840	1.22
		Sale	11/03/2016	21888	0.02	968952	1.20
		Sale	18/03/2016	136052	0.17	832900	1.03
		Closing Balance	31/03/2016			832900	1.03

v) Shareholdings of Directors and Key Managerial Personnel:

Sl. no	For Each of the Directors and KMP	Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year				
	Shri Jai H. Dalmia	1635010	2.02	1635010	2.02
	Shri Gautam Dalmia	751990	0.93	751990	0.93
	Shri P Kannan	2730	0	2730	0
	Shri K.V. Mohan	1310	0	1310	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the Year				
	Shri Jai H. Dalmia	1635010	2.02	1635010	2.02
	Shri Gautam Dalmia	751990	0.93	751990	0.93
	Shri P Kannan	2730	0	2730	0
	Shri K.V. Mohan	1310	0	1310	0

V. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i. Principal amount	881.46	50	-	931.46
ii. Interest due but not paid	1.40	-	-	1.40
iii. Interest accrued but not due	2.20	-	-	2.20
Total (i+ii+iii)	**885.06**	**50**	**-**	**935.06**
Change in Indebtedness during the Financial Year				
• Addition	376.03	-	-	376.03
• Reduction	122.58	50	-	172.58
Net Change	**253.45**	**(50)**	**-**	**203.45**
Indebtedness at the end of the Financial Year				
i. Principal amount	1137.70	-	-	1137.70
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.82	-	-	0.82
Total (i+ii+iii)	**1138.52**	**-**	**-**	**1138.52**

VI. Remuneration of Directors and Key Managerial Personnel

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

₹ crores

S. No	Particulars of Remuneration	Name of the MD / WTD / Manager		Total Amount
		Shri Jai H. Dalmia (Managing Director)	Shri Gautam Dalmia (Managing Director & CEO)	
1	Gross Salary			
	(a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	0.44	0.01	0.45
	(b) Value Of Perquisites u/s 17(2) Income Tax Act, 1961	0.04	0.06	0.10
	(c) Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - Others, specify….	-	-	-
5.	Others,	-	-	-
	Total (A)	**0.48**	**0.07**	**0.55**
	Ceiling as per the Act	10 % of the Net Profit i.e. ₹3.75 Crore		

B. Remuneration to the Directors:

₹ crores

S. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Shri J.S. Baijal	Shri M. Raghupathy	Shri P. Kannan	
	1. Independent Directors				
	• Fee for attending Board / Committee Meeting	0.07	0.06	0.06	0.19
	• Commission	0.14	0.14	0.10	0.38
	• Others, please specify				
	Total (1)	0.21	0.20	0.16	0.57

₹ crores

S. No	Particulars of Remuneration	Shri T. Venkatesan	Shri B.B. Mehta	Smt. Himmi Gupta	Total Amount
	2. Other Non-Executive Directors				
	• Fee for attending Board / Committee Meeting	0.03	0.04	0.03	0.10
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify				
	Total (2)	**0.03**	**0.04**	**0.03**	**0.10**
	Total (B)= (1+2)	**0.24**	**0.24**	**0.19**	**0.67**
	Total Managerial Remuneration				0.93
	Overall Ceiling as per the Act	11% of the Net Profit i.e. 4.13 Crore			

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

₹ crores

S. No	Particulars of Remuneration	Key Managerial Personnel		Total
		K.V. Mohan (Company Secretary)	Anil Kataria (CFO)	
1	Gross Salary			
	(a) Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	0.68	0.68	1.36
	(b) Value Of Perquisites u/s 17(2) Income Tax Act, 1961	0.03	0.00	0.03
	(c) Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - Others, specify….	-	-	-
5.	Others,	-	-	-
	Total (A)	**0.71**	**0.68**	**1.39**

VII. Penalties / Punishment / Compounding of Offences:

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

Annexure - 4

NOMINATION AND REMUNERATION POLICY

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

2) **Definitions:**

   a. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

   b. "Board" means the Board of Directors of the Company.

   c. "Directors" means the Directors of the Company as may be appointed from time to time.

   d. "Independent Director" means a Director who has been appointed as such and who satisfies the criteria and conditions laid down in S.149(6) of the Companies Act, 2013

   e. "Key Managerial Personnel" (KMP) means the following persons as defined in S.2(51) of the Companies Act, 2013 and (i) Managing Director or Manger or Chief Executive Officer; (ii) Company Secretary; (iii) Whole-time Director; (iv) Chief Financial Officer; and (iv) such other officer as may be prescribed.

   f. "Senior Management Persons" (SMP) means the following persons, as defined in Explanation to S.178(8) of the Companies Act, 2013, being personnel of the Company who are members of its core management team, excluding Board of Directors, comprising all members of management, one level below the executive directors including all functional heads.

3) **Constitution of the Committee and matters relating there to:**

   (a) **Constitution**:

      (i) The Committee shall consist of minimum 3 Non-Executive Directors, majority of them being Independent Director.

      (ii) Minimum two members shall constitute a quorum for the meeting.

      (iii) Constitution and membership of the Committee shall be disclosed in the Annual Report of the Company.

      (iv) The Chairman of the Committee shall be an Independent Director.

      (v) The Chairman of the Company may be nominated as a member of the Committee but shall not be its Chairman.

      (vi) The Chairman of the Nomination and Remuneration Committee is required to be present at the Annual General Meeting or he may nominate some other member to answer the shareholders' queries.

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

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

   (d) **Procedure to be followed in meetings of the Committee:**

      (i) A member of the Committee is not entitled to be present when his or her own remuneration is being discussed at the meeting or when his or her own performance is being evaluated.

      (ii) All matters shall be decided by a majority of votes cast by the members present and such decision shall for all purposes be treated as the decision of the Committee. In case of equality of votes, the Chairman shall have the casting vote.

      (iii) Head HR or a representative nominated by him shall be present at all meetings of the Committee to provide clarifications, if any, sought by the Committee.

      (iv) The Committee is also entitled to engage professionals to assist it in the performance of its duties and such costs shall be borne by the Company.

      (v) Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

4) **Role of the Committee:**

   The Committee shall :-

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

   (b) Recommend to the Board, a Policy relating to Remuneration of Directors, KMPs, and other employees. [S.178(3)]. This Policy has to be disclosed in the Board's Report [S.178(4)]. As per S.178(4), while formulating this policy, Committee has to ensure that:-

      (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required,

(ii) Relationship of remuneration to performance is clear, and meets appropriate performance bench marks,

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

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

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

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

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

5) Policy on Remuneration:

(a) Directors (including MDs and WTDs):

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

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

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

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

(b) KMPs and other employees:

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

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

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

6) Policy on Board Diversity

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

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

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

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

8) Criteria for identifying persons for appointment as SMPst:

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

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

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

(a) % attendance at Board Meetings.

(b) Participation in discussions

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

(d) Contribution in terms of improving Business performance.

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

10) General:

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

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

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

(d) Term/Tenure of appointment of Directors:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Annexure - 5

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

Presently, Dalmia Bharat Sugar and Industries Limited is working in two states of Uttar Pradesh and Maharashtra.

PROGRAMME OUTREACH DURING FY2016

Our Key Focus Areas

1. **Renewable Energy:** Promoting energy conservation

   Energy is another major concern in Indian Villages, with majority of the populations dependent on depleting fuel wood and erratic electricity supply. We are thus trying to promote more energy efficient and sustainable solutions in our community. We promote fuel-efficient chulhas, bio gas plants, Solar lighting systems like lanterns, street lights, study lamps and home lighting systems. These solutions also help in reduction of CO2 emissions.

   Activities Undertakes:

   - 302 fuel efficient chullahs distributed
   - 875 solar lanterns distributed
   - 819 solar study lamps distributed
   - 45 solar home lighting system installed
   - 357 tons of CO2 reduced

2. **Livelihood & Skill Development:** Capacity building through vocational training

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

   Activities Undertakes:

   - 6 Skill Development training Centres have been setup
   - 2 centres in partnership with Institute of Physically Handicapped
   - 309 trainees being trained in Training Centres
   - 46 SHGs were formed
   - 40 women are being trained in Basket Making training

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

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

Activities Undertakes:

- 111 rural low cost toilets constructed
- 16 special medical camps conducted
- 290 beneficiaries benefitted through medical camps
- 8500 children covered under14 immunization drives
- 5 School eye check-up camps conducted, benefitting 450 children
- 3 Cataract Identification Camps organized, 685 patients screened and 284 surgeries done
- 28 anganwadi / schools were supported in infrastructure
- Social events on World Water day, International Women's day, Children day, World AIDS day, Independence and Republic Day were observed over across locations

2. **The Composition of the CSR Committee.**
   Composition of the CSR Committee of Dalmia Bharat Sugar and Industries Limited is:
   1. Shri J.S. Baijal, Chairman, Independent Director
   2. Shri B.B. Mehta, Member, Non-Executive Director
   3. Shri Gautam Dalmia, Member, Executive Director
3. **Average net profit of the company for last three financial years** – ₹7.88 Cr.
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)** – ₹0.16 Cr
5. **Details of CSR spent during the financial year:**
   (a) Total amount to be spent for the financial year; ₹0.50 Cr
   (b) Amount unspent, if any; ₹0.11 Cr
   (c) Manner in which the amount spent during the financial year is detailed below;
   Attached in ANNEXURE 5A
6. **In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**
   The unspent amount is expected to be spent in current financial year on execution of certain projects under contemplation.
7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**
   The implementation and monitoring of Dalmia Bharat Sugar and Industries Limited CSR programmes is in compliance with the CSR objectives and policy of the Company.

Place: New Delhi
Date: 23rd May, 2016

Sd/-
Gautam Dalmia
Managing Director

Sd/-
J.S. Baijal
Chairman of CSR Committee

Annexure - 5A

(₹ in crores)

S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Energy Conservation (Bio Gas Plants, Fuel efficeint Cookstoves, Solar products and grids)	**Schedule VII / item No IV** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur	0.13	0.09	0.09	Implementating agency - Dalmia Bharat Foundation
2.	Education and Livelihood (Education in schools, Bag making, Mobile Repair Training, Computer Training, etc.)	**Schedule VII / item No II** Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled & livelihood enhancement project	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur	0.13	0.08	0.08	
3.	Women Empowerment (SHG formation and Training)	**Schedule VII / item No III** promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur	0.24	0.22	0.22	
4.	Health and Sanitation (Health Camps, Low Cost Toilets, Awareness Programs on health issues, school toilet units)	**Schedule VII / item No I** Eradicating extreme hunger and poverty and malnutrition, promoting health care including preventive health care promoting preventive health care and sanitation and making available drinking water	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur				
5.	Rural development (Infrastructure, Sports Events, Awareness programs on Social issues)	**Schedule VII / item No X** Rural development projects	1. The project was implemented in local area 2. Area of programme: Uttar Pradesh, District Sitapur and Shahjahanpur; Maharashtra, District Kolhapur				
	Total			**0.50**	**0.39**	**0.39**	

Remarks

1. The above mentioned expenditures for the year 2015-16 is based out of unaudited statement of expenses.
2. Item no I, III, X mentioned in serial no 3 to 5 are covered under social development head of CSR.
3. The above mentioned expenditures for the F.Y 2015-16 includes proportionate administrative expenses incurred by Dalmia Bharat Foundation on such projects.

Annexure - 6

MR-3

SECRETARIAL AUDIT REPORT

(For the financial year ended 31-3-2016)

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dalmia Bharat Sugar and Industries Limited, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by Dalmia Bharat Sugar and Industries Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

6) As per our discussion with the management and based on the compliance certificates placed before the Board by the respective head of the departments in respect of the following other Acts:

- Electricity Act, 2003
- Food Safety and Standards Act, 2006
- Food Safety and Standards (Licensing and Registration of Food Business) Regulations, 2011
- Essential Commodities Act, 1955
- Sugarcane (Control) Order, 1966
- Industries (Development and Regulation) Act, 1951
- Molasses Control (Regulation of Fund for Erection of Storage Facilities) Order, 1976
- Sugar Cess Act, 1982 and Sugar Cess Rules, 1982
- Employees State Insurance Act, 1948 and Employees State Insurance (General) Regulations, 1950
- Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
- Employee Provident Fund and Miscellaneous Provisions Act, 1952
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Contract Labour (Regulation and Abolition) Act, 1970

- Employees Compensation Act, 1923
- U.P. Industrial Disputes Act, 1947
- Maternity Benefit Act, 1961
- Minimum Wages Act, 1948
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Industrial Employment (Standing Orders) Act, 1946
- Sales Tax (Central plus VAT)
- Central Excise Act, 1944, and
- Factories Act, 1948

Compliances in respect of other laws as stated above was generally made during the year 2015-16.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following:

Few e-forms were filed beyond the stipulated period of 30 days as prescribed under the Act but within the extended period of 300 days from the date of event.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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

We further report that in respect of three show cause notices received during financial year 2014-15, from the Registrar of Companies, Chennai under the Companies Act, 1956 and on Company's petitions before the Hon'ble High Court of Madras at Chennai, the Hon'ble High Court has stayed the proceedings and there are no further development in the matter.

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

Place: Delhi
Date: 23-5-2016

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

Annexure A

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

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

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

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

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

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

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

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

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

Place: Delhi
Date: 23-5-2016

Annexure - 7

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

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

(A) Conservation of Energy:

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

a) Installation of Falling Film Evaporators and plate evaporators resulting in reduction in Steam consumption.

b) Installation of AC Variable Frequency Drives and high efficiency helical gearboxes for mill drive.

c) Installation of Automatic Batch type centrifugal with AC Variable Frequency Drives.

d) Installation of multi pressure PLC based distillation plants along with integrated evaporator system.

e) Installation of captive power plant with slop fired boiler and energy efficient turbine in Kolhapur distillery, which has resulted in 800- 900 KW surplus power.

II. The steps taken by your unit for utilizing alternate sources of energy.

The company is primarily using the renewable source of energy. Also the company is planning to take measures to install solar heating & Lighting system in near future.

III. The capital investment on energy conservation equipments.

Company has invested around ₹4.00 Crore during the F.Y. 2014-15 to conserve the energy.

(B) Technology Absorption :

I. The efforts made towards technology absorption.

a. Distributed control system (DCS)': Operations of Cane Milling, Pan boiling, Co-Gen, Decanters, etc. are automated and controlled by these systems. Development of very high reliability multi-layer ceramic chip capacitors for space application.

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

c. Water management: Various schemes are implemented to conserve use of water for cane processing. Almost ZERO water consumption in sugar cane processing has been achieved.

II. The benefits derived like product improvement, cost reduction, product development, import substitution, etc.

The Company as a result of the efforts made has achieved lower stoppage days, which has resulted in better crush rates and consistent improvement in the utility of sugar manufactured.

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

(a) Details of technology imported.

(b) Year of import.

(c) Whether the technology been fully absorbed.

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

No technology has been imported for the last five years.

iv. Expenditure incurred on Research and Development

NIL

(C) Foreign Exchange Earnings And Outgo

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

₹18.85 Crores

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

₹0.04 Crore

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Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

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

A TRISYS PRODUCT
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Bharat Sugar

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