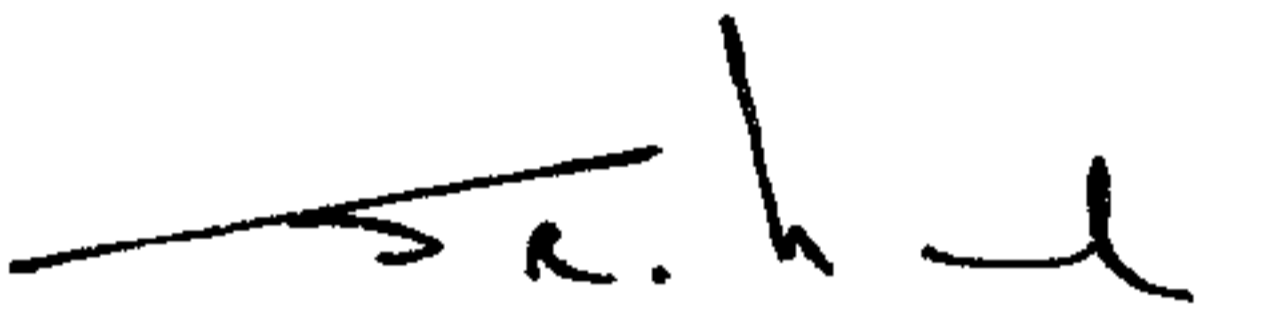


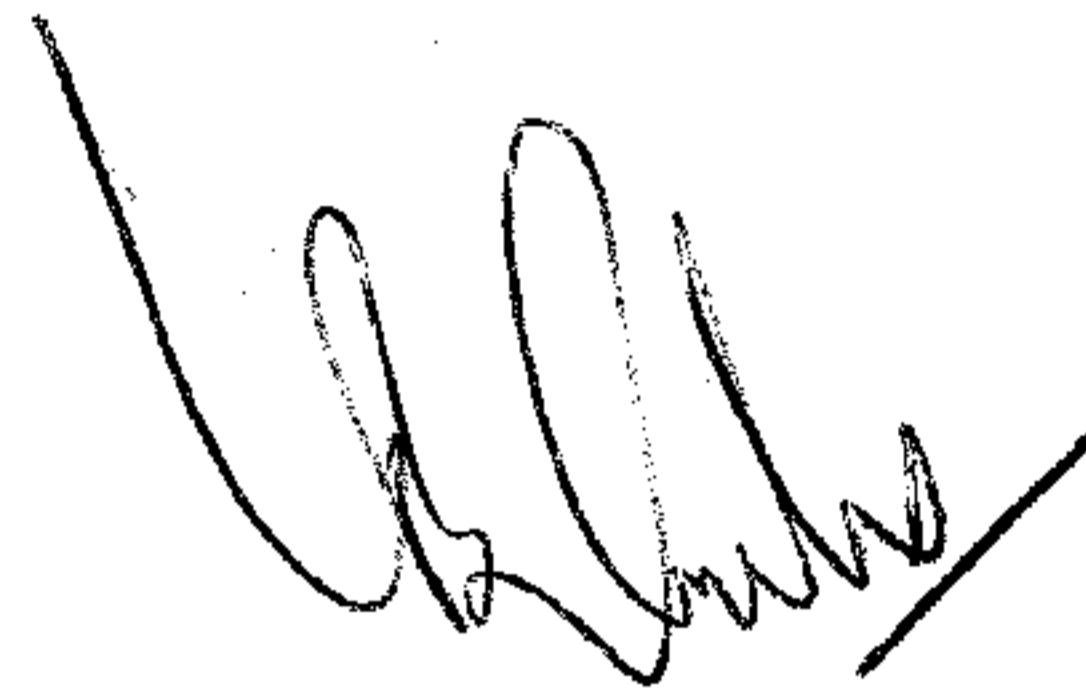
FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

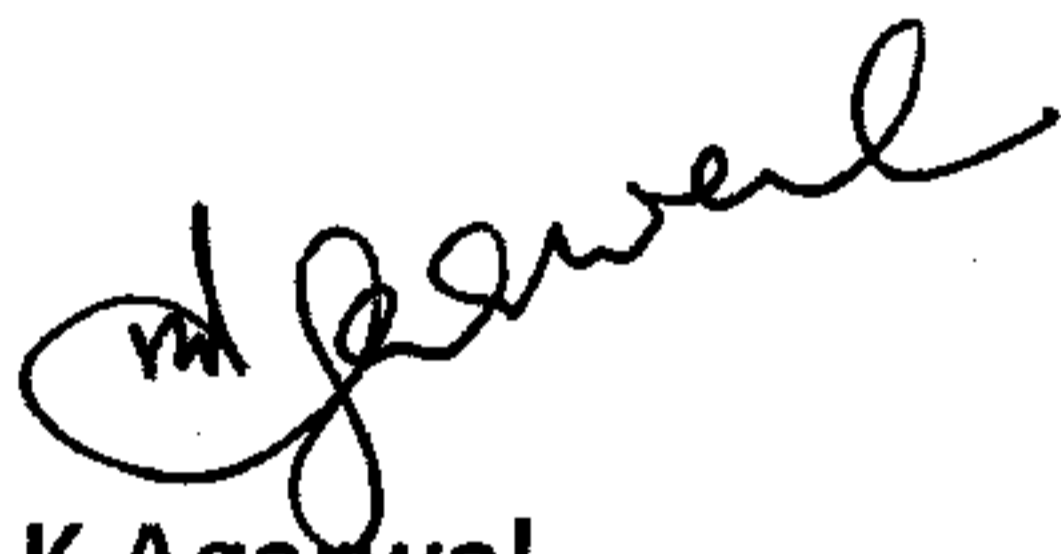
1.	Name of the company	Dwarikesh Sugar Industries Ltd.
2.	Annual financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis (Pl refer Annexure I)
4.	Frequency of observation	Whether appeared first time...../ repetitive...../since how long period (Pl refer Annexure I)
5.	To be signed by- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman	Pl refer signatures at the end of form A and Annexure I



G B Morarka
Managing Director



Vijay S Banka
Whole Time Director & CFO



B K Agarwal
Audit Committee Chairman

For **S S Kothari Mehta & Co.**
Chartered Accountants



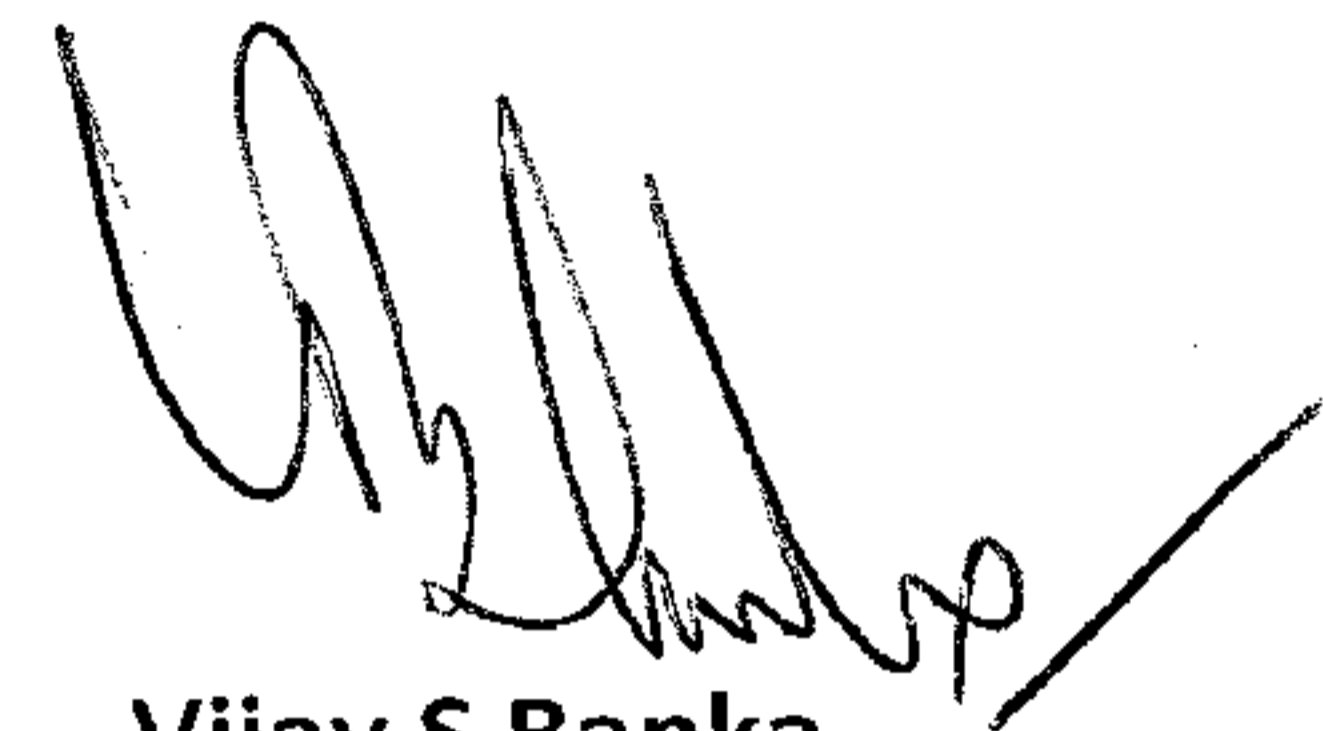
Arun K Tulsian
Partner
Membership no.89907

ANNEXURE I TO FORM A

Auditors remark	Frequency of remarks
Matter of emphasis	First time
<p>"We draw attention to note no. 12 of the financial statements wherein the company has recognised deferred tax assets on unabsorbed depreciation and business losses. Continuing losses in the last few years indicate the condition of an uncertainty as regards realisation of such deferred tax assets. In view of the reasons explained in the said note, such deferred tax assets continue to be treated as realisable.</p> <p>Our opinion is not qualified in respect of this matter."</p>	
Matter of emphasis (in italics) : Item no.xvii of the Annexure to the main report	Repetitive
<i>"the funds raised by the Company on short-term basis have been applied for long-term investment to the extent of ₹25,50,72,543 /-".</i>	Appeared in last few years since 2006-07


G.R. Morarka
 Managing Director


B.K. Agarwal
 Audit Committee Chairman


Vijay S Banka
 Whole Time Director & CFO

For **S S Kothari Mehta & Co.**
 Chartered Accountants



Arun K Tulsian
 Partner
 Membership no.89907.



DWARIKESH SUGAR INDUSTRIES LIMITED

"We will either find a way or make one..."



Annual Report
2013-2015

Mission Statement

"In our endeavour to be the torch-bearers of the Indian sugar industry, we are specially committed to our farmers, workforce and shareholders. It is our endeavour to provide our farmers the agreed price in time and to provide a transparent system of sugar cane procurement. We also seek to provide a congenial atmosphere and work place for the employees of the company, who are our lifeline. Adherence to the best corporate governance practices and a deep-rooted commitment to excellence is our resolve. All these culminate in our permanent effort to enhance shareholder value and wealth through growth of the company."

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CORPORATE INFORMATION

DIRECTORS

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

REGISTERED OFFICE & UNIT 1

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

OTHER UNITS

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

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

Vice President (Works) – DN & DP Units

B. P. Dixit

Vice President (Works) – DD Unit

R. K. Gupta

BANKERS

Punjab National Bank
IDBI Bank
Sarva UP Gramin Bank Limited
Zila Sahkari Bank Ltd.

CORPORATE OFFICE

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

SOLICITORS

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

AUDITORS

S. S. Kothari Mehta & Co.
Chartered Accountants



BOARD OF DIRECTORS

Meet the Directors:

G. R. Morarka - Managing Director

A visionary and a dynamic entrepreneur with more than two decades of experience, he started his career by overseeing the family-run Pampasar Distillery Limited (PDL), which he subsequently divested in favour of Shaw Wallace. This son of late parliamentarian Mr. Radheshyam Morarka, G. R. Morarka launched his own business by setting up a sugar plant at Dwarikesh Nagar, Uttar Pradesh in a record period of 14 months. With his far-sighted vision and strategic thought, he then expanded his business by setting up the Dwarikesh Puram and Dwarikesh Dham sugar plants and co-generation plant.

A Commerce graduate and ICWA Inter, Mr. G. R. Morarka is the recipient of Indira Gandhi Priyadarshini Award for Management. He has also been honoured with “Bhamasha Award” for the year 2006 and again in the year 2011 by Rajasthan State Government for social service in the field of education. He has also been awarded “Indira Gandhi Sadbhavna Award” in the year 2011. He has also been awarded “Swami Krishnanand Saraswati Purashkar”.

B.K. Agarwal - Independent Director

A former representative of the Government of Maharashtra on the BSE Board, Mr. B. K. Agarwal is an IAS officer who retired as Additional Chief Secretary, Govt. of Maharashtra. This Commerce and Law graduate was also on the Boards of Industrial Investment Bank of India, SIDBI and SICOM, besides being Managing Director of the Maharashtra State Financial Corporation.

K. N. Prithviraj - Independent Director

As Independent Director on various Boards, he contributed significantly to the growth of many entities, such as Surana Ind. Ltd; Falcon Tyres Ltd; Brickwork Ratings India Pvt. Ltd. Mr. K. N. Prithviraj was also a Research Fellow of Department of Economics, University of Madras. Masters in Economics, he has also done his CAIIB (I) and is associated with organizations of repute like Axis Bank Ltd., PNB Investment Services Ltd., Falcon Tyres Ltd. to name a few.

Malathi Mohan - Independent Director

Ms Malathi Mohan inducted as Independent Woman Director, was a professional banker, got superannuated as General Manager, Punjab National Bank (PNB) in December 2009 after 36 years of all round experience in banking and financial sector. As a Fellow member of the Institute of Company Secretaries of India (ICSI), she has contributed as a member of the Expert Advisory Group of the ICSI on “Diligence Reporting” introduced by the RBI, as Banker Representative, under the Chairmanship of Mr. M.S. Sundararajan, ex Chairman of Indian Bank. She was also a Nodal Officer representing PNB in the Customer Service Committee of the RBI, Banking Code and Standards Board of India (BCSBI), and the Indian Banks’ Association (IBA).

B. J. Maheshwari – Whole Time Director & Company Secretary cum Chief Compliance Officer

A qualified Chartered Accountant cum Company Secretary, he has been inducted on the Board in May, 2009 and been appointed as “Whole Time Director & Company Secretary (CS) & Chief Compliance Officer (CCO), associated with the Company since 1994, Shri B. J. Maheshwari has more than 31 years of relevant experience spanning Legal, Taxation, Secretarial and Administrative matters.

Vijay S. Banka – Whole Time Director & Chief Financial Officer

A qualified Chartered Accountant, he has been inducted on the Board in May, 2009 and been appointed as “Whole Time Director & Chief Financial Officer”, associated with the Company since the past seven years, Mr. Vijay S. Banka has nearly 25 years of rich experience in handling Finance and Strategy.



Notice

NOTICE is hereby given that the Twenty First Annual General Meeting of the Company will be held on Saturday, September 19, 2015, at 10 a.m. at the Registered Office of the company at Dwarikesh Nagar - 246 762, Dist. Bijnor, Uttar Pradesh, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2015 and the Balance Sheet as at that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. G R Morarka, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s S S Kothari Mehta & Co., Chartered Accountants, New Delhi having ICAI Firm Registration No. 000756N, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year, 2015-16, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special resolution**:
RESOLVED THAT pursuant to Section 188 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to take on lease the office premise for the company from Morarka Finance Limited for a period of 11 months with right to renew from time to time at a Leave & licence fees not exceeding ₹ 2,00,000/- per month."
RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary."
5. To appoint Ms. Malathi Mohan (DIN 02008550) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:
"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules'), including any statutory modification(s) or any amendment or any substitution or any re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Ms. Malathi Mohan (DIN 02008550), who was appointed as an Additional Director by the Board with effect from August 13, 2014, who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the Listing Agreement and in respect of whom the Company has received a notice in writing u/s 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years."
6. To appoint Mr B K Agarwal (DIN 00001085) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:
"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules'), including any statutory modification(s) or any amendment or any substitution or any re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr B K Agarwal (DIN 00001085) who was appointed as an Additional Director by the Board with effect from August 13, 2014, who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the Listing Agreement and in respect of whom the Company has received a notice in writing u/s 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years."
7. To appoint Mr K N Prithviraj (DIN 00115317) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:



“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 (‘the Act’) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (‘the Rules’), including any statutory modification(s) or any amendment or any substitution or any re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr K N Prithviraj (DIN 00115317) , who was appointed as an Additional Director by the Board with effect from August 13, 2014, who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the Listing Agreement and in respect of whom the Company has received a notice in writing u/s 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years.”

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the Articles of Association of the Company, Mr. B J Maheshwari (DIN 00002075) be and is hereby re-appointed as Whole Time Director of the Company for a further period of 3 years with effect from May 1, 2015, on remuneration as set out in the Explanatory Statement attached to this notice.

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

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the Articles of Association of the Company, Mr. Vijay S Banka (DIN 00963355) be and is hereby re-appointed as Whole Time Director of the Company for a further period of 3 years with effect from May 1, 2015, on remuneration as set out in the Explanatory Statement attached to this notice.

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

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

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

10. 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 197,198 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company (i.e. directors other than Managing Director and/or the Whole time Directors) be paid remuneration by way of sitting fee, Reimbursement of out of pocket expenses incurred by them for attending the meeting of the Board of Directors or Committee thereof.”



11. 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 61 and other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification or re-enactment thereof for the time being in force), the authorized share capital of the Company be and is hereby increased from ₹ 54,00,00,000 (Rupees Fifty Four crore only) to ₹ 84,00,00,000 (Rupees Eighty Four crore only) by creation of 30,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each (Series V) and that the clause V(a) of Memorandum of Association and Article 4(a) of Articles of Association of the company be altered accordingly.
12. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:
RESOLVED THAT pursuant to the provisions of Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification or re-enactment thereof for the time being in force), Clause V (a) of the Memorandum of Association of the Company be and is hereby amended and substituted by the following:
The Authorised Share Capital of the Company is ₹ 84,00,00,000/- (Rupees Eighty Four Crores Only) divided in to 1,75,00,000 (One Crore Seventy Five Lac Only) Equity Shares of ₹ 10/- each, 1,50,000 (One Lac Fifty Thousand Only) 12% Cumulative Redeemable Preference Shares of ₹ 100/- each (Series I) and 15,00,000 (Fifteen Lacs Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series II), 10,00,000 (Ten Lacs Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series III), 10,00,000 (Ten Lacs Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series IV) and 30,00,000 (Thirty Lacs Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series V) with power to increase or reduce the same.
RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s).
13. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:
RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification or re-enactment thereof for the time being in force), Article 4(a) of the Articles of Association of the Company be and is hereby amended and substituted by the following:
The Authorised Share Capital of the Company is ₹ 84,00,00,000/- (Rupees Eighty Four Crores Only) divided in to 1,75,00,000 (One Crore Seventy Five Lac Only) Equity Shares of ₹ 10/- each, 1,50,000 (One Lac Fifty Thousand Only) 12% Cumulative Redeemable Preference Shares of ₹ 100/- each (Series I) and 15,00,000 (Fifteen Lacs Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series II), 10,00,000 (Ten Lacs Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series III), 10,00,000 (Ten Lacs Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series IV) and 30,00,000 (Thirty Lacs Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series V)
RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board (which expression shall also include a Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s).
14. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:
“RESOLVED THAT in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Rules framed there under, as may be amended from time to time and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot, such number of Preference Shares of the Company of the face value of ₹ 100/- each, for an aggregate value not exceeding ₹ 30 crore, as Cumulative Redeemable Preference Shares (“CRPS”), for cash at par, on a private placement basis, to such person or persons and in such proportion and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.”
“RESOLVED FURTHER THAT in accordance with provisions of Section 43 of the Act, the CRPS shall be non-participating, carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act.”



“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental, and pay such fees and incur such expenses in relation thereto as it may deem appropriate.”

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

Place: Mumbai
Date: May 28, 2015

B. J. Maheshwari
Whole Time Director & CS cum CCO

Registered Office:

Dwarikesh Nagar – 246762
Dist: Bijnor, Uttar Pradesh.
CIN : L15421UP1993PLC018642

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
2. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members & Share Transfer Books of the Company will be closed from Friday, 11th September, 2015 to Saturday, 19th September, 2015 (both days inclusive) for the purpose of Annual General Meeting of the Company.
4. The relevant Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of items 4 to 14 are annexed and forms part of this notice.
5. Members are requested to notify any change in their address immediately to the company.
6. Members/proxies are requested to bring their copy of Annual Report, while attending the Annual General Meeting.
7. Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in **Form SH-13** which can be obtained from the Company's Registrar & Transfer Agents (RTA) M/s. Universal Capital Securities Pvt. Ltd.
8. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Registered Office well in advance so that the same reaches the company at least ten days before the date of the meeting to enable the Management to keep the information required readily available.
9. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, as amended and with the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund established by the Central Government. The unclaimed dividend for the accounting years 1996-97, 1997-98, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 have been transferred to the Investor Education and Protection Fund as on 26/04/2005, 11/05/2006, 29/04/2009, 29/06/2010, 28/04/2011, 5/12/2011, 21/11/2012 and 21/04/2014 respectively (there was NIL outstanding in unpaid dividend account of the accounting year 1998-99 & 1999-00 hence the transfers to Central Government were not applicable for these years) respectively and no claim shall lie against the said Fund or the Company for the amount of dividend so transferred. Unpaid dividend for following years is due as per the details below for transfer to the Investors Education and Protection Fund.

Year	Amount unpaid in the A/c as on 31/03/2015 (₹)	Date of transfer to Central Govt.
2008-2009	4,62,081.00	14/04/2017

10. Pursuant to the green initiatives by the Ministry of corporate affairs, the company proposes to send all documents to be sent to shareholders like notices of general meeting together with AGM, audited financial statements, directors report, auditors report etc. henceforth to the shareholders in electronic form, to those members who have made available either



directly or through their DP their email addresses to receive the same in electronic form on their email addresses. Members may also download these documents from company's website www.dwarikesh.com. The physical copy of annual report will also be made available free of cost to the members on their written request. Members who have not given specific consent for receipt of these documents in electronic form hitherto are requested to register their email addresses by sending their details to their Depository participants or company or its RTA & also their consent by e mail to investors@dwarikesh.com or by a written consent to Company's corporate office or to its RTA.

11. SEBI has mandated the submission of PAN by every participant in securities market. Shareholders who are holding the shares in electronic mode are therefore requested to submit the PAN to their depository participants with whom they are having their demat accounts. Shareholders having shares in physical form can submit their PAN details to the company or its RTA.
12. Other Disclosures:
Other Disclosures are given in corporate governance report.
13. In compliance of provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules 2014, the company is pleased to provide its members facility to exercise their votes by electronic means (remote e-voting) and the business may be transacted through e voting as per the instructions below:
 - (a) Details of Scrutinizer: Mr D P Agarwal, Chartered Accountants, has been appointed as the Scrutinizer to scrutinize e-voting in a fair and transparent manner.
 - (b) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses (not in the employment of the Company) and make out a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
14. A Member can opt for only one mode of voting i.e. either through e-voting or in physical form at AGM. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dwarikesh.com and on the website of CDSL www.evotingindia.com within two days of the passing of the Resolutions at the 21st AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 16, 2015 at 9.00 a.m. and ends on September 18, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 12, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Member who have cast their votes by remote e-voting may attend the AGM, but shall not be entitled to cast their votes again at the AGM.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Dwarikesh Sugar Industries Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



ANNEXURE TO NOTICE

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

Item no. 4

The company is having its corporate office at Mumbai and for its Mumbai based operations, it has taken on rent the premises of Morarka Finance Limited, one of its group companies, being a related party pursuant to section 188 of the Companies Act, 2013 and therefore the consent of shareholders is required for this transaction by way of special resolution.

Morarka Finance Ltd being a “Related Party” within the meaning of section 2(76) of the Companies Act, 2013, needs the consent of shareholders by way of special resolution under section 188 of the Companies Act, 2013.

The particulars of transaction pursuant to para 3 of explanation (1) to rule 15 of Companies (Meeting of the Board and its powers) Rules, 2014 are as under:

Name of the related party: Morarka Finance Ltd

Name of the director or key managerial personnels who are related:

1. Mr Gautam R Morarka 2. Mr B J Maheshwari and 3. Mr Vijay S Banka

Nature of relationship: Mr G R Morarka, Mr B J Maheshwari and Mr Vijay S Banka are also holding position of director in Morarka Finance Ltd.

Monetary Value: monthly rent (licence fees) not exceeding ₹ 2,00,000/- per month for the period of 11 months with a right to renew.

Nature, material terms and particulars of the arrangement:

Contract	Purpose
Agreement entered into between Morarka Finance Limited and Dwarikesh Sugar Industries Limited for leasing of office premises for the period of 11 months with a right to renew at the Leave & licence fees not exceeding ₹ 2,00,000/- per month with other terms and conditions mentioned therein.	The company is having its corporate office at Mumbai and for its Mumbai based operations, it has taken on rent the premises of Morarka Finance Limited, one of its group companies, being a related party pursuant to section 188 of the Companies Act, 2013

Any other information relevant or important for the members to make decision on the proposed transaction: None

The Directors recommend and place before you the proposed resolution for your consideration and approval.

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

Item no. 5

Ms Malathi Mohan is a Non-Executive (Independent) Director of the Company. She was appointed as an Additional Director in the category of Independent Director on the Board on August 13, 2014. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Ms Malathi Mohan, being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Ms Malathi Mohan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms Malathi Mohan as an Independent Director of the Company up to August 12, 2019. Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, she is not liable to retire by rotation. In the opinion of the Board of Directors, Ms Malathi Mohan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and she is independent of the Management.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms Malathi Mohan as an Independent Director. No director, key managerial personnel or their relatives, except Ms Malathi Mohan, to whom the resolution relates, is interested or concerned in the resolution.

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

Item no. 6

Mr. B K Agarwal is a Non-Executive (Independent) Director of the Company. He was appointed as an Additional Director in the category of Independent Director on the Board on August 13, 2014. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. B K Agarwal, being eligible and seeking re-appointment, is proposed to be appointed as an



Independent Director for a term of five years. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr B K Agarwal for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr B K Agarwal as an Independent Director of the Company up to August 12, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, he is not liable to retire by rotation. In the opinion of the Board of Directors, Mr B K Agarwal, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr B K Agarwal as an Independent Director. No director, key managerial personnel or their relatives, except Mr B K Agarwal, to whom the resolution relates, is interested or concerned in the resolution.

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

Item no. 7

Mr K N Prithviraj is a Non-Executive (Independent) Director of the Company. He was appointed as an Additional Director in the category of Independent Director on the Board on August 13, 2014. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr K N Prithviraj, being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five years. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr K N Prithviraj for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr K N Prithviraj as an Independent Director of the Company up to August 12, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, he is not liable to retire by rotation. In the opinion of the Board of Directors, Mr K N Prithviraj, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr K N Prithviraj as an Independent Director. No director, key managerial personnel or their relatives, except Mr K N Prithviraj, to whom the resolution relates, is interested or concerned in the resolution.

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

Item no.8**A. Shri B. J. Maheshwari**

Shri B J Maheshwari was appointed as Whole Time Director & CS Cum CCO with effect from May 1, 2009 and now his second term of 3 years expired on on April 30, 2015 and hence he is required to be reappointed for another period of 3 years subject to the approvals of shareholders and other approvals, if any.

Minimum Remuneration**Category A****I. Remuneration:**

- a) Salary (Basic & DA): ₹ 2,00,772/- per month in the scale of ₹ 2,00,000/- p.m. to ₹ 4,00,000/- p.m.
- b) Perquisites and allowances:
- ii) Personal Pay: Personal pay of ₹ 2,18,269/- p.m. as per the rules of the Company.
- iii) Other Allowances: Allowances for conveyance, Children Education allowance and such other allowances as per rules of the Company.
- iv) Other Perquisites: Subject to overall ceiling on remuneration mentioned here in below, the Whole-time Director may be given other allowances, benefits and perquisites as the Board of Directors or committee may decide from time to time.
- v) Explanation: Perquisites shall be evaluated as per Income-tax Rules, 1962 wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

Category B**c) Others:**

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



- ii) Gratuity: Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.
- iii) Leave: Encashment of leave at the end of the tenure as per the Rules of the Company.
- iv) Conveyance: The Company shall provide him with car, expenses relating to fuel, maintenance and Provision of Driver or remuneration of driver will be reimbursed on actuals.
- v) Communication: Further the Company shall also provide telephones, telefax, mobile and other communication facilities for official purposes.

Explanations:

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

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

- II. Overall remuneration:

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

- III. Minimum remuneration:

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

- IV. Other Terms and Conditions:

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

- a. The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.
- c. If at any time Shri B J Maheshwari ceases to be the Whole-time Director of the Company for any cause whatsoever, he shall cease to be the Director of the Company.

No director, key managerial personnel or their relatives, except Shri B J Maheshwari, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in item no. 8 for the approval of the members.

ITEM No. 9**B. Shri Vijay S Banka**

Shri Vijay S Banka was appointed as Whole Time Director & CFO with effect from May 1, 2009 and now his second term of 3 years is going to expire on April 30, 2015 and hence he is required to be reappointed for another period of 3 years subject to the approvals of shareholders and other approvals, if any.

Minimum Remuneration**Category A**

- I. Remuneration:

- a) Salary (Basic & DA): ₹ 2,00,772/- per month in the scale of ₹ 2,00,000/- p.m. to ₹ 4,00,000/- p.m.
- b) Perquisites and allowances:

- ii) Personal Pay: Personal pay of ₹ 2,46,072/- p.m. as per the rules of the Company.

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

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



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

Category B

c) Others:

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

Explanations:

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

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

II. Overall remuneration:

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

III. Minimum remuneration:

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

IV. Other Terms and Conditions:

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

- a. The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without prior approval of the Central Government.
- c. If at any time Shri Vijay S Banka ceases to be the Whole-time Director of the Company for any cause whatsoever, he shall cease to be the Director of the Company.

Statement as required under Part II, section II of Schedule V of the Companies Act, 2013 with reference to the resolutions at item no.8 & 9 is as follows:

General Information:

Nature of Industry: Manufacturing of sugar, Ethanol, industrial alcohol and generation & distribution of power.

Date or expected date of commencement of commercial production: Existing Company already commenced from 1995.

In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus: Existing Company hence not applicable.

Financial performance based on given indicators:



Sr. No	Particulars	Audited figure for 18 Month period ended 31.03.2015 (₹ in Lakhs)	Audited figure for 12 Month period ended 30.9.2013 (₹ in Lakhs)	Audited figure for 12 Month period ended 30.9.2012 (₹ in Lakhs)
1.	Net Sales /income from operations	1,13,607	92,761	69,860
2.	Other income	266	1,310	216
3.	Total Expenditure (including adjustment of stocks)	1,04,286	86,889	60,465
4.	Interest	7,521	7,056	7,886
5.	Depreciation	4,725	3,319	3,289
6.	Profit/(loss) before tax	(2,659)	(3,192)	(1,564)
7.	(Provision for tax) Taxes & Deferred Tax	(984)	(1,256)	(433)
8.	Net Profit/(loss) PAT	(1,675)	(1,936)	(1,131)

Export performance and net foreign exchange collaborations: Nil.

Foreign investment of collaborators, if any: Nil.

Information about the Appointees:

1. Shri B.J.Maheshwari:

Shri. B. J. Maheshwari (Age 55 years) joined the Company in 1994, is a fellow Chartered Accountant and a fellow Company Secretary responsible for looking after the Secretarial, Legal, Administration and Taxation work of the Company.

He has over 31 years of experience handling the Company Law matters, Secretarial matter, Listing requirements & Compliances, Taxation (both Direct and Indirect Taxes) & Legal matters.

He is a member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India.

2. Shri Vijay S. Banka:

Shri Vijay S. Banka (Age 56 years) joined the Company in 2007, is a Whole Time Director & Chief Financial Officer responsible for looking after Finance, Accounts & Treasury.

He has over two decades of experience working in various industries such as Distillery, Diamond Industry and Chemical Industry etc.

He is a member of the Institute of Chartered Accountants of India.

a) Past Remuneration:

Details of Remuneration of Shri B J Maheshwari & Shri Vijay S Banka for past three years are as follows:

Financial Year	Amount in ₹	
	B J Maheshwari	Vijay S Banka
01.10.2013 to 31.03.2015	80,65,012	82,78,297
01.10.2012 to to 30.09.2013	49,14,073	49,98,851
01.10.2011 to to 30.09.2012	43,53,716	43,37,859

b) Recognition of Awards:

Shri B.J.Maheshwari is a rankholder in his CA Intermediate Examination.

c) Job Profile & Suitability:

Shri. B. J. Maheshwari (age 55 years) joined the Company in 1994, is a fellow Chartered Accountant and a fellow Company Secretary responsible for looking after the Secretarial, Legal, Administration and Taxation work of the Company.

He has over 31 years of experience handling the Company Law matters, Secretarial matter, Listing requirements & Compliances, Taxation (both Direct and Indirect Taxes) & Legal matters.



He is a member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India.

Shri Vijay S. Banka (age 56 years) joined the Company in 2007, is a Chief Financial Officer responsible for looking after Finance, Accounts & Treasury Finance.

He has over two decades of experience working in various industries such as Distillery, Diamond Industry and Chemical Industry etc.

He is a member of the Institute of Chartered Accountants of India.

d) Remuneration proposed: As specified in the explanatory statement in detail.

e) Comparative Remuneration profile with respect to Industry, size of the Company, profile of the person and position: It is difficult to find company with same size and capacity for the purpose of comparison. However, by and large compared with other companies in the same industry, the remuneration is reasonable. The remuneration payable to Shri B.J.Maheshwari and Shri Vijay S.Banka are in line with peers and as per their duties, roles and responsibilities and qualifications.

f) Pecuniary relationship directly or indirectly with the Company:

Shri B. J. Maheshwari and Shri Vijay S. Banka have no any pecuniary relationship with company and with directors.

h) Other Information:

1) Reasons of loss or inadequate profits:

The company suffered losses in last couple of years mainly on account of higher production than consumption, higher interest rates, lower realisation & higher raw material and input cost.

2) Steps taken or proposed to be taken for improvement:

The company has diversified its product portfolio rather than confining its operations to sugar productions only. Now, it has products of ethanol, co-generation, rectified spirits and industrial alcohol under its belt. The company has been striving to reduce its leverage and reduce its interest charges by way of demerger or other form of restructure. The company has also been benefited by sale of its Certified Emission Reduction (CER) and Renewable Energy Certificates (RECs).

3) Expected increase in productivity and profits in measurable terms:

The company is one of the largest sugar producers in the North India with aggregate sugarcane crushing capacity of 21500 TCD, cogeneration of 86 MW & a 30 KL distillery.

The continuous efforts for improving the operational efficiencies and value-additive utilization of its by-products are expected to improve the productivity as also the profitability.

The current sugar season is going to have bumper sugarcane productions which will ease the input prices and the recent move of the government to allow export of sugar has been quite positive for the company as well as for the industry. The government wants the industry to be self-dependent and lucrative and the recent steps by the government are very encouraging however, there is a need on state government's part to rationalize sugarcane price and link it to sugar price.

The terms of reappointment and remuneration of Shri B J Maheshwari, Whole Time Director and Company Secretary (CS) Cum Chief Compliance Officer (CCO) & Shri V S Banka, Whole Time Director and Chief Finance Officer (CFO) were discussed and approved in Nomination & Remuneration Committee Meeting held on February 13, 2015.

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

The Board recommends the resolution set forth in item no. 9 for the approval of the members.

ITEM No. 10

The Company is presently paying only sitting fees and out of pocket expenses to its Independent Directors for the Board Meetings and Committee Meetings attended by them within the limits provided in the Articles and not paying any commission to them.

According to Section 197 of the Companies Act, 2013 & clause 49(II)(c) of the Listing Agreement, the approval of the Members is required for the payment of remuneration by way of sitting fees, out of pocket expenses to the non-executive directors (director other than Managing Director and Whole-time Directors).

Accordingly, it is proposed to seek fresh approval of the members of the Company as required under Section 197 of the Companies Act, 2013 and also under the Listing Agreement by way of an Ordinary Resolution for payment of sitting fees paid to the Directors for attending the meeting of the Board and/or Committee thereof.



The Board recommends the same for your approval.

All the Directors of the Company (except the Managing Director and the Key Managerial Personnel / Whole Time Directors and their relatives) are concerned or interested in the Resolution at Item No. 10 of the Notice to the extent of the remuneration that may be received by each of them.

ITEM No. 11 to 13

The present share capital of the company is ₹ 54,00,00,000/- The company is required to raise resources by issue of cumulative redeemable preference shares in order to meet the rising requirements of funds. Hence, the present Authorized Share Capital is proposed to be increased to ₹ 84,00,00,000/- by creation of 30,00,000 cumulative redeemable preference shares of ₹ 100 each (Series V) Clause V(a) of the Memorandum of Association and Article 4 (a) of Articles of Association of the company are required to be consequently amended.

In view of above, the Board of Directors recommend the passing of the resolutions in item no. 11 as an ordinary resolution, and 12 and 13 as special resolutions.

No director, key managerial personnel or their relatives is interested or concerned in the resolution.

ITEM No. 14

Section 62 of the Act read with the Companies (Share Capital & Debentures) Rules, 2014, provides, *inter alia*, that whenever it is proposed to increase the subscribed capital of a company by issue of further shares, such shares may be offered to any persons, whether or not those persons are holders of the equity shares of the company or employees of the company, if authorized by way of a Special Resolution. Furthermore, as per Section 42 of the Act, read with the Rules framed there under, a company offering or making an invitation to subscribe to securities, including Redeemable Preference Shares on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, for each of the offers and invitations.

The approval of the Members is accordingly being sought by way of a Special Resolution under Sections 42, 55 and 62 of the Act read with the Rules made there under, for the issue of Cumulative Redeemable Preference Shares ("CRPS") aggregating an amount not exceeding ₹ 30 crore and to offer and allot the CRPS on a private placement basis.

The Directors commend the Resolution at Item No. 14 of the accompanying Notice, for the approval of the Members of the Company. The Directors or Key Managerial Persons of the Company or their respective relatives may be deemed to be concerned or interested in the Resolution at Item No. 14 to the extent of the CRPS that may be subscribed to by them or by the companies / firms in which they are interested.

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

Place : Mumbai
Date : May 28, 2015

Registered Office:

Dwarikesh Nagar – 246762
Dist: Bijnor, Uttar Pradesh.

B. J. Maheshwari
Whole Time Director & CS cum CCO



Details of Directors seeking appointment / re-appointment in Annual General Meeting to be held on September 19, 2015.
(Pursuant to clause 49 of the Listing Agreement)

Name, Concise Resume & functional Expertise of Director Appointment	Directorship in other companies	Committee positions held in other companies	
		Audit Committee	Stakeholders Relationship committee
<p>Shri B.K. Agarwal Qualification: IAS Experience: A retired IAS Officer associated with the Company since the past seven years, Shri B K Agarwal has wide experience in various companies. Expertise: Law, Commerce & Strategy Shareholding in company: Nil</p>	<p>Motilal Oswal Financial Services Limited Motilal Oswal Securities Limited</p>	Chairman	
<p>Shri K. N Prithviraj Qualification: CAIIB- I, MA (Economics) Experience: He has, as an independent director of various companies' boards, contributed significantly to the growth of many entities. Shri Prithviraj was also a research fellow of Dept.of Economics, Uni. of Madras and has been associated with organisations of repute like OBC,UBI, PNB, Oriental Insurance Company Expertise: Banking, economics & finance Shareholding in company: Nil</p>	<p>Axis Bank Ltd. Surana Industries Limited PNB Investment Services Ltd. National Financial Holdings Co.Ltd. ILFS Infra Asset Management Ltd CAN FIN Homes Ltd</p>	Member Member	
<p>Ms Malathi Mohan Qualification: Company Secretary Experience: She is a company secretary and hence a member of Institute of Company Secretaries of India. She has been in arena of practice & Banking services since last 36 years. Expertise: She has rich experience of company law, listing agreement, SEBI Guidelines and Regulations and secretarial practice & of banking services. Shareholding in Company: Nil</p>			
<p>Shri G. R. Morarka Qualification: B.Com & ICWA Inter and recipient of Indira Gandhi Priyadarshini Award for Management. He has also been honoured with "Bhamasha Award" for the year 2006 and again in the year 2011 by Rajasthan State Government for social service in the field of education. He has also been awarded "Indira Gandhi Sadbhavna Award" in the year 2011. He has also been awarded "Swami Krishnanand Saraswati Purashkar".</p>	<p>Morarka Finance Ltd. Dwarikesh Trading Co. Ltd. Dwarikesh Informatics Ltd. Faridpur Sugars Ltd.</p>	Member Member	



Name, Concise Resume & functional Expertise of Director Appointment	Directorship in other companies	Committee positions held in other companies	
		Audit Committee	Stakeholders Relationship committee
<p>Experience: A dynamic entrepreneur with more than two decades of experience, he started his career by overseeing the family-run Pampasar Distillery Limited (PDL), which he subsequently divested in favour of Shaw Wallace. He launched his own business by setting up a sugar plant at Dwarikesh Nagar, Uttar Pradesh in a record period of 14 months. With his far-sighted vision and strategic thought, he then expanded his business by setting up the Dwarikesh Puram and Dwarikesh Dham sugar plants and co-generation plant.</p> <p>Expertise: Finance and Strategy</p> <p>Shareholding in company: 28,26,659</p>			
<p>Shri B. J. Maheshwari Qualification: Chartered Accountant & Company Secretary</p> <p>Experience: He has, being CA and CS, enriched himself with expertise in the arenas of taxation – both direct and indirect, corporate law, Listing agreement, SEBI Guidelines, secretarial practice and compliance of law</p> <p>Expertise: Legal, Taxation, Secretarial And Administrative matters since 1994</p> <p>Shareholding in company: Nil</p>	<p>Morarka Finance Limited Dwarikesh Informatics Limited Faridpur Sugars Limited</p>	Member	Chairman
<p>Shri Vijay S Banka Qualification: Chartered Accountant</p> <p>Experience: He has nearly two decades of rich experience in handling Finance and Strategy.</p> <p>Expertise: Finance & Strategy</p> <p>Shareholding in company: Nil</p>	<p>Morarka Finance Ltd. Faridpur Sugars Ltd.</p>	Member	Member

Notes:

1. Pursuant to the revised clause 49 of the listing agreement, only two committees viz. Audit Committee and stakeholders Relationship committee have been considered.
2. The directorships in private limited companies, foreign companies and companies covered under section 8 of the Companies Act, 2013 have not been considered.

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

Place: Mumbai
Date: May 28, 2015

B. J. Maheshwari
Whole Time Director & CS cum CCO

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



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The changes affecting Global Economy have been increasingly challenging. The changes are to a large extent the consequence of greater volatility and uncertainty, and they present a higher peril for the global economy in 2015. The fast decline and volatility in oil prices, quick adjustments in exchange rates (with the US dollar appreciating and weakening of most other currencies, notably the euro), and the new quantitative easing program of the ECB are just a few examples of the economic factors at play. Besides, there is increased geopolitical uncertainty related to the Russia-Ukraine and Middle East conflicts, as well as increased concern about the economic and political future of the Euro Area and European Union.

While the overall global real GDP growth average is estimated to be 3.3 percent, the global average reflects a combination of upsides and downsides. Downward revision are primarily because of a major GDP decline in Russia (from +0.8 to -3.5 percent) and moderate declines in the Euro Area (1.6 to 1.4 percent), Japan (1.1 to 0.6 percent), and Brazil (1.5 to 0.5 percent). Upward revisions include the United States (2.6 to 2.9 percent), Mexico (2.8 to 3.5 percent), and India.

The United States will continue to register stronger growth than its peers. European economies have more scope to recover, and the weakened euro could help offset negative effects from slower exports to emerging markets. However, Europe's dysfunctional policy environment to accelerate growth through investment and reforms could make the recovery look moderate compared to the United States. China will continue its "soft fall" growth trajectory. Other major emerging markets will continue to grow, but their pace will vary depending on the net impact of declining oil prices and exchange rate depreciations, as well as progress of their own reform agendas. New geographies for growth, such as Africa and parts of Asia, offer opportunities to build sustainable growth models but they also bring challenges on economic, legal, and institutional fronts.

Relative to the base scenario for the outlook, downsides to the global outlook could come from probable intensified political and economic risks. Upsides relate to the ability of policy and business to invest in people, raise productivity, and rebuild trust and confidence, but they may need significantly more time than the current year to materialize.

DOMESTIC ECONOMY

As per IMF predictions, India will overtake China as the fastest growing emerging economy in 2015-16 by clocking a growth rate of 7.5 per cent on the back of recent policy initiatives, pick-up in investments and lower oil prices. India's growth is expected to strengthen from 7.2 per cent in 2014 to 7.5 per cent in 2015. Growth will benefit from recent policy reforms, a consequent pick-up in investment, and lower oil prices," the IMF said in its latest World Economic Outlook. China will see a deceleration with growth rate sliding from 7.4 per cent in 2014 to 6.8 per cent in 2015 and 6.3 per cent a year after, it added.

IMF's growth predictions of India, however, is lower than the estimates of the Finance Ministry and the RBI. The Finance Ministry expects GDP growth to be 8-8.5 per cent in 2015-16, while the Reserve Bank of India (RBI) has estimated it at 7.8 per cent. The report, released at IMF headquarters here on the sidelines of the annual meeting of the IMF and the World Bank, said lower oil prices will raise real disposable incomes, particularly among poorer households, and help drive down inflation.

In 2015 World Economic Outlook, the IMF has improved India's growth prospects for the current fiscal as well as next fiscal by 1.2 per cent and 1 per cent over its January projection. The upward projection for India by IMF comes at a juncture when other economies are not likely to show improvement in economic performance. According to the report, global growth remains moderate, with uneven prospects across the main countries and regions.

Relative to last year, the outlook for advanced economies is improving, while growth in emerging market and developing economies is projected to be lower, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries, the IMF report said. Rating agency (Moody) has upgraded India's rating from stable to positive. Indian economy has undergone a paradigm shift owing to its competitive stand in the World. It is on a robust growth trajectory and boosts of booming capital market.

The transparent auction and allocation of 67 coal blocks by the Government is a step in the right direction and should unlock a total value of ₹ 4,00,000 crores. Promulgation of uniform GST is on the anvil and the same would provide seamless tax structure and foster trade across states and provide resources for the development of States.

GLOBAL SUGAR REVIEW

Unprecedented sugar glut sweeps across the globe

Cane harvests have expanded in India and Thailand. In Brazil the, crops that were hurt by drought last year, have been revived by rain. Global output is set to exceed demand for a fifth straight year, leaving the biggest stockpiles on record. Global sugar prices, already down 50 percent in three years, are poised to fall further.



Sugar’s posed to stick close to a 6-year low

Sugar prices recently dropped to their lowest level since 2009, according to the experts and they’re not likely to recover much from that level by the end of the year. Futures prices for sugar settled as low as 12.62 cents a pound last week on the ICE Futures exchange – their lowest in about six years. They’ve tallied a loss of more than 85% over the past 5 years. London Whites price is hovering around 350 to 370 USD per MT. Raw sugar futures prices slumped to a fresh six-year low, weighed on by plentiful supplies as the cane crush in Brazil got underway while the continued weakness of the currency of the world’s top producer added to the downward pressure on prices.

World sugar balance: Production Vs Consumption

In Million Tons	2010-11	2011-12	2012-13	2013-14	2014-15
Opening Balance	2.40	1.46	7.34	14.99	16.34
Production	162.10	172.20	177.50	175.00	175.50*
Consumption	163.04	166.32	169.85	173.65	176.70
Closing Balance	1.46	7.34	14.99	16.34	15.14

* Production for 2014-15 as shown in the table above is based on the initial estimates. The actual production is expected to surpass the initial estimate by at least 3 Million tons.

Key sugar producing / exporting geographies:

Thailand

Sugar Production on higher side. Thailand has emerged as key exporter globally. As per market sources millers of Thailand would crush 107 million tons to 110 million tons of cane during 2014-15 SS. Considering average recovery of 10.5%, sugar production in the Country is likely to be in the range of 11.4 to 12 million tons. As on April 16th, 11.4 million tons of sugar has already been produced by the millers. Market also expects that Thai exporters will try to sell huge stocks of sugar against the contracts for July & Oct’ 15.

BRAZIL

Crushing estimates for Center South Brazil for the season 2014-15 have increased to 585 million tons from 575 million tons based on - higher agricultural yields as the rainy season registered precipitation close to historical averages, a significant recovery from the previous season’s dryness; and worries about crushing capacity are fading as producers that plan to wind down part of their crush (or the whole of it) are heard to be ready to sell their cane to other mills prepared to crush it.

Therefore sugar production number estimates stands now at 33.23 million tons. This is considering sugar mix of around 44%, indicating ethanol production of 26 million cum.

The export agency Fitch Ratings has indicated that most companies in Brazil are likely to face a stress scenario for sugar & ethanol prices even with the improvements in ethanol industry in 2015 and the benefits of weaker Brazilian currency for the competitiveness for Brazilian sugar abroad.

CHINA

Sugar Production: Till end of April 2015, China has produced 10.31 million tons of sugar by crushing 95.70 million tons of sugarcane. During 2013-14 SS, sugar production during the same/corresponding period was 13.25 million tons. Since Government mandated cane price is falling every year, many farmers have switched over from cane crop to eucalyptus tree, fruits and cassava.

Sugar Imports: There are reports that China may import more than 4 million tons of sugar in 2015-16 SS and its imports may even touch 6 million tons by 2024. There is a huge gap between the cost of imported sugar and the domestic sugar and the importers are earning 200 dollars per metric ton over the domestic price which resulted higher imports.

DOMESTIC SUGAR LANDSCAPE:

Sugar Industry is one of the largest agro-based industry of the country worth at least INR 80,000 crores (from sugar and allied activities). The Sugar industry is a multi-faceted industry producing not only sugar but also industrial/ potable alcohol, bio-electricity, fuel ethanol, bio-gas. Apart from contributing to the GDP, the industry also supports around 5 crore sugarcane farmers and approximately 5 lakh skilled and semi-skilled workers for their livelihood and also plays an important role in contributing to the renewable energy pool of the country.

India is the second largest producer of sugar after Brazil. The total sugar production of the country is estimated to be more than 28 million tons for the year 2014-15. Maharashtra is the leading producer of sugar and its sugar production during the season 2014-15 is estimated to be more than 10 Million tonnes. Defying all prophecies, the State of Uttar Pradesh is estimated to produce more than 7 million tons of sugar. Tamil Nadu, Karnataka, Gujarat & Andhra Pradesh are the other key sugar producing States.



Issues/ challenges faced by the Indian sugar industry: Indian sugar industry faces challenges galore. Raw material prices which are either Central Government regulated or State Government regulated have increased year after year. However sugar prices are on a downward spiral. Industry suffers from rank bad economics and inconsistent policy framework. Sugarcane prices are parked at the upper deck and the farmers find the crop commercially attractive vis-à-vis all other crops, so much so that farmers are encouraged to grow the same regardless of when they are paid for it.

STATEMENT SHOWING THE COMPARATIVE SUPPLY AND DEMAND POSITION OF SUGAR FOR THE SEASON 2010-11 TO 2013-14 AND ESTIMATES FOR 2014-15

		(Figures in Million tons)				
		2010-11	2011-12	2012-13	2013-14	2014-15 (E)
1	Opening Stock as on 1 st October	4.98	5.85	6.60	9.30	7.50
2	Production	24.39	26.34	25.14	24.40	29.00*
3	Imports	0.00	0.00	0.68	0.10	0.00
4	Total Availability	29.37	32.20	32.42	33.79	36.50
5	Off-take					
a)	Internal Consumption	20.77	22.60	22.77	24.18	24.70
b)	For Exports	2.60	2.99	0.35	2.12	0.08
	Total Off-take	23.37	25.60	23.12	26.29	24.78
6	Closing Stock as on 30 th September	6.01	6.60	9.30	7.50	11.72
7	Stock as % of off-take	28.91	29.20	40.83	31.02	47.45

In view of its commercial attractiveness, area under sugarcane has expanded in spite of sugar mills being in arrears to the farmers towards their dues. Sugar production during the season 2014-15 is estimated to be around 28 to 29 million tons and sugar closing stock in excess of 11 million tons. The closing stock to off-take ratio is dreaded to be close to 50% for the season 2014-15

State of Maharashtra has a strong presence of mills in Co-operative Sector. On account of agro-climatic conditions, the recovery clocked by mills in Maharashtra and North Karnataka is the highest in the country. The Maharashtra & Southern states mostly pay the Central Government announced F & RP which is normally less than the State Government announced SAP. Combination of lower raw material price and higher recovery of sugar from sugarcane has contributed to Maharashtra being the lowest cost producer of sugar. State of Uttar Pradesh on account of exactly the converse reasons is among the highest cost producer of sugar in the country. However at the given low prices of sugar, the domestic sugar industry is bleeding and in a state of complete disarray.

SUGAR INDUSTRY IN INDIA – GLARING ANAMOLIES:

- a. The single most important reason behind this is the dichotomy that exists in the fixation of cane price and the price at which Sugar is sold. While the Sugar cane price is fixed by the State Government, often on a higher side, the price of finished product is market - driven and that too regularly monitored by the Government of India and attempts are made to keep it low in the interest of consumers and also to ensure no adverse effect on the Consumer Price Index.
- b. The Sugar cane price paid in India and more particularly in Uttar Pradesh is the highest anywhere in the world. Consequently, the competitive strength of the Indian Sugar industry with that of other Sugar producing nations is totally inequitable.
- c. The cash flow of the industry is in a state of disarray. Losses are mounting and year after year there is accumulation of Sugar cane dues to the farmers and the same is cleared either belatedly by the proceeds of Sugar sold in the subsequent crushing season or from doles & subsidies from the Central Government.
- d. Different pricing policies followed by different States has created a huge North – South divide in the industry as the Sugar Mills in South enjoy a tremendous cost advantage as compared to their peers in the North. The Sugar industry in south not only pays much lower Sugarcane price, but they also have the advantage of higher recovery which is solely attributable to agro climatic conditions and better variety of Sugarcane. Further proximity to Ports also helps the Sugar industry in the South to quickly realign their business model so as to reap the benefits of any available opportunities of export or import. Thus, in view of the cost advantage enjoyed by Sugar mills in South, their Sugar has been invading the traditional market bastions of the Northern Sugar industry.
- e. The key issue therefore is the issue of Sugarcane pricing. Price of Sugarcane should not only bear a coherent relationship to the price of Sugar, but should be uniform across the country and should offer a level playing field to all concerned.
- f. Central Government has announced a spate of measures such as increase in import duty, subsidy on export of raw sugar. However, all these measures have failed to provide the impetus to the depressed sugar market.

**SUGAR INDUSTRY IN UTTAR PRADESH SOME GENERIC ISSUES:**

- Though sugarcane price (SAP) not increased during the last crushing seasons, is yet among the highest in the Country. SAP of ₹ 280 per quintal for the general variety – unchanged for the last 3 years. Consequently sugar mills in Uttar Pradesh are high cost producers of sugar.
- Fragmented land holding – low yields at farm level.
- Short crop cycle as compared to 12 to 15 months crop cycle in Maharashtra.
- Unsuitable varieties and hence lower recoveries (average recoveries of 9.25% to 9.50%) .
- Competition from alternate sweeteners like Gur/Khandsari – Around 31-32% of sugarcane is diverted to production of alternate sweeteners which are not controlled by the government either with regards to purchase price of sugarcane nor on the selling price. Non level playing field.
- Mounting cane arrears – Highest in the country and contribute around 57.1% of the total arrears of the country.
- PAT for the industry is negative for the last five consecutive years. The working capital requirements have increased and due to net losses, cane arrears are mounting. The industry is struggling for its survival.
- The State Government has introduced 2 tier payment during the season 2014-15, ₹ 240 per quintal to be paid within the statutory timeframe of 15 days and the balance to be paid within 3 months of the end of season. The Government has announced rebate of ₹ 20 per quintal and another rebate of ₹ 20 per quintal to be decided depending on the benchmark price of sugar & byproducts between October 2014 and May 2015.
- Judicial adventurism has been on the rise as PILs are filed by political elements for liquidation of sugarcane arrears.

Way forward

Few steps that can be taken to help rejuvenate the industry.

- a. Linking the sugarcane prices to the revenue from sugar industry through a value sharing ratio – one of the important recommendation of Rangarajan Committee Report. For the long term survival & sustainable growth, this alone is a rational solution.
- b. Abolishing the reservation policy for sugar by-products like molasses.
- c. Encouraging the industry by increasing the selling prices of by-products specially, power which is a green energy sources.
- d. Allowing direct manufacture of ethanol from Sugarcane & providing remunerative price for sale of ethanol & increasing mandatory mixing of ethanol in petrol to 10% & then gradually to 25% as is being done in Brazil & other developed Countries
- e. Providing subsidies to millers for R&D – especially in the area of recovery improvement and yield improvement. Encourage development & propagation of improved & early varieties.
- f. Creation of Sugar equalisation fund to balance the cyclical effects of Sugar sector & use these funds in leaner times for survival of Sugar sector.
- g. To immediately create a strategic reserve so as to suck out nearly 3 million tons of extra stock such that the sugar prices are revved up and the mills are enabled to clear the sugarcane dues.

Sugarcane – the most profitable crop

Despite the challenges faced by the farmers and millers, sugarcane production still remains the most profitable crop in the state of Uttar Pradesh.

The average per month return (INR/ ha) is highest for sugarcane when compared to other crops like wheat and paddy in combination (Considering sugarcane is a completely irrigated crop, hence it is compared with paddy and wheat cultivated as fully irrigated crops). However it is important to note that sugarcane bears a longer risk cycle as compared to wheat and paddy due to its duration of around 9-10 months in the state as compared to 3-4 months for the latter. Per month return of sugarcane in Uttar Pradesh was INR 4,511 per hectare which was more than the combined per month return of wheat and paddy. The net rate of return (%) is 80% in sugarcane crop, whereas it is only 29% for wheat and 23% for paddy.

It is a strange paradox that despite huge pile of arrears, undeterred farmers continue to grow more & more sugarcane, as is manifest from the increase in area under sugarcane cultivation. Evidently growing sugarcane is good economics to the farmers.

**Important recommendations of Rangarajan Committee Report – Status check**

Rangarajan Committee in 2012 recommended various measures to be taken to revise the sugar industry. Important ones are listed below:

Removal of SAP and adoption of linkage formula – The Rangarajan Committee has recommended for revising the existing arrangement of declaration of SAP (State Advised Price). It emphasized on paying farmers on the basis of uniform FRP (Fair and Remunerative Price) as first installment and revenue sharing formula to determine final cane prices. (Karnataka and Maharashtra have adopted this recommendation, while Tamil Nadu and Uttar Pradesh still continue to announce SAP over and above the FRP)

Doing away from Levy Sugar – The Committee has removed the mandatory surrender of 10% of its production to the Central Government at a price which is lower than the prevailing market price. States would now have to procure directly from the market.

Release of Non Levy Sugar – The Committee also recommended for removing the restrictions imposed on regulation of Non levy Sugar. The Central Government has discontinued the release mechanism & hence Sugar mills are now free to sell Sugar as per their requirements.

Phase out Cane Reservation Area and Bonding – It emphasized on development of market-based long term contractual agreements, and phase out the practice of cane reservation area and bonding. States such as Uttar Pradesh continue with cane area reservation

Removal of constraints on By- Products – Currently some restrictions have been placed on sale of by-products such as molasses and bagasse. The Committee has recommended to let go these restrictions and accordingly determine the rates as per the market. State Government of Uttar Pradesh continues to regulate and still restriction on sale of molasses by sugar mills.

Report of Dr. Rangarajan, if implemented in letter & spirit can eradicate many problems plaguing the Indian Sugar Industry.

ETHANOL

Ethanol is produced from molasses, a by-product generated by sugar industry. It is blended with gasoline and used as an automotive fuel. Ethanol usage can address the energy needs of the nation and resultantly foreign exchange reserves of the nation can be more gainfully deployed. While ethanol is a derivative product for Indian Sugar industry, it is besides sugar, the main product for the Brazilian Sugar industry. But unlike Brazil or US, ethanol blending program is yet to gain momentum in India.

The government's revamped ethanol policy made it mandatory for oil marketing companies (OMCs) to blend 5% ethanol nation-wide by June 2013 and scrapped the long-standing regulated procurement price for ethanol of ₹ 27 per litre ex-distillery. Instead, the price is now determined by the market. The sugar season in India starts in October by which date most of the molasses supplies have already been committed. The new tender for 2014/15 (December/November) had a much better timing and interest was reportedly much higher. Various producers and suppliers of ethanol submitted bids between ₹ 48.50 and ₹ 49 per litre. Net realisation to distillers is around ₹ 41 per quintal. However there is need to legislate manufacture of ethanol from 'B' heavy molasses as is prevalent in Brazil. This will help sugar mills to optimise production of sugar & ethanol and maximize revenues.

CO-GENERATION

India is short on power capacity. Indian sugar industries have traditionally been practicing cogeneration of power by using bagasse as fuel. The Indian sugar industry has capabilities to produce 5,000 MW of power through cogeneration which can be scaled up. Apart from the captive consumption, the surplus power generated can be sold / traded which can assist the sugar industry to improve its viabilities and diversify its business model, besides help mitigating the energy crisis in the Country. The sugar industry in India has woken up and realised its potential to generate power. However there are many sugar mills which for obvious reason are still using the old, rundown, inefficient boilers & turbines. Resultantly the power generation is far below its potential. The need of the hour is to upgrade boilers to high pressure boilers, use efficient turbines and automate the process so that steam usage is economised, power generation maximised and revenues optimised. Timely receipt of payment from Power Corporations is an area of concern as many DISCOMs are financially vulnerable.

DWARIKESH – NUMBER CRUNCHING:

The accounts for the period are ended on 31st March, 2015 are compiled for 18 months such that the Company will henceforth will have its year ending on the 31st March, pursuant to the applicable provisions of revised Company's law requiring uniform accounting year for all companies. The accounts therefore encompass operation of full season of 2013-14 and for the season 2014-15 up to 31st March, 2015.



Salient features of the crushing operations in Dwarikesh are listed herein under:

Season 2013-14 vis-à-vis season 2012-13 (completed)

Particulars	2013-14	2012-13	% Change
Crushing (Lac/Quintals)			
DN	67.54	77.30	
DP	72.64	83.90	
DD	68.53	81.40	
Total	208.71	242.60	-13.97%
Recovery %			
DN	10.47	10.32	
DP	10.52	10.00	
DD	09.65	09.15	
Combined	10.22	09.81	
Production (Lac/Quintals) *			
DN	7.08	7.98	
DP	7.64	8.39	
DD	6.61	7.44	
Total	21.33	23.81	-10.42%
Losses %			
DN	1.79	1.83	
DP	1.66	1.81	
DD	1.68	1.92	

* Including small quantity of non-marketable (brown) sugar

- Cane crushing lower by around 14%
- Sugar Production lower by around 10.42%

Season 2014-15 (till 31st March, 2015) vis-à-vis season 2013-14 (till 31st March, 2014):

Particulars	2014-15	2013-14	% Change
Crushing (Lac/Quintals)			
DN	66.42	55.64	
DP	73.93	64.69	
DD	68.65	68.53	
Total	209.00	188.86	10.66%
Recovery %			
DN	10.99	10.37	
DP	10.82	10.44	
DD	10.14	09.65	
Combined	10.57	10.04	
Production (Lac/Quintals)			
DN	7.23	5.69	
DP	7.90	6.68	
DD*	6.96	6.61	
Total	22.09	18.98	16.39%
Losses %			
DN	1.64	1.74	
DP	1.60	1.63	
DD	1.72	1.68	

* Including small quantity of non-marketable (brown) sugar

- Cane crushing was higher by around 11%
- Sugar Production was higher by more than 16%
- Higher recoveries were mainly on account of optimum mix of better cane varieties.



However since the season 2014-15 is completed a comparison of full season 2014-15 & full season 2013-14 is as given below:

Season 2014-15 (completed season)

Particulars	2014-15	2013-14	% Change
Crushing (Lac/Quintals)			
DN	82.89	67.54	
DP	81.53	72.64	
DD	68.65	68.53	
Total	233.07	208.71	11.67%
Recovery %			
DN	11.11	10.47	
DP	10.98	10.52	
DD	10.14	09.65	
Combined	10.78	10.22	
Production (Lac/Quintals) *			
DN	9.21	7.08	
DP	8.95	7.64	
DD	6.96	6.61	
Total	25.12	21.33	17.77%
Losses %			
DN	1.70	1.79	
DP	1.61	1.66	
DD	1.72	1.68	

* Including small quantity of non-marketable (brown) sugar

- Cane crushing was higher by 11.67%
- Sugar Production was higher by 17.77%
- Sugar recoveries were higher at all the 3 units
- Spectacular higher recovery at all units is on account of optimum mix of better cane varieties.

DN plant maintained its highest standards of manufacturing efficiencies and clocked the best recovery in North India. Recovery at DD plant is showing signs of improvements. It is matter of immense pride that the recovery recorded for the completed season 2014-15 at DN is 11.11%, a feat unparalleled in the history of sugar industry in North India. For the first a sugar mill in North India crossed coveted recovery of 11%. Recovery at DP plan was also an impressive 10.98%. Higher recovery is attributable to better varietal mix, exemplary logistics management resulting in lowest lead time between harvest & crush and minimization of process losses.

Massive cane development efforts have been embarked upon in the Command Area of DD unit that are aimed at bringing varietal change, planting of more and more sugar cane and better farming practices. Efforts are aimed at not only increase the area under sugarcane cultivation, but also to incentivise farmers to shift from rejected varieties to better varieties. There has been gradual reduction in the area under cultivation of rejected variety and it is expected that in a couple of years crushing and recovery at DD plant would improve by leaps and bounds.

Performance of cogeneration division: Metrics of power sold:

Unit	Period 2013-15 (01.10.2013 to 31.03.2015)		Season 2013-14 (01.10.2013 to 30.09.2014)		Season 2012-13 (01.10.2012 to 30.09.2013)	
	Power sold in lac units	Amount in ₹ lacs	Power sold in lac units	Amount in ₹ lacs	Power sold in lac units	Amount in ₹ lacs
DN	441	1,904	241	1,009	262	1,074
DP	1,086	4,910	577	2,535	648	2,789
DD	1,298	5,870	678	2,976	772	3,318
Total	2,825	12,684	1,496	6,520	1682	7,181

**Highlights:**

- a. Power evacuation and sales during the season 2013-14 lower on account of less number of crushing days & lesser crushing.
- b. UPERC has revised tariff effective 20th January, 2015

ACCOUNTING POLICIES

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The significant accounting policies followed by your Company are stated in Schedule 'A' & Schedule 'B' - Significant Accounting policies and notes on accounts forming part of the annual report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place an adequate internal control policy and internal control system in order to ensure that all transactions are authorized, recorded and reported correctly and that all assets are protected against perils of unauthorized use or disposition. Towards enhancing the efficacy of internal controls, services of external consultants are hired wherever necessary. Their suggestions are reviewed and implemented. Your Company also periodically reviews its business processes with a view to fine tune them.

Your Company also has in place an Internal audit system, whereby an independent professional firm of Internal Auditors conduct regular audits across the Company and their scope and findings are reviewed by the Management and Audit Committee on a regular basis. The company also has a concurrent internal audit system.

The Audit Committee of the board also meets periodically to review the internal controls, internal audit findings, action taken reports and to advise Management on corrective policies, if necessary.

HUMAN CAPITAL:

Your Company recognizes the importance of human capital and has built a strong talent which provides it with the competitive edge. Your Company is always on the lookout for fresh talent acquisition and makes all efforts for their retention.

Skill mapping and matching is done on a continuous basis. Assessment of training and development needs of the employees is carried out at the time of performance appraisals and the training programs are then designed to bridge gaps, if any. Key Result Areas of employees are determined and their performance evaluated accordingly.

The industrial relations continued to be cordial with your company enjoying the lowest attrition rate among the peers. Your Company employed a total of 1584 employees during the year.

Risks & Concerns:**Raw material risks**

- The risk could be of farmers switching over to other cash crops, diversion of sugarcane to unorganized sector, crop being infected by diseases, adverse weather conditions causing erosion in yield and consequently supplies to the mills and most importantly the risk of State Government mandating arbitrarily high prices of sugarcane.

Sugar price risks

- Volatility in the sugar prices on the back of wildly oscillating sugar production.

Regulatory risks

- Sugar Industry operates in a highly regulated environment. Any change in the Government policy could impact the sugar industry and your Company.

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

1. Raw material risk: lower cane realization may prompt farmers to shift to alternate crops, threatening Company's significant investment in assets and infrastructure.

Risk mitigations:

As a focused producer, the Company has invested in enduring farmer relationships through the following initiatives:

- a. Educating the farmers on advantages of growing sugar cane.
- b. Provision of high yielding seeds, cane disease management, timely payment of cane price, etc. Distributing reliable quality of pesticides at subsidized prices.
- c. Encouraging the farmers to grow more sugar cane and making cane cultivation attractive.
- d. Providing subsidies to plant better variety of Sugar cane.



- e. Intercropping of cane with other crops to increase the returns to poor farmers.
 - f. New irrigation techniques to save water and allow proper drainage.
 - g. Mechanisation for sowing and cutting of crops
2. Sugar Price Risk: There is volatility in the sugar price on account of oscillating sugar production.

Risk Mitigations:

The company has sizable capacity of power cogeneration. Thus company is de-risking its business to address to the problems of volatility in sugar prices. The Company is also planning some hedging strategies so as to capture the upside in the volatility in the global sugar prices in its revenue stream.

3. Political and regulatory risks: Sugar is one of the industries still to be fully liberalized. The government still stipulates the minimum cane price that the sugar companies should pay to the farmers. Unlike any other cash crop, cane price is dually fixed by central and state governments.

Risk mitigation:

This is a systematic risk which cannot be alleviated unless the industry is completely deregulated. Way forward is complete deregulation of sugar industry, production of value added products and consolidation of the industry.

CAUTIONARY STATEMENT

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



DIRECTOR'S REPORT

The Members of the Company,

Your Directors take pleasure in presenting their Twenty first Annual Report together with the audited accounts for the period ended 31st March, 2015.

1. FINANCIAL RESULTS

	₹ in lacs Eighteen months period ended 31.03.2015	₹ in lacs Year ended 30.09.2013
Gross profit before depreciation, interest & tax	9,586.58	7,182.82
Less: Depreciation	4,724.64	3,318.52
Finance Costs	7,520.98	7,056.09
Profit / (Loss) before tax and exceptional items	(2,659.04)	(3,191.79)
Less: Provision for taxes	--	9.98
Deferred tax liability / (asset)	(984.02)	(1,265.74)
Profit /(Loss) after tax	(1,675.02)	(1,936.03)
Add: Balance brought forward from previous year	(5,201.44)	(3,265.41)
Amount available for appropriation	(6,876.46)	(5,201.44)
Appropriations:	--	--
Balance carried forward to next year	(6,876.46)	(5,201.44)

2. DIVIDEND

In view of losses during the period, your directors are compelled to skip dividend on 8% (Series II,III & IV) and 12% (series I) Cumulative Redeemable Preference Shares and also on the Equity Shares for the year.

The dividend on Cumulative Redeemable Preference Shares (both 8% & 12% series) is being accumulated and will be paid in the year of profit.

3. YEAR IN RETROSPECT

OPERATIONS:

Salient features of the crushing operations in Dwarikesh are listed herein under:

- Accounts for the current period consists of 18 months encompassing 2 crushing seasons viz. crushing season 2013-14 (completed) and crushing season 2014-15 (partial, up to 31st March, 2015): whereas the previous year 2012-13 covers operations of completed crushing season of 2012-13. Therefore the figures are not comparable.

Season 2013-14 vis-à-vis season 2012-13:

Season 2013-14 (completed season)

Particulars	2013-14	2012-13	% Change
Crushing (Lac/Quintals) – total at all three units	208.71	242.60	-13.97%
Recovery % (Combined)	10.22	9.81	
Production (Lac/Quintals) – total at all three units*	21.33	23.81	-10.42%

*including small quantity of non-marketable (Brown) sugar

- Crushing suffered a setback during the season 2013-14 owing to lesser availability of sugarcane. It was lesser by nearly 14% as compared to the previous season.
- However the recovery recorded was significantly better (10.22% vis-à-vis 9.81%). Consequently production was lesser by only 10.42% (21.32 lac quintals vis-à-vis 23.80 lac quintals).


Season 2014-15 (till 31st March, 2015) vis-à-vis season 2013-14 (till 31st March, 2014):

Particulars	2014-15	2013-14	% Change
Crushing (Lac/Quintals) – total at all three units	209.00	188.86	10.66%
Recovery % (Combined)	10.57	10.04	
Production (Lac/Quintals) – total at all three units*	22.09	18.98	16.39%

*including small quantity of non-marketable (Brown) sugar at DD unit.

- Sugar recoveries higher at all the 3 units.
- Higher recoveries were mainly on account of optimum mix of better cane varieties.

However since the season 2014-15 is completed a comparison of full season 2014-15 & full season 2013-14 is as given below:

Season 2014-15 (completed season)

Particulars	2014-15	2013-14	% Change
Crushing (Lac/Quintals) – total at all three units	233.07	208.71	11.67%
Recovery % (Combined)	10.78	10.22	
Production (Lac/Quintals) – total at all three units *	25.12	21.33	17.59%

*including small quantity of non-marketable (Brown) sugar

- Season 2014-15 witnessed improved availability of sugarcane, mainly driven by improved yield at farm level.
- Crushing at 233.07 lac quintals was higher by 11.67% over crushing of 208.71 lac quintals clocked during the season 2013-14.
- Higher crushing coupled with higher recovery (10.78% vis-à-vis 10.22%) resulted in higher production of 25.12 lac quintals of sugar as compared to 21.33 lac quintals of sugar produced during the season 2013-14.
- During the season 2014-15 recovery of 11.11% was recorded at DN plant. Typically recovery in mills of North India is lower and the average recovery of UP sugar mills is in the band of 9.25% to 9.50%. Outstanding recovery at DN has been possible on account of optimum varietal mix, proficient logistics management resulting in lowest lead time between harvesting & crushing of sugarcane.
- Recovery recorded at DP plant is also an impressive 10.98% whereas at DD plant recovery of 10.14% was recorded.
- Group recovery of 10.78% clocked during the season 2014-15 is among the highest in North India.
- Sugarcane variety Co 0238 has brought about a revolution in the recovery pattern of mills in Uttar Pradesh and has contributed significantly for the better recovery of the Company.

Performance of cogeneration division: Metrics of power sold:

Unit	Period 2013-15		Season 2013-14		Season 2012-13	
	(01.10.2013 to 31.03.2015)		(01.10.2013 to 30.09.2014)		(01.10.2012 to 30.09.2013)	
	Power sold in lac units	Amount in ₹ lacs	Power sold in lac units	Amount in ₹ lacs	Power sold in lac units	Amount in ₹ lacs
DN	441	1,904	241	1,009	262	1,074
DP	1,086	4,910	577	2,535	648	2,789
DD	1,298	5,870	678	2,976	772	3,318
Total	2,825	12,684	1,496	6,520	1682	7,181

Highlights:

- Power evacuation and sales during the season 2013-14 lower on account of lesser crushing & lesser number of crushing days.
- UPERC has revised tariff effective 20th January, 2015

Performance of Distillery:

During the period under review, 50,38,103* Litres of Industrial Alcohol (previous year 34,31,173 Litres) and 5,74,205 Litres Ethanol (previous year 7,11,883 Litres) was produced at Dwarikesh Nagar Unit of the Company. In value terms the sale of rectified spirit was ₹ 1,320.97 lacs (previous year ₹ 836.26 lacs) & sale of Ethanol was ₹ 123.23 lacs (Previous Year ₹ 268.59 lacs).

*Includes 2,00,155 ltrs. on conversion of ethanol and 12,651 ltrs. additional moisture (water) thereon.



4. FINANCIAL PERFORMANCE:

- Last few years have been extremely challenging for your company and the sugar industry in general. The State Government hasn't announced any increase in sugarcane price (SAP) over the last three crushing seasons. However on account of previous, year on year, successive & excessive increase in sugarcane price for almost 4 to 5 crushing seasons, sugarcane price and resultantly the costs are fastened at extremely higher & unviable levels. Sugarcane price in Uttar Pradesh is among the highest in the world. With no commensurate increase in the price of sugar & by-products, economics of sugar industry has gone haywire.
- Both globally and domestically sugar supply/ production exceeds sugar demand / consumption. Consequently there is a surplus / glut situation which has caused a drag on the sugar prices. Since sugarcane price is not linked to sugar prices in Uttar Pradesh, sugar industry in Uttar Pradesh is on loss making trajectory. The pain of the sector is showing no signs of abatement.
- State Government has announced multi-tier payment mechanism for the season 2014-15, besides announcing various other financial reliefs and subsidies. However fall in price of sugar is so pronounced that, the benefits announced have negligible impact on the overall health of the industry. Benefits were announced on the basis of benchmark price of sugar & by-products. However since the announcement prices have fallen, thus rendering the benefits grossly inadequate. Increase in sugarcane price during the earlier years is continuing to torment the industry.

Double whammy of higher raw material cost and falling sugar prices has impacted the bottom-line of your company, though the bottom-line, during the period, on account higher recovery and improved operational efficiencies is relatively better as compared to the bottom-line of previous year. Your Company posted after tax loss of ₹ 16.75 crores (for the 18 months period) as compared to loss of ₹ 19.36 crores posted during the year 2012-13. However, your Company did manage to earn cash profit.

Financial scorecard:

Particulars	Lac ₹			
	2013-15	%	2012-13	%
Net Sales	1,13,607	100.00	92,761	100.00
EBIDTA	9,587	8.44	7,183	7.74
EBDTA	2,066	1.82	127	0.14
EBT	(2,659)	(2.34)	(3,192)	(3.44)
EAT	(1,675)	(1.47)	(1,936)	(2.09)

Following inference can be drawn from the above numbers:

1. EBIDTA in absolute terms as well as in percentage terms is higher than the EBIDTA for the earlier year. While comparison of EBIDTA in absolute terms may not capture & articulate the true picture, the fact that in % terms it is better at 8.44% as compared to 7.74% during the year 2012-13 is a matter of some consolation.
2. Cash profit of ₹ 20.66 crores compares favourably, both in absolute terms and in % terms with the cash profit earned during 2012-13.
3. The non-satisfactory financial results are on account of:
 - Fastening of sugarcane price at an raised up level of ₹ 280 per quintal for the general variety for the last 3 crushing seasons.
 - Rapidly declining price of sugar (presently hovering between ₹ 2,400 and ₹ 2,600 per quintal). Sugar prices are on downward spiral. Both Central Government & the State Government are seized of the problems facing the industry and are attempting to resolve the same.
 - EBIDTA margin of your Company has improved on account better recoveries.
 - Company's efforts to recalibrate its debt profile with a view to augment the cash flows and with a view to rationalise interest costs continues. In fact the annualized finance cost during the period is significantly less than the finance cost of year 2012-13.

**5. A CANE & SUGAR POLICY:**

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

- a) The ratio of levy and free sale sugar was 10:90 for the period up to 31st March, 2013 & thereafter levy obligation was abolished pursuant to adoption of recommendations contained in the report of Dr. Rangarajan.
- b) The Fair & Remunerative Price (FRP) for the crushing season 2014-15 was ₹ 220 per quintal and the same has now been increased to ₹ 230 per quintal for 2015-16, both are linked to recovery @ 9.50 %.
- c) Chronology of SMP /FRP announced by the Central Government on the basis of recovery is given herein under:

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

* Linked to recovery of 8.50 % & Linked to recovery of 9%%

@Linked to recovery of 9.50%

- d) The Company is required to pay State Administered Price (SAP) .For the crushing season 2014-15, the State Government of Uttar Pradesh announced SAP of ₹ 280 per quintal for general variety with concessions/reliefs to the extent of ₹ 28.60 per quintal based on certain parameters.

B. CHANGE IN NATURE OF BUSINESS:

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

C. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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

D. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

E. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

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

F. SHARE CAPITAL

The company has not issued any shares during the period.



G. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 by way of annexure I is annexed and forming part of the Board’s report.

H. CORPORATE SOCIAL RESPONSIBILITY

The company is incurring losses in last few years and hence the provisions of CSR are mandatorily not applicable, however the Company is carrying out CSR activities.

I. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

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

J. VIGIL MECHANISM

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

K. NOMINATION & REMUNERATION COMMITTEE

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

L. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

M. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

N. MANAGERIAL REMUNARTION:

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

Name of Director	Category	Ratio to median employees remuneration
Shri G R Morarka	Managing Director	42.27:1
Shri Vijay S Banka	Whole Time Director & CFO	21.69:1
Shri B J Maheshwari	Whole Time Director & CS cum CCO	21.14:1
Shri B K Agarwal	Independent Director	0.40:1
Shri K N Prithviraj	Independent Director	0.19:1
Ms Malathi Mohan	Independent Director	0.13:1
Shri K L Garg*	Independent Director	0.06:1
Shri L P Aggarwal*	Independent Director	0.10:1

* Resigned during the year

- b) **Median Remuneration**
There is increase of 60.25% in median remuneration of employee during the current accounting period of 18 months over the previous accounting year consisting of 12 months, hence figures are not comparable.
- c) **Permanent employees**
As at 31st March, 2015, the Company has on its payroll 1,584 permanent employees.
- d) **The explanation on the relationship between average increase in remuneration and company performance;**
Although performance of the Company has deteriorated on account of high cost of Sugarcane & low realization of its products, the average increase in remuneration of employees is commensurate with increase in Sugar Industry.
- e) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**
The operating performance of the Company has been one of the best, however financial performance is marred by high cost of Sugarcane & low realization of Sugar. Remuneration of Key Managerial personnel is in line with the trends & remuneration paid by others in Sugar Industry in state of Uttar Pradesh



- f) **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies,**

i)	Particular	As at 1/10/2013	31/3/2015	Change
	Market Cap (₹ in Crores)	27.13	33.28	6.15%
	P E Ratio*	NA	NA	NA
	Price of shares ₹	16.63	20.40	3.77%

*Since there are losses in both the period

GDR price: ₹ 182 per share

Market price as on 1/10/2013 – ₹ 16.63, Decrease ₹ 165.37, (-ve) 90.86%

Market price as on 31/3/2015 – ₹ 20.40, Decrease ₹ 161.60, (-ve) 88.79 %

- ii) Return on annualized basis:

Market price as on 1/10/2013 – ₹ 16.63, annualized return, (-ve) 10.10%

Market price as on 31/3/2015 – ₹ 20.40, annualized return, (-ve) 9.87 %

- g) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

The increase in average Salaries of median employee is 60.25% & average increase in salaries of Key Managerial personnel's remuneration is 69.32% for accounting period of 18 months over previous accounting year of 12 months Hence the figures are not comparable.

- h) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;** Although performance of the Company has deteriorated on account of high cost of Sugarcane & low realization of it's products, the increase in remuneration is commensurate with increase in Sugar Industry.

- i) **The key parameters for any variable component of remuneration availed by the directors;**

Only Managing Director is entitled to receive commission & that too only in case of profits as computed u/s 198 of the Companies Act, 2013.

- j) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** Not Applicable

- k) **Affirmation that the remuneration is as per the remuneration policy of the company**

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

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

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees: Nil

(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month: Nil

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

- n) **Details of remuneration with break up of Components paid to Managing Director, Whole Time Director, terms of appointment are stated in Corporate Governance Report.**

O. SECRETARIAL AUDIT REPORT:

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

**P. RISK MANAGEMENT POLICY:**

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

Q. POLICY ON ANTI SEXUAL HARASSMENT: The Company has put in place a policy on Anti Sexual harassment, No complaints have been received under this policy during the period.

6. DIRECTORS**A) Changes in Directors and Key Managerial Personnel**

During the period from October 1, 2013 to March 31, 2015, Shri G R Morarka has been re-designated as a Managing Director from Chairman & Managing Director pursuant to the requirement of Companies Act, 2013 on account of a ban on holding dual position unless stated otherwise by Articles of the Company. Shri K L Garg, Nominee Director of IDBI Bank Ltd has discontinued as a Director of the company since his nomination was withdrawn by IDBI Bank Ltd. Shri L P Aggarwal, who was appointed as an additional director has tendered his resignation on account of his preoccupations. Ms Malathi Mohan has been appointed as an additional woman director to meet the requirements of section 149 of the Companies Act, 2013.

Pursuant to the requirements of the Companies Act, 2013, Independent directors are not liable to retire by rotation and hence all the Whole Time Directors are liable to retire by rotation. Since the tenure of Shri B J Maheshwari and Shri Vijay S Banka has been ending on April 30, 2015, both of them are proposed to be re appointed for the period of 3 years. Shri G R Morarka is liable to retire by rotation and has offered himself for re appointment.

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

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

All the three independent directors are appointed/re appointed in the meeting of Board of Directors held on August 13, 2014 for a period of 5 years as per the requirements of section 149 of the Companies act, 2013 & their reappointment is being regularized in the ensuing Annual General meeting.

C) Formal Annual Evaluation

Pursuant to the requirements of section 134(3)(p) of the Companies Act, 2013 read with clause 49 of the listing agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

D) POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Board shall have minimum 3 and maximum 12 directors, unless otherwise approved. No person of age less than 21 years shall be appointed as a director on the Board. The company shall have such person on the Board who complies with the requirements of the Companies Act, 2013, Provisions of the Listing Agreement, Memorandum of Association and Articles of Association of the company and all other statutory provisions and guidelines as may be applicable from time to time. Composition of the Board shall be in compliance with the requirements of Clause 49 of the Listing Agreement of the Stock Exchanges. Majority of the Directors shall have specialised knowledge/ experience in the areas like Sugar sector, Strategic management, Legal, Risk Management, Accountancy, Finance, etc. Except for whole time directors, no other directors are paid remuneration, but are paid only sitting fees. The MD is paid remuneration as approved by other applicable authorities, but are not paid sitting fees. MD, Company Secretary and Chief Financial Officer shall be the Key Managerial



Personnel (KMPs) of the company. All persons who are Directors / KMPs, members of Senior Management and all other employees shall abide by the Code of Conduct.

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

DIRECTORS APPOINTMENT AND REMUNERATION POLICY:**PREFACE:**

Pursuant to section 134(3)(e) read with section 178(1) & (3) of the Companies Act, 2013 there shall be a need for all the listed companies and such other companies as specified in this act to have policy on Director's appointment and remuneration.

The company being listed entity on both the bourses of NSE and BSE, is required to form a policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other matters mentioned in section 178(3) of the Companies Act, 2013, which is as follows:

Appointment of Executive & Non-executive Directors:

While appointment of any person as a director of the company, the Nomination & Remuneration Committee shall consider the following:

No person shall be eligible for appointment as a managing or whole-time director (hereinafter referred to as managerial person) of a company unless he satisfies the following conditions, namely

- (a) he had not been sentenced to imprisonment for any period, or to a fine exceeding one thousand rupees, for the conviction of an offence under any of the Statutory Acts as mentioned in Schedule V of the Companies Act, 2013.
- (b) he had not been detained for any period under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974):

Provided that where the Central Government has given its approval to the appointment of a person convicted or detained under sub-paragraph (a) or sub-paragraph (b), as the case may be, no further approval of the Central Government shall be necessary for the subsequent appointment of that person if he had not been so convicted or detained subsequent to such approval.

- (c) he has completed the age of twenty-one years and has not attained the age of seventy years:

Provided that where he has attained the age of seventy years; and where his appointment is approved by a special resolution passed by the company in general meeting, no further approval of the Central Government shall be necessary for such appointment;

- (d) where he is a managerial person in more than one company, he draws remuneration from one or more companies subject to the ceiling provided in section V of Part II;
- (e) he is resident of India as per explanation I of Schedule V of the Act.

Further, Nomination & Remuneration committee shall ensure while appointing the independent directors the requirements stated in section 150 (4) of the Companies Act, 2013.

Remuneration to Independent / Non-Executive Directors:

1. Payment of Remuneration :

None of the independent / Non-executive directors shall be entitled to any remuneration as stated in section 197(1)(ii)(a) and (b) of Companies Act, 2013.

2. Payment of sitting fees:

All the independent / Non-Executive directors shall be entitled to receive sitting fees for attending Board Meetings and / or Committee Meetings as may be decided by the Board from time to time, which shall not exceed Rs 1,00,000 per meeting. At present, they have been paid a sitting fees at the rate of ₹ 2,500 to ₹ 10,000 depending on whether it is a committee meeting or board meeting.

The sitting fees shall be payable in line with fees being paid to independent directors and shall be in comparison with company's peers. If so required, it may be enhanced within the limits of ₹ 1,00,000 from time to time to attract various professionals and elite person to join the Board room.



3. Payment / Reimbursement of Out of pocket expenditure:

Besides sitting fees as stated above, the independent / non-executive directors shall also be entitled to receive out of pocket expenditure for an amount not exceeding ₹ 1,000 per meeting subject to the approval of shareholders in ensuing general meeting of the company, if required.

Remuneration to Whole time / Executive Directors:

Currently, there are only 3 whole time executive directors as follows:

Sr No	Name of Director	Designation
1	Mr. Gautam R Morarka	MD
2	Mr. B J Maheshwari	Whole Time Director & CS cum CCO
3	Mr Vijay S Banka	Whole Time Director & CFO

Remuneration:

In case if the company has adequate profits:

All the three executive directors putting them together shall be entitled to get overall upto 10% of the net profits computed in a manner stated in section 198 of the Companies Act, 2013. Further, in no case it shall exceed 5% of the net profits computed in the manner stated in section 198 of the Act to a single executive director.

In case if the company has losses or inadequate profits:

If during any financial year the company has incurred losses or it has earned inadequate profits then in such case, the remuneration to the whole time / executive directors shall be payable as per the provisions of Schedule V of the Companies Act, 2013 on the basis of effective capital of the company.

Maximum Remuneration payable to each of the three executive directors may extend to the maximum of ₹ 60 lacs per annum plus 0.01% of the effective capital in excess of ₹ 250 crores.

Besides above, the whole time directors may also be entitled to get such other benefits / emoluments/ allowances / perquisites as stated in section IV of Schedule V of the Companies Act, 2013 in the manner and to the extent provided thereat.

The company shall approach the Central Government for payment / increase in remuneration exceeding the amount stated in Schedule V of the Companies Act, 2013 in case if the company has losses or inadequate profits or terms and conditions stipulated in schedule V have not been met with.

In terms of academic qualifications, although there shall be no any written norms but the preference shall be given to IAS, IPS, CS, CA, CMA and other professional persons to be inducted on the Board of the company. The person should have a skill and experience in the arena of his profession. He should enhance the quality of governance and should be a team member to provide positive input in strategic management to the and being in the top brass of the company. To be an independent director, the person should fulfil the following criteria as specified in section 149 (6) of the Companies Act, 2013.

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no 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 current financial year;
- (d) 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 per cent. 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;
- (e) 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 practice 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 ten percent 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; or
- (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company; or
- (f) who possesses such other qualifications as may be prescribed.

The nomination and remuneration committee understands and acknowledges the matters set out in section 178(4)(a) (b)&(c) and shall always endeavour to reward the quality directors and other key managerial personnel [section 203(1)]. The qualification, merits and experience shall be asserted while deciding the remuneration and it shall be endeavour to attract, retain and enhance the human capital being biggest asset of the company.

7. STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in India, Management's Discussion and Analysis Report for the period under review is presented in a separate segment which is forming part of the Annual Report.

9. CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance together with the Auditors Certificate regarding compliance of the conditions of corporate governance, Management Discussion and Analysis statement forms part of the Annual report.

10. DISCLOSURES:

CSR Committee

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

Audit Committee

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

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

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Pursuant to section 134 (3)(m) of the Companies Act, 1956, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings & outgo are furnished in Annexure – IV and form a part of this report.

12. SUBSIDIARY COMPANY'S REPORT:

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

**13. AUDITORS & AUDITOR'S REPORT:**

There are no qualifications in the Auditors report.

The Auditors, M/s. S S Kothari Mehta & Co., Chartered Accountants retire at the ensuing Annual General Meeting of the Company. You are requested to re-appoint the Auditors for the accounting year 2015-16 and fix their remuneration. M/s S S Kothari Mehta & Co., Chartered Accountants, being eligible, have offered themselves for reappointment.

All remarks of the auditors having reference to the accounting policies or notes to the account are self-explanatory and do not require any further explanation. There are no qualifications in the Auditors report. However, there is a matter of emphasis in respect of deferred tax assets on unabsorbed depreciation & business losses and the same has been explained in note no.12 of the financial statements, further regarding observation in point no. xvii in Annexure to Auditors report, Company is in the process of arranging long term funds to set right the mismatch.

14. COST AUDITORS:

As per the directions issued by the Central Government pursuant to the provisions of section 148 of the Companies Act, 2013 M/s Ramanath Iyer & Co, Cost Accountants were appointed to conduct cost audits relating to sugar, electricity and industrial alcohol for the year ended March 31, 2015.

15. PUBLIC DEPOSITS

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

16. ACKNOWLEDGEMENT

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

By Order of the Board
For DWARIKESH SUGAR INDUSTRIES LIMITED

G. R. MORARKA
MANAGING DIRECTOR

VIJAY S BANKA
WHOLE TIME DIRECTOR & CFO

Place : Mumbai
Dated : May 28, 2015

B J MAHESHWARI
WHOLE TIME DIRECTOR & CS Cum CCO



ADDENDUM TO THE BOARD REPORT

ANNEXURE - I

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar (cane sugar)	170111.09	82.81
2	Co generation		10.78

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr No	Name & Address of the co.	CIN / GLN	Holding / subsidiary / Associate	% of shares held	Applicable section
NIL					

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 30-Sept-2013]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	30,87,070	0	30,87,070	18.92	30,99,344	0	30,99,344	19.00	0.08
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	47,84,007	0	47,84,007	29.32	47,84,007	0	47,84,007	29.32	0
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	78,71,077	0	78,71,077	48.25	78,83,351	0	78,83,351	48.32	0.07
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt	25,000	0	25,000	0.15	25,000	0	25,000	0.15	0



Category of Shareholders	No. of Shares held at the beginning of the year [As on 30-Sept-2013]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	1,99,232	0	1,99,232	1.22	1,99,232	0	1,99,232	1.22	0
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	2,24,232		2,24,232	1.22	22,24,232	0	2,24,232	1.37	0
2. Non-Institutions									
a) Bodies Corp.	22,91,904	0	22,91,904	14.05	18,66,976	0	18,96,973	11.63	2.42
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	33,79,731	40,099	34,19,830	20.96	35,63,301	34,449	35,97,750	22.05	1.09
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	20,71,153	0	20,71,153	12.70	24,19,248	0	24,19,248	14.83	2.13
c) Others (specify)									
Non Resident Indians	1,78,315	27,776	2,06,091	1.26	1,69,310	25,516	1,94,826	1.19	0.07
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	2,29,989	1.41	2,29,989		97,893	0	97,893	0.60	0.81
Trusts	400	0	400	0.00	400	0	400	0.00	0
Foreign Bodies - D R									
Sub-total (B)(2):-					81,47,128	59,965	82,07,093	50.30	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8,15,492	5,875	82,19,367	50.38	83,71,360	59,965	84,31,325	51.68	1.3
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1,62,46,801	67,875	1,63,14,676	100	1,62,54,711	59,965	1,63,14,676	100	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gautam R Morarka	28,14,385	17.25	0	28,26,659	17.33	0	0.08
2	Pranay Gautam Morarka	1,94,791	1.20	0	1,24,971	0.77	0	0.43



SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
3	Priyanka G Morarka	51,236	0.31	0	51,236	0.31	0	0
4	S G Morarka	20,178	0.12	0	90,178	0.55	0	0.43
5	Dwarikesh Trading Co.Ltd	26,24,889	16.09	0	26,24,889	16.09	0	0
6	Morarka Finance Limited	21,59,118	13.23	0	21,59,118	13.23	0	0
7	Gautam Morarka- karta – C/o Gautam R Morarka HUF	6,300	0.04	0	6,300	0.04	0	0

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	78,71,077	48.25		
2	Add purchase from the open market by S G Morarka on 11/10/2013, by G R Morarka on 7/4/14, 26/6/14, 27/6/14, Less sale of shares by Pranay G Morarka on 11/10/2013	82,274 70,000	0.07		
3	At the end of the year			78,83,351	48.32

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	General Insurance Corp.Of India	1,99,232	1.22	1,99,232	1.22
2	Bishwanath Prasad Agrawal	2,51,771	1.54	2,70,100	1.66
3	Premier Credit Capital Ltd	---	---	3,72,000	2.28
4	Suvarna Kumari Agrawal	---	---	2,29,900	1.41
5	Param Capital Research Pvt Ltd	8,65,237	5.30	8,15,077	5.00
6	Krishna Kumar Kumbhat	---	---	4,42,199	2.71
7	Ishwar Dayal Mittal	3,70,000	2.27	---	---
8	Emkay fincap limited	2,92,606	1.79	---	---

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01/10/2013)		Shareholding at the end of the year (31/03/2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gautam R Morarka	28,14,385	17.25	28,26,659	17.33
2	B J Maheshwari	0	0	0	0
3	Vijay S Banka	0	0	0	0



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

₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 1st October,2013				
i) Principal Amount	3,92,11,18,243	8,53,269	---	3,92,19,71,512
ii) Interest due but not paid	---	---	---	-
iii) Interest accrued but not due	4,20,49,749	---	---	4,20,49,749
Total (i+ii+iii)	3,96,31,67,992	8,53,269	---	3,96,40,21,261
Change in Indebtedness during the financial year				
* Addition	3,58,21,01,706	48,50,00,000	---	4,06,71,01,706
* Reduction	1,29,22,50,312	48,50,01,225	---	1,77,72,51,537
Net Change	2,28,98,51,394	(1,225)	---	2,28,98,50,169
Indebtedness at the end of the financial year as on 31st March,2015				
i) Principal Amount	6,24,27,04,729	8,52,044	---	6,24,35,56,773
ii) Interest due but not paid	---	---	---	-
iii) Interest accrued but not due	1,03,14,657	---	---	1,03,14,657
Total (i+ii+iii)	6,25,30,19,386	8,52,044	---	6,25,38,71,430

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

₹

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri G R Morarka	Shri V S Banka	Shri B J Maheshwari	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,61,28,000	82,78,297	80,65,012	3,24,71,309
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total (A)	1,61,28,0000	82,78,297	80,65,012	3,24,71,309
	Ceiling as per the Act	Minimum remuneration			


B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount ₹
		₹			
1	Independent Directors	Ms Malathi Mohan	Shri B K Agarwal	Shri K N Prithviraj	
	Fee for attending board committee meetings	52,500	1,57,500	75,000	2,85,000
	Commission	0	0	0	0
	Others, please specify				
	Total (1a)	52,500	1,57,500	75,000	2,85,000
	Independent Directors	Shri K L Garg @ (IDBI Nominee)	Shri L P Aggarwal@		
	Fee for attending board committee meetings	25,000	40,000		65,000
	Commission				
	Others, please specify				
	Total (1b)	25,000	40,000		65,000
2	Other Non-Executive Directors	Shri G R Morarka	Shri V S Banka	Shri B J Maheshwari	
	Fee for attending board committee meetings	0	0	0	
	Commission	0	0	0	
	Others, (Salaries, allowances, Bonus, Leave encashment, Co's contribution to EPF)	1,61,28,000	82,78,297	80,65,012	3,24,71,309
	Total (2)	1,61,28,000	82,78,297	80,65,012	3,24,71,309
	Total (B)=(1a+1b+2)				3,28,21,309
	Total Managerial Remuneration				3,28,21,309
	Overall Ceiling as per the Act				*

@ Resigned during the accounting period.

* Overall ceiling is within the ceiling of minimum remuneration as permitted under Schedule V read with Section 196 & 197 of the Companies Act, 2013

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE – II

Form No. AOC-2

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

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

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

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

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

(a) Name(s) of the related party and nature of relationship	Morarka Finance Limited
(b) Nature of contracts/arrangements/transactions	Lease of office premises
(c) Duration of the contracts arrangements/transactions	Five years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	for company’s Mumbai based corporate office, the premises of related party – Morarka Finance is taken on Leave & Licence for five years at monthly rent not exceeding ₹ 2,00,000 with clause of increasing the same on an interval of 1 year.
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	Nil



Annexure III
FORM MR - 3
SECRETARIAL AUDIT REPORT

TO,
THE MEMBERS,
DWARIKESH SUGAR INDUSTRIES LIMITED
DWARIKESH NAGAR, BIJNORE,
UTTAR PRADESH
Company No.: L15421UP1993PLC018642
Authorised Capital: Rs.54.00 Crores

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Dwarikesh Sugar Industries Limited (hereinafter called the company)**. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering 18 months ended on 31st March, 2015 complied with the statutory provisions listed, hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by ("the Company") for the period ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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;
- (v) 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;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above based on the verification of records / documents produced to us, the information furnished to us by the Company and the test check carried out by us, we are of the opinion that the Company has complied with the applicable provisions of the Companies Act 2013 ("the Act") and Rules made under the Act and, the Memorandum and Articles of Association of the Company and other applicable provision with regard to:



- 1) Maintenance of various statutory registers and documents and making necessary entries therein;
- 2) Contracts, common seal, registered office and publication of name of the Company;
- 3) Filing of the requisite forms and returns with the Registrar of Companies, Kanpur, Uttar Pradesh and Central Government within the time prescribed under the Act and Rules made there under;
- 4) Service of documents by the Company on its Members and Auditors.
- 5) Closure of Register of Members and Share Transfer Books of the Company.
- 6) Convening and holding of the meetings of Directors and Committees of Directors, including passing of the resolutions by circulation;
- 7) Convening and holding of the Annual General Meeting of the Company;
- 8) Minutes of the proceedings of General Meeting, Board Meetings and Board Committees were properly recorded in loose leaf form, which are being bound in a book form at regular intervals.
- 9) Appointment and remuneration of Auditors and Cost Auditors;
- 10) Transfers and transmission of shares, issue / delivery of duplicate share certificates and dematerialisation / rematerialisation of shares;
- 11) Composition and terms of reference of Audit Committee;
- 12) Transfer of amounts due under the Act to the Investor Education and Protection Fund;
- 13) Uploading of the details of unclaimed / unpaid dividend with the Ministry of Corporate Affairs (MCA) as well as on the website of the Company;
- 14) Payment of interest and redemption proceeds of Preference Share;
- 15) Investment of the Company's funds including inter-corporate loans and investments
- 16) Borrowings and registration, modification and satisfaction of charges, wherever applicable except *the funds raised by the Company on short term basis have been applied for Long term investment to the extent of Rs.25,86,45,165/-;*
- 17) Deposit of both the employees and employers contribution relating to Provident Fund with the Trusts created for the purpose;
- 18) Form of Balance Sheet, statement of Profit & Loss and disclosures to be made therein as per the revised Schedule VI to the Act issued by the Ministry of Corporate Affairs (MCA) ;
- 19) All other applicable provisions of the Act and the Rules made thereunder that Act. We further state that;
 - 1) The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;
 - 2) The Directors have complied with the disclosure requirements in respect of their eligibility of appointments, their being independent and compliance with the Code of Conduct for Directors and Senior Management Personnel;
 - 3) The Company has obtained all necessary approvals under the various provisions of the Act; and
 - 4) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreements and Rules, Regulation and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.

We further report that:

- 1) The Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialization securities with all securities issued by the Company;
- 2) The Company has complied with all the mandatory requirements under the Listing Agreement executed with the BSE Limited and National Stock Exchange of India Ltd;
- 3) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 including the provisions with regard to disclosures and maintenance of records required under the regulation;
- 4) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 including provisions with regards to disclosures and maintenance of records required under the regulation.



- 5) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 6) 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.
- 7) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. 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.

Place : Mumbai
Date : May 27, 2015

For VKM & Associates
Practising Company Secretary

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

ANNEXURE – IV

PARTICULARS AS REQUIRED UNDER THE COMPANIES [DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS] RULES, 1988.

1. CONSERVATION OF ENERGY

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

FORM 'A'

[See Rule 2]

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A.		POWER AND FUEL CONSUMPTION		Current Year 2013-15	Previous Year 2012-13
	1.	Electricity			
		a)	Purchased		
			Unit – KWH	8,64,411	6,36,356
			Total amount (₹)	1,01,29,542	69,78,759
			Rate / Unit (₹)	11.72	10.97
		b)	Own Generation		
		i)	Through Diesel Generator		
			Unit –KWH	1,08,200	1,03,185
			Unit Per Ltr of Diesel	3.21	3.28
			Oil cost/Unit(₹)	14.78	14.68
		ii)	Through Steam Turbine/Generator		
			Unit –KWH	43,32,12,964	25,90,55,028
			Unit per Ltr of fuel		
			Oil/Gas		
			Cost/Unit (₹)		



2.	Coal (Specify quantity and where used)		
	Quantity (Tons)	NIL	NIL
	Total Cost	N.A.	N.A.
	Average Rate	N.A.	N.A.
3.	Furnace Oil		
	Quantity (Kilo Ltrs.)	NIL	NIL
	Total amount	N.A.	N.A.
	Average Rate	N.A.	N.A.
4.	Other / internal Generation		

	Bagasse (Qtls.)		Firewood (Qtls.)		Diesel (Ltrs.)	
	2013-15	2012-13	2013-15	2012-13	2013-15	2012-13
Quantity	1,31,08,046.71	77,90,108.68	---	---	---	31,859
Total Cost (₹)	Own generation	Own generation	---	---	---	15,14,670
Rate/Unit (₹)		--	---	---	---	47.54

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCT - SUGAR (Unit Qtls.)

Total Sugar Produced = 43,41,529 Qtl

	Standards (if any)	Current Year 2013-15	Previous Year 2012-13
Electricity (KWH)	N.A.	---	---
Furnace Oil	N.A.	---	---
Coal (Specify Qua)	N.A.	---	---
Others (Specify)	N.A.	---	---
Firewood (MT)	N.A.	---	---
G.N. Husk (MT)	N.A.	---	---
Bagasse (MT)		0.30 MT/Qtl of Sugar	0.32 MT/Qtl of Sugar

TECHNOLOGY ABSORPTION

FORM-B

FORM FOR DISCLOSURE OF PARTICULARS IN RESPECT OF TECHNOLOGY ABSORPTION

I RESEARCH AND DEVELOPMENT:

A. FOCUS AREA :-

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

1. SOIL HEALTH:-

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



organic manures is scarce, so that we are providing bio-fertilizer/ bio-compost to the farmers free of cost for sugar cane cultivation.

2. PLANT PROTECTION:-

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

3. VARIETAL IMPROVEMENT:-

Distribution of nuclear cane seeds of different improved varieties like CoS- 96268, 96275, Cose- 03234, COJ 88, Co 0238, 0239, 0118, COJ -83, CoJ- 85, Co 5011 etc. for raising the foundation seed nurseries and subsequent multiplication in primary and secondary nurseries. Allotted nuclear cane seed of different cane varieties obtained from research stations / centres distributed among the farmers on subsidised rates. All these varieties have been found suitable and are under further multiplication in the command area.

4. TECHNICAL GUIDANCE:-

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

5. MANAGEMENT OF DISEASES:-

Management of common diseases is continue through cane seed treatment of improved varieties with M.H.A.T. units to control seed born diseases like Grassy shoot disease, Ratoon stunting disease, Red leaf strip and leaf stripe diseases etc. In new cane varieties like- Co-0238, 0239, 0118 and in some other broad leaved varieties the incidence of Pokka boeng, Top-rot have also come in appearance during the rainy season, farmers have been advised to rough out the affected clumps, however, its impact has been non-significant on the crop. Fungo super was provided on subsidized rates for control of Pokka Boeng disease.

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

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

7. INFRASTRUCTURE DEVELOPMENT:-

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

8. DEMONSTRATION & TRIALS:-

Conduct demonstrations / trials of different cane varieties like Co 0238, 0239, 0118 and CoJ 85, effectiveness of fertilizers/ manures and effect of different agrochemicals in different soil conditions, topography and means of irrigation to determine the best means for its general adoption. We are providing agriculture implements to the cane growers to propagate deep ploughing of soil for better tillage operations through M.B. Plough, Disc plough and for proper depth and width of sugar cane planting Paired row Trench planter and deep cane planting ridges free of charge.

9. DEVELOPMENT OF IRRIGATION FACILITIES:-

To develop the new cane area in rain fed zone a large number of Deep tube well boring is being undertaken. We are providing financial help to the growers by providing bore-well charges, all material cost is borne by the growers themselves. Since last 8 years this scheme is continuing in our dry belt / rain fed areas, which is about 25% of the total reserved area.

10. MECHANIZATION IN CANE LOADING

In order to reduce dependability on manual loading labourers and to reduce time between harvesting and cane crushing, we introduced mechanical cane loaders for loading of cane at out cane purchasing centres. We have hired sufficient nos. of cane loader for smooth cane loading at centres.

**B BENEFITS DERIVED:-****1 IMPROVEMENT IN VARIETAL BALANCE:-**

Area under Early and improved varieties has increased. Under early cane varieties it has increased from 32% to 48%. New improved sugarcane varieties like- Co-0238, 0239, 0118, 05010, CoJ-83, 85, 88 multiplied fast, now which are on increasing trend, since it helps increase in cane yield as well as sugar recovery. Unsuitable and rejected cane varieties have been replaced with early and new improved cane varieties.

2 INCREASE IN CANE QUALITY & PRODUCTION:-

Distribution of cane seed of improved varieties, Bio-agents / Agrochemicals, bio fertilizers & other developmental activities have improved cane production, productivity and sugar recovery also.

3 SAVING OF TIME & MONEY:-

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

4 FARMERS AWARENESS:-

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

5 INCREASE IN IRRIGATION FACILITY:-

Developed irrigation facility through deep tube well boring scheme supported by the factory in rain fed area. This has helped the growers to increase area under cane as well as improvement in cane production. We have established 125 borings at farmers' fields under this scheme and all are successful and we are able to grow cane even in rain fed area.

6 SUGAR CANE INFORMATION SYSTEM:-

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

C ACTION PLAN:

- 1 For proper varietal balance, replacement of old & unsuitable cane varieties with new & improved cane varieties to be continued.
2. To maintain new improved cane seed nurseries like—Co-0238, 0239 and 0118, Co-5011, CoJ-85, 83, 88 etc under supervision of our trained staff so as to achieve the results of low fibre, high sugar, high juice and high yield from these cane varieties. New cane variety Co-0238 is multiplying at fast speed and the present area under this variety is about 37% in early group of cane varieties.
3. Conduct more and more Farmers meetings & Seminars with a view to educate the farmers on new Technology, and advance packages and practices in sugarcane cultivation, ratoon management etc, which have proven to be very useful through creating positive impact on the cane growers to maintain better relation, and to get higher yield and sugar recovery.
4. Focus on construction of link roads for easy and smooth transportation of sugar cane at mills gate as well as at out centres, to facilitate sugarcane suppliers as well as cane transporters with a view to reduce cane transportation cost.
5. Support for deep bore well facility in rain fed area to be continued.
6. Mechanization in sugar cane cultivation & cane loading at out centres.

II TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION EFFORTS MADE:

1. Raising seed nurseries of new and promising cane varieties, seed multiplication programme and distribution of quality agrochemicals has helped in improvement in proper varietal combination, significant improvement in cane yield as well as sugar cane recovery.
2. In view of labour scarcity in future, the company is making efforts for introduction of mechanization of cane loading at out centres.



3. Computerization of out cane purchasing centres in form of HHC, installation of electronic W/Bs and online transfer of cane purchase data to the factory.
4. In order to improve monitoring of cane yard, CC TV camera has been installed at gate W/Bs and GPS system has been installed at company vehicle used for field activities.
5. We are conducting demonstration and trials of different fertilizer and agro chemicals at our campus so that we may know best product which may be recommended for sugarcane cultivation to the farmers.
6. In order to disseminate information, sugar cane information system (Cane Website, IVRS, SMS, QSMS) is being updated regularly.
7. New and improved agricultural implements like- Trench ridger, M.B. plough, Disk plough, Sugarcane cultivator, Sugarcane planter etc. have come in the market. These are cost effective and given better performance. Such implements have been purchased and their services are being provided to the cane planters free of charge.
8. The Company has carried out the survey of the cane area through satellite mapping. This will facilitate the better estimation of cane area, cane production and condition of the cane crop which may further help in arriving at the tentative estimation of sugar production in the ensuing season.

III FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to exports: The Company has not made any exports during the period.

₹

C I F VALUE OF IMPORTS	Nil (Nil)
Interest on Foreign Currency Term Loans	5,98,58,697 (Nil)
EARNINGS IN FOREIGN CURRENCY	Nil
Sale of CER's	(Nil)

IV EXPENDITURE INCURRED ON R&D

	Particular	(₹ in Lacs)
a)	Capital	Nil
b)	Recurring	84.41
c)	Total	84.41
d)	Total R & D expenditure as percentage of total turnover	0.07%



CORPORATE GOVERNANCE REPORT

INTRODUCTION: Corporate Governance is the mechanism by which the values, principles, management policies and procedures of a corporation are made manifest in the real world. Corporate Governance contemplates fairness, transparency, accountability and responsibility in the functioning of the management and the board of companies. Corporate Governance represents moral framework, the ethical framework and the value framework under which an enterprise takes decisions.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

CLAUSE 49 OF THE LISTING AGREEMENT

Clause 49 of the Listing Agreement with the Stock Exchange sets up the norms and disclosures that are required to be met by the Company on the Corporate Governance front. We confirm our compliance with Corporate Governance criteria, as required under the said clause, vide this report. Certificate of the Statutory Auditors of your company regarding compliance of the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement with the Stock Exchange, is enclosed.

2. BOARD OF DIRECTORS

Composition and Category

The Current policy is to have an appropriate mix of executives and independent directors to maintain the independence of the Board. As on 31st March, 2015 the constitution of the Board was:

There are 6 Directors in the Company as on 31st March, 2015.

Name of the Director	Category	No. of other Directorship	No of membership of other Board committee*	No of Board Committee for which Chairman*	No. of Equity shares held
Mr. G. R. Morarka	Managing Director	4	2	---	28,26,659
Ms. Malathi Mohan	Independent Non-Executive Director	---	---	---	---
Mr. B. K. Agarwal	Independent Non-Executive Director	2	---	1	---
Mr. K. N. Prithviraj	Independent Non-Executive Director	6	2	---	---
Mr. B. J. Maheshwari	Whole Time Director	3	2	1	---
Mr. Vijay S Banka	Whole Time Director	2	2	---	---

*In accordance with clause 49, directorships of only public limited companies have been considered. The directorships in section 8 companies and private companies have been excluded. Further, memberships & chairmanships of only Audit committee and Stakeholders Relationship Committee of all Public Limited Companies (excluding Dwarikesh Sugar Industries Limited) have been considered.

Directors retiring by rotation & seeking appointment / re-appointment.

Pursuant to section 152 of the Companies Act, 2013, Mr. G R Morarka retire in the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Pursuant to section 149 of the Companies Act, 2013 read with schedule IV, all the independent directors namely Mr B K Agarwal, Mr K N Prithviraj and Ms. Malathi Mohan are proposed to be appointed for the period of 5 years. The appointment of Mr B J Maheshwari and Mr Vijay S Banka is proposed for the period of 3 years as their current tenure is over on May 1, 2015.



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

Remuneration to Directors:

Effective 19th October, 2007 and as amended w.e.f. August 13, 2014 each director (except Managing Director, Whole Time Directors) is paid a sitting fees @ ₹20,000 (hitherto ₹ 10,000 till May 9,2014) per meeting of Board of Directors of the Company for attending the meeting.

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

Mr. G. R. Morarka is entitled to remuneration up to 5 % of net profits of the Company (computed as per section 197 of the Companies Act, 2013), by way of salaries, perquisites, Ex-gratia, medical reimbursement, allowances and commission. The details of remuneration paid / payable to Shri Morarka is provided in note no.6.a to the Notes on accounts.

Mr. B. J. Maheshwari and Mr. Vijay S. Banka are paid minimum remuneration as per Schedule V of the Companies Act, 2013 subject to overall ceiling of remuneration of 10% of the net profits payable to Managing Directors and Whole Time Directors. The details of remuneration paid/payable to Mr. Maheshwari & Mr. Banka are provided in note no.6.b to the Notes on accounts.

Details of the Directors' remuneration:

The details of the remuneration paid or provided to the directors of the company for the period ended 31st March, 2015 are provided below:

A. Executive Directors:

1. Remuneration to Managing Director

Particulars	2013-15 (₹)
Salary	1,44,00,000
Leave Encashment	0
Add: Company's Contribution to P.F. (exempted allowance)	17,28,000
Total	1,61,28,000

(Commission to Managing Director is not payable in view of inadequacy of profit as per section 197 read with Schedule V of the Companies Act, 2013 and hence not provided for. Further, the remuneration as approved by the Central Government vide letter no. SRN No.B74128893/2013-CL-VII dated 05.09.2013 has been accounted for effective from April 01, 2013).

2. Remuneration to other Whole time directors

Particulars	Amount (₹)
Salary	71,81,460
Other Allowances	77,60,247
Leave Salary	0
Interim Bonus	5,39,816
Company's Contribution to P.F. (exempted allowance)	8,61,786
Total	1,63,43,309

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



B. Non-Executive Directors:

(in ₹)

Name of the Director	Sitting fees - (Net of TDS)	Commission Payable	Total Payments made / Payable in 2013-15
Ms. Malathi Mohan	51,250	---	51,250
Mr. B. K. Agarwal	1,51,750	---	1,51,750
Mr. K. N. Prithviraj	73,500	---	73,500
Mr. K. L. Garg *	24,500	---	24,500
Mr L. P. Aggarwal *	38,000	---	38,000

Please Note (*) marked ceased from Board of Directors of Company in 2014.

CEO/CFO certificate is attached along with the report.

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

During the period ended 31st March, 2015, 7 Board Meetings were held: on November 14, 2013, November 27, 2013; February 7, 2014; May 9, 2014, August 13, 2014, November 13, 2014 & February 13, 2015; The attendance of each director at these Board meetings and the last Annual General Meeting (AGM) was as follows:

Name of the Directors	No. of Board meeting attended	Attendance at Last AGM held on March 21, 2014
Mr. G.R. Morarka	6	Yes
Ms. Malathi Mohan	2	N.A.
Mr. B. K. Agarwal	7	No
Mr. B. J. Maheshwari	7	Yes
Mr. Vijay S. Banka	7	No
Mr. K. N. Prithviraj	4	No
Mr. K. L. Garg *	2	
Mr. L. P. Aggarwal *	2	

Please Note (*) marked ceased from Board of Directors of Company in 2014.

3. COMMITTEES OF BOARD

A. AUDIT COMMITTEE

Pursuant to Clause 49 II of the Listing Agreement and also pursuant to the provisions of the Companies Act, 2013, the Committee was constituted, initially comprising of four directors; all of them are independent, non-executive and later expanded by addition of two Whole Time Directors. Out of these two Whole Time Directors, Mr. B. J. Maheshwari has ceased to be a member of the Audit Committee w.e.f. August 12, 2011 and an Independent Director Mr. B. K. Agarwal is inducted in the same meeting. Members of Audit Committee are eminent persons in their field. Mr. B. K. Agarwal acts as Chairman of the Audit Committee. Mr. B. J. Maheshwari being a Company Secretary of the company acts as the secretary to the Committee.

Terms of Reference: The Audit Committee reviews and reports to the Board on the following:

- Overseeing the financial reporting process.
- Appointment and remuneration of Auditors.
- Reviewing the financial and risk management policies.
- Reviewing the adequacy of internal control systems.
- Compliance with listing and other legal requirements.
- Changes in accounting policies and practices and reasons for the same.
- Periodical and yearly financial results of the Company.

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

The constitution of the Audit Committee as on 31st March, 2015 is as follows:

1.	Mr. K. N. Prithviraj	Non-executive Director
2.	Ms Malathi Mohan	Non-executive Director
3.	Mr. B. K. Agarwal	Non- executive Director
4.	Mr. Vijay S Banka	Whole Time Director



Meeting and Attendance

During the period ended March 31, 2015, 6 Audit Committee Meetings were held on November 27, 2013; February 7, 2014; May 9, 2014; August 13, 2014; November 13, 2014; February 13, 2015

Name of the Directors	No of meeting attended
Mr. Vijay S. Banka	6
Mr. K. N. Prithviraj	3
Mr. B. K. Agarwal	6
Ms Malathi Mohan	2
Mr. K. L. Garg *	2
Mr. L. P. Aggarwal *	2

Please note (*) marked ceased from committee (constituted by Board of Directors of the company) in 2014.

B. NOMINATION AND REMUNERATION COMMITTEE

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

The Nomination and Remuneration Committee looks after terms and conditions of appointment, remuneration and related matters of Managerial Personnel such as Managing Director, Whole Time Director & Directors etc. Remuneration Committee recommends the remuneration for executive directors to the board of directors for its approval and such remuneration is also subject to the approval of shareholders and such other approvals as may be required. In its recommendations, the remuneration committee considers the parameters like performance and contribution, practices and norms followed by companies of similar size and industry standards.

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

The composition and names of members of the Nomination & Remuneration Committee as on 31st March, 2015 are as under:

1.	Mr. B. K. Agarwal	Non-executive Director
2.	Ms. Malathi Mohan	Non-executive Director
3	Mr. K. N. Prithviraj	Non-executive Director

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

During the period ended 31st March, 2015, 3 Nomination and Remuneration committee meetings were held on December 18, 2013; August 13, 2014 and February 13, 2015.

Name of the Director	No. of meetings attended
Mr. B.K. Agarwal	3
Mr. B. J. Maheshwari #	1
Ms. Malathi Mohan	1
Mr. K.N. Prithviraj	1
Mr. V S Banka #	1
Mr. L. P. Aggarwal *	1

Please Note:

(*) marked ceased from Committee (constituted by Board of Directors of the company) in 2014.

(#) marked ceased from Committee as per requirement under New Companies Act, 2013.

Sitting fees @ ₹ 2,500 is paid to a member for attending meeting of the Remuneration committee & Sitting fees w.e.f 13.08.2014 is paid @ ₹ 5,000 (hitherto ₹ 2500 till May 9, 2014) to a member for attending meeting of Audit Committee and in an event the meeting is held outside Mumbai, additionally, out of pocket expenses of ₹500 per meeting is to be paid.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The committee was constituted on 17th March, 2001 to look into the matters relating to redressal of Shareholders and Investors complaints such as transfer of shares, non-receipt of balance Sheet, non-receipt of declared dividends etc. Mr. B. K. Agarwal is Chairman of the committee & Mr. B. J. Maheshwari –Company Secretary is designated as a Compliance officer.



The Shareholder's Committee comprise of following directors as on 31st March, 2015.

1.	Mr. Vijay S. Banka	Whole Time Director
2.	Mr. B. J. Maheshwari	Whole Time Director
3.	Mr. B. K. Agarwal	Non-executive Director
4.	Ms. Malathi Mohan	Non-executive Director

The scope of Stakeholders Relationship Committee is as follows:

1. To attend to investors grievances or shareholders grievances.
2. To appoint Registrars and Share Transfer Agent.
3. To transfer, transmit, consolidate, issue duplicate share certificates, split share certificates, etc.
4. To attend to complaints of Shareholders regarding non-receipt of Balance Sheet and non-receipt of Declared dividend etc.
5. To do all such acts, things, deeds as may be required to be done in the above regard.

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

During the period ended 31st March, 2015, there were no investor's complaints at the beginning of the period, no complaints received during the period & no complaints are pending at the end of the period.

Investor Services

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

COMPLIANCE OFFICER

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

OTHER DISCLOSURES:

A. Transactions during the period:

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

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

B. Disclosure of Accounting Treatment:

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

C. Risk Management:

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

i) Raw material risk:

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

Risk mitigations:

As a focused producer, Dwarikesh Sugar Industries Limited, has invested in enduring farmer relationships through the following initiatives:

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



ii) Sugar Price Risk:

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

Risk mitigation:

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

iii) Political and regulatory risks:

Sugar is one of the industries still to be liberalised. The government still stipulates the minimum cane price that sugar companies should pay to the farmers, for the cane. Even the release of sugar for domestic sale is also controlled by the Government.

Risk mitigation:

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

D. Proceeds from public issues, right issues, preferential issues, etc.

The company has not allotted any shares during the period.

E. Subsidiary Companies:

The Company presently do not have any subsidiary.

GENERAL BODY MEETINGS

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

Financial Year	Date	Location of the Meeting	Time	AGM/ EGM
2010-11	16 th March, 2012	Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh	10.00 a.m.	AGM
2011-12	10 th September, 2012	Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh	10.00 a.m.	EGM
2011-12	22 nd March, 2013	Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh	10.00 a.m. 11.00 a.m.	AGM & EGM
2012-13	21 st March, 2014	Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh	10.00 a.m.	AGM

Special resolutions passed in General Meetings during last 3 years:

Date	Particulars
16 th March, 2012	a. Appointment & fixation of remuneration of Mr. B J Maheshwari, Whole Time Director & CS cum CCO.
	b. Appointment & fixation of remuneration of Mr. Vijay S Banka, Whole-Time Director & CFO.
10 th September, 2012 – Extra Ordinary General Meeting	a. Alteration of capital clause V (a) of the Memorandum of the Company.
	b. Alteration of capital clause 4(a) of the Articles of Association of the Company.
	c. Further issue of Cumulative Redeemable Preference Shares of the Company to members / non-members of the company.
22 nd March, 2013 – Extra Ordinary General Meeting	a. Alteration of capital clause V(a) of the Memorandum of the Company.
	b. Alteration of capital clause 4(a) of the Articles of Association of the Company.
	c. Further issue of Cumulative Redeemable Preference Shares of the Company to members / non-members of the company.
	d. Renewal of appointment & fixation of remuneration of Mr. G. R. Morarka, Chairman and Managing Director.
22 nd March, 2013	a. Ratification of enhanced remuneration of Ms. Priyanka G Morarka.
21 st March, 2014	a. Appointment of Shri L. P. Aggarwal as an Additional Director
	b. Power to the board for borrowings upto ₹ 1000 crores u/s 180(1)
	c. Power to the board to contribute for charitable purposes



INSIDER TRADING

The Company has adopted Code of Internal Procedures and conduct' framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, inter alia, to prevent insider trading in the shares of the Company.

DISCLOSURES

The Company does not have any related party transactions except the ones disclosed in note no. 16 in Notes on Accounts, which may have potential conflict with the interest of the Company at large.

MEANS OF COMMUNICATION

Quarterly Results: The Company's quarterly results in the proforma prescribed by the Stock Exchanges pursuant to clause 41 of the Listing Agreement are approved and taken on record by the Board within the prescribed time frame, and sent forthwith to all Stock Exchanges on which the Company's shares are listed. These results are being published in leading newspapers.

Website: As per the requirements of clause 52 and 54 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern etc. is filed with stock exchanges and also on the Company's website:(www.dwarikesh.com) within the time prescribed in this regard. The Company's website also displays the official news releases.

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

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	21 st Annual General Meeting	
Date, Time and Venue	Saturday, 19 th September, 2015 at 10 a.m. at Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh	
Financial Calendar Particulars (April-March)	Date of Approval/publication	
First Quarter Results	On or before 14 th August, 2015	
Second Quarter Results	On or before 14 th November, 2015	
Third Quarter Results	On or before 14 th February, 2016	
Last Quarter Results	On or before 30 th May, 2016	
Dates of Book Closure	11 th September, 2015 to 19 th September, 2015 (both days inclusive).	
Dividend Payment Date	Not Applicable since no dividend is recommended.	
Listing Details	BSE & NSE	
The details of the Stock Exchanges on which the Company's shares are listed are as under:		
Name	Address	Stock Code
The Bombay Stock Exchange Ltd. (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532610
The National Stock Exchange of India Ltd. (NSE)	"EXCHANGE PLAZA", Bandra-Kurla Complex Bandra (E), Mumbai – 400 051	"DWARIKESH"
International Securities Identification Number (ISIN)	INE 366A 01033	

Payment of Listing Fees: Annual listing fee for the year 2015-16 (as applicable) has been paid by the Company to BSE & NSE.

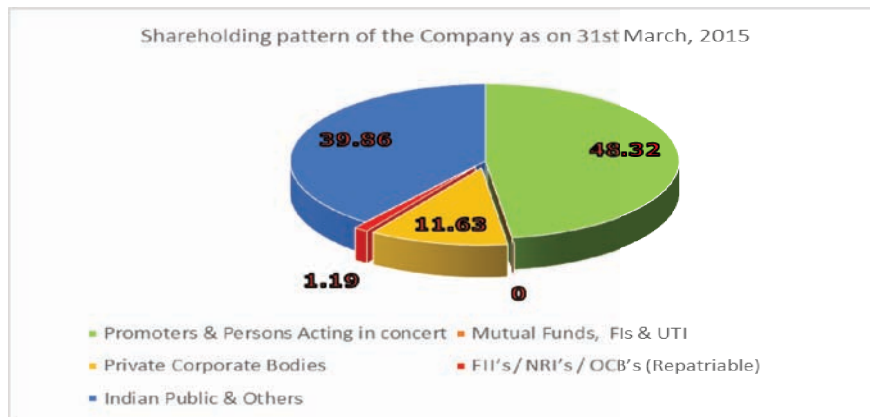
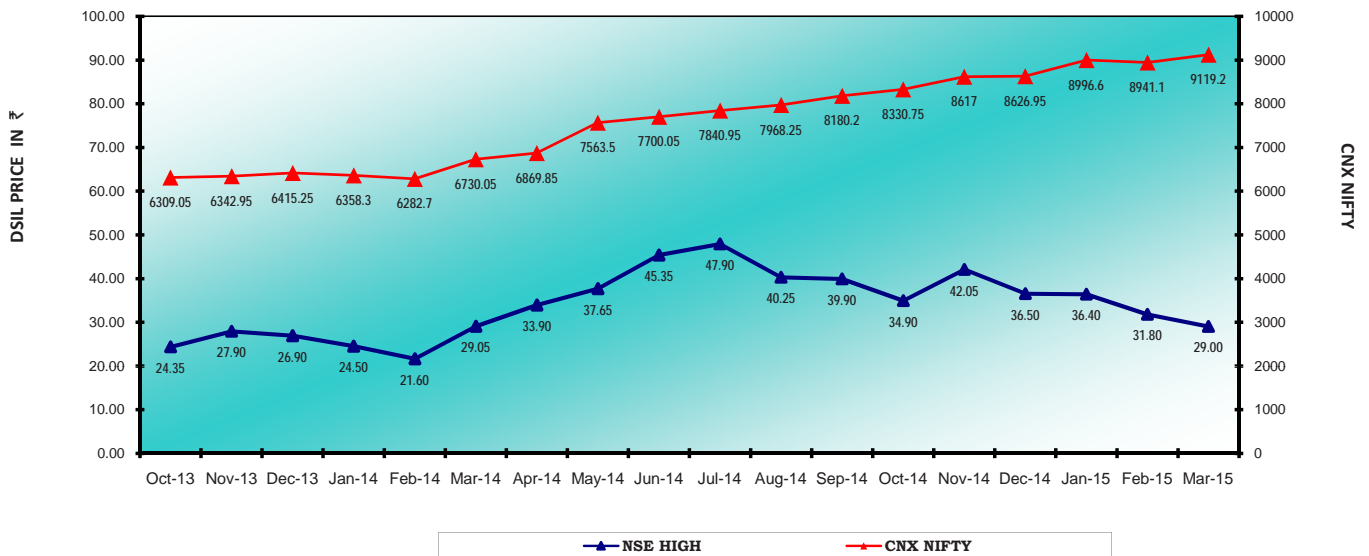
MARKET PRICE DATA: Monthly high/low of market price of the Company's equity shares traded on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the last financial year was as under:

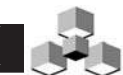
Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	Month's High price (₹)	Month's Low price (₹)	Volume (Nos.)	Month's High price (₹)	Month's Low price (₹)	Volume (Nos.)
Oct-13	26.00	16.85	145090	24.35	16.80	336602
Nov-13	27.85	19.05	233424	27.90	20.00	665932
Dec-13	26.95	21.80	57416	26.90	22.45	145311



Jan-14	25.00	19.75	32644	24.50	19.85	46099
Feb-14	21.60	17.00	46468	21.60	17.20	80409
Mar-14	29.00	20.10	81187	29.05	20.20	267036
Apr-14	34.25	28.50	127697	33.90	28.10	251619
May-14	37.65	25.30	235506	37.65	25.40	446046
Jun-14	45.45	33.75	256274	45.35	34.05	667434
Jul-14	47.00	35.80	163913	47.90	35.75	462115
Aug-14	39.95	33.00	135537	40.25	32.80	363946
Sep-14	40.00	31.15	147919	39.90	31.05	277751
Oct-14	36.90	28.45	100302	34.90	30.50	107176
Nov-14	42.45	31.50	255950	42.05	31.60	441794
Dec-14	37.00	28.00	95584	36.50	27.50	232515
Jan-15	36.30	28.35	151970	36.40	28.50	357072
Feb-15	31.15	28.00	36838	31.80	27.70	118951
Mar-15	28.00	20.30	127135	29.00	19.25	319673

DSIL SHARE PRICES IN NSE & CNX NIFTY





Shareholding pattern of the Company as on 31st March, 2015

Sr. No.	Particulars	%
1	Promoters & Persons Acting in concert	48.32
2	Mutual Funds, FIs & UTI	---
3	Private Corporate Bodies	11.63
4	FII's / NRI's / OCB's (Repatriable)	1.19
5	Indian Public & Others	38.86
	Total	100.00

Distribution of Shareholding as on 31st March, 2015:

Sr. No.	No. of Equity Shares Held in the range of	No. of Shareholders	Percentage	No. of Shares	%
1	1 – 500	8642	85.218	1160431	7.113
2	501 – 1000	650	6.410	524316	3.214
3	1001 – 2000	402	3.964	584344	3.582
4	2001 – 3000	165	1.627	417467	2.559
5	3001 - 4000	56	0.552	198162	1.215
6	4001 – 5000	57	0.562	270860	1.660
7	5001-10000	71	0.700	481531	2.952
8	10,001 & above	98	0.966	12677565	77.707
	Total	10141	100.00	16314676	100.00

Registrar and Transfer Agents:

Universal Capital Securities Pvt. Ltd.

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

GDR status:

During the financial year 2005-06 the company raised funds amounting to ₹ 54,05,49,427/- through 3 million Global Depository Receipts (GDR) representing 3 million Equity Shares of face value of ₹ 10/- each @ USD 4 per GDR. The GDRs were listed on Luxembourg stock exchange. All 3 million GDRs have been converted into equity shares on or before 30th September, 2008. As on 31st March, 2015, there are no GDRs outstanding.

Dematerialisation of Shares

The company has signed an agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As intimated by SEBI, trading in the shares of the company is compulsorily to be in the dematerialised form for all the investors. As on 31st March, 2015, 99.63% of the total shares of the Company have been dematerialised.

Address for Correspondence

Corporate Secretarial Department

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

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

Change of Address

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

The shareholders holding shares in Dematerialised form should contact their depository participants for change of address.

**Human Resource Development / Industrial Relations:**

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

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

Information regarding details of Directors

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

Corporate Benefits:

Financial Year	Equity Dividend Rate	Dividend Declaration Date
1996-1997	10%	16/03/1998
1997-1998	15%	30/03/1999
1998-1999	15%	28/03/2000
1999-2000	15%	19/06/2001
2000-2001	15%	27/03/2002
2001-2002	5%	31/05/2003
2002-2003	5%	29/03/2004
2003-2004	20%	01/11/2004
2004-2005	60%	16/01/2006
2005-2006	60%	23/03/2007
2006-2007	NIL	---
2007-2008	NIL	---
2008-2009	15%	16/03/2010
2009-2010	NIL	---
2010-2011	NIL	---
2011-2012	NIL	---
2012-2013	NIL	---
2013-2015	NIL	---

Bonus Issues of fully Paid-up Equity Shares

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

Non-Mandatory Requirements:

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

1. The Board

As the Company has a Managing Director, the applicability of this provision does not arise. Maximum tenure of Independent Directors as mentioned is not adopted.

2. Nomination & Remuneration Committee

The Company has already appointed Remuneration Committee on 22nd October, 2001 and the Committee is operational and renamed as Nomination and Remuneration Committee in line with requirements of Companies Act, 2013.

3. Shareholders Rights

The Quarterly, Half Yearly and Annual Results are published in leading English News Paper having circulation all over India and also in Hindi News Paper circulating in the District. The results are also posted on the Company's website and Stock Exchanges websites, therefore the same are not sent to the Shareholders individually.

**4. Audit Qualification**

The company is in the regime of un-qualified financial statements

5. Training of Board Members

The Board of Directors consists of professionals having considerable experience and expertise in their respective fields and industry.

6. Mechanism for evaluating Non-Executive Board Members

As the Non-Executive Directors are professionals, no such mechanism exists.

7. Whistle Blower Policy

The Company is having Whistle Blower Policy as per the requirements of Companies Act, 2013.

Location of Plants:**Sugar Mills:**

- (1) Dwarikesh Nagar – 246 762, District Bijnor, Uttar Pradesh.
- (2) Dwarikesh Puram – 246 722, Dist: Bijnor, Uttar Pradesh.
- (3) Dwarikesh Dham – 243 503, Dist: Bareilly, Uttar Pradesh.

Distillery:

- (1) Dwarikesh Nagar – 246 762, District Bijnor, Uttar Pradesh.

Co-generation:

- (1) Dwarikesh Nagar – 246 762, District Bijnor, Uttar Pradesh.
- (2) Dwarikesh Puram – 246 722, Dist: Bijnor, Uttar Pradesh.
- (3) Dwarikesh Dham – 243 503, Dist: Bareilly, Uttar Pradesh.

Subsidiary:

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

On behalf of the Board of Directors

Place: Mumbai
Dated: May 28, 2015

B. J. Maheshwari
Whole Time Director & CS Cum CCO

CODE OF BUSINESS CONDUCT AND ETHICS

The Board at its meeting held on 24th January, 2005 adopted the Code of Business Conduct and Ethics for Directors and Senior Management ('the Code') pursuant to clause 49 of the listing agreement. This code is a comprehensive code applicable to all Directors, Executive & Non-Executive and members of senior management. However, in the light of changing scenario of corporate functioning, the same has been modified & adopted by the Board at its meeting held on May 14, 2013.

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

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

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the Accounting period 2013-15.

B. J. Maheshwari
Whole Time Director & CS cum CCO



Certificate on Compliance of Corporate Governance under Corporate Governance Clause of the Listing Agreement(s)

To,

The Board of Directors,
Dwarikesh Sugar Industries Limited,

We hereby certify that:

- (a) We have reviewed financial statements for the period ended 31st March, 2015 and that to the best of our knowledge and belief;
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal and violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee
 - (i) Significant changes in internal control during the period.
 - (ii) Significant changes in accounting policies, if any during the period and that the same have been disclosed in the notes to the financial statements, and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place : Mumbai

Date : May 28, 2015

Vijay S. Banka

Chief Financial Officer

G. R. Morarka

Managing Director

Auditor Certificate on Compliance of Corporate Governance under Corporate Governance Clause of the Listing Agreement(s)

To The Members of

Dwarikesh Sugar Industries Limited.

We have reviewed the implementation of Corporate Governance procedures by **Dwarikesh Sugar Industries Limited ("the Company")** during the period ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of 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.

On the basis of our review and according to the information and explanations given to us, and the representations made by Directors and the management, the conditions of Corporate Governance as stipulated in Corporate Governance Clause 49 of the listing agreement(s) with the stock exchange(s) have been complied with by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' committee. We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No.: 000756N

ARUN K. TULSIAN

Partner,

Membership No.89907

Place : New Delhi

Dated : May 29, 2015

**INDEPENDENT AUDITORS' REPORT**

TO,

THE MEMBERS OF DWARIKESH SUGAR INDUSTRIES LIMITED**Report On the Financial Statements**

We have audited the accompanying Financial Statements of DwariKesh Sugar Industries Limited ("the Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the eighteen months then ended, and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") which, as per a clarification issued by the Ministry of Corporate Affairs, continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act 1956 w.e.f 12th September 2013). This responsibility includes the design, implementation and maintenance of internal controls 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of Statement of Profit and Loss, of the loss for the eighteen months ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the eighteen months ended on that date.

Emphasis of Matter

We draw attention to note no. 12 of the financial statements wherein the company has recognised deferred tax assets on unabsorbed depreciation and business losses. Continuing losses in the last few years indicate the condition of an uncertainty as regards realisation of such deferred tax assets. In view of the reasons explained in the said note, such deferred tax assets continue to be treated as realisable.

Our opinion is not qualified in respect of this matter.

**Other Matters**

The Ministry of Corporate Affairs had on 1st April, 2014, vide its General Circular No. 07/2014, Dissemination of Information with Regards to the Provision of the Companies Act, 2013 as Notified Till date vis a vis Corresponding Provisions of the Companies Act 1956, identified such sections of the Companies Act, 1956 that would cease /continue to have effect from 1st April 2014.

Accordingly, in terms of the aforesaid Circular, our reporting in respect of section 227(3)(f) of the Companies Act, 1956, and clauses (iii), (v)(a) and (b), (vi), (viii), (xiv),(xviii) of the Companies (Auditor's Report) Order, 2003, (dealing with section 49, 58A, 58AA, 209(1)(d) and 301 of the Companies Act, 1956) is only for the period beginning from October 1, 2013, till March 31, 2014 since as per the aforementioned MCA Circular these sections have ceased to have effect from 1st April, 2014."

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (Superseded by section 143(11) of the Companies Act, 2013), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
1. As required by section 227(3) of the Act (Superseded by section 143(3) of the Companies Act, 2013), we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act, which, as per a clarification issued by the Ministry of Corporate Affairs, continue to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act 1956 w.e.f 12th September 2013); and
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act (Superseded by section 164(2) of the Companies Act, 2013).

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

Place: New Delhi
Date: May 29, 2015

ARUN K. TULSIAN
Partner
Membership No.89907



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF DWARIKESH SUGAR INDUSTRIES LIMITED

(Referred to in paragraph 1 under the heading "Report on the Legal and Regulatory requirements "of our report of even date.)

- i)
 - a) The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets.
 - b) Physical verification of fixed assets is being conducted by the management based on a programme designed to cover all assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and nature of its business. Discrepancies noticed on such verification as compared to book records were not material and have been properly adjusted in the books of account.
 - c) During the eighteen months period, the Company has not disposed off substantial part of the fixed assets.
- ii)
 - a) The inventories have been physically verified by the management during the eighteen months period at all its locations. In our opinion, the frequency of such verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material and have been properly dealt with in the books of account.
- iii)
 - a) The Company has taken unsecured loans from a company and Managing Director covered in the register maintained under section 301 of the Act (Superseded by Section 189 of the Companies Act, 2013), maximum balance outstanding against these loans is ₹8,74,736 and eighteen months period end balance is ₹ 8,52,044.
 - b) In our opinion, the rate of interest and other terms & conditions on which these loans have been taken are not, prima facie, prejudicial to the interest of the Company.
 - c) These loans are repayable on demand; therefore, there are no overdue amounts at the period end.
 - d) The company has not granted any loan, secured or unsecured, to companies, firms and other parties covered in the register maintained under section 301 of the Act (Superseded by Section 189 of the Companies Act, 2013).
 - e) Since there are no such loans, comments regarding terms & conditions, repayment of the principal amount & interest due thereon and overdue amounts are not required.
- iv) According to the information and explanations given to us, there seems to be adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory & fixed assets and with regard to sale of goods & services. Further, on the basis of our examination of the books & records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instances of major weaknesses in the aforesaid internal control systems.
- v)
 - a) To the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Act (Superseded by Section 189 of the Companies Act, 2013), have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act (Superseded by Section 189 of the Companies Act, 2013), and exceeding the value of rupees five lacs in respect of each party during the eighteen months period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- vi) The company has not accepted any deposits from the public within the meaning of provisions of Section 58A, 58AA of the Act (Superseded by Section 73 to 76 of the Companies Act, 2013) & any other relevant provisions of the Act, including the Companies (Acceptance of Deposits) Rules, 1975.



- vii) In our opinion, the Company has an internal audit system which is commensurate with the size of the company and the nature of its business.
- viii) We have broadly reviewed the cost accounting records maintained by the Company as prescribed by the Government of India under Section 209 (1) (d) of the Act (Superseded by Section 148(1) of the Companies Act, 2013). We are of the opinion that, prima facie, the prescribed records have been made and maintained by the company. However, we are not required to make a detailed examination of such records.
- ix) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor Education and Protection fund, Employees state insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and any other statutory dues applicable to it. There are no arrears of such dues outstanding as at the period end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and as per the books & records examined by us, there are no dues of Income tax, Wealth tax, Trade tax, Service tax, Custom duty and Cess which have not been deposited on account of any dispute except the following in respect of Excise duty along with the forum where the dispute is pending:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount pertains	Forum where dispute is pending
Central Excise Act, 1944	Excise duty and penalty	6,10,905	Oct-95	CESTAT, Delhi
Central Excise Act, 1944	Excise duty and penalty	1,52,136	Dec-95	CESTAT, Delhi
Central Excise Act, 1944	Excise duty and penalty	86,749	Jan-96 to Apr-96	CESTAT, Delhi
Central Excise Act, 1944	Excise duty and penalty	73,500	Jul-97	CESTAT, Delhi
Central Excise Act, 1944	Excise duty and penalty	1,23,473	Aug-97 to Oct-97	CESTAT, Delhi
Central Excise Act, 1944	Excise duty and penalty	13,47,590	Jan-05 to Dec-05	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty	1,21,211	Jun-05 to Mar-06	CESTAT, Delhi
Finance Act, 1994	Service Tax and Penalty	26,57,124	Jul-05 to Jan-08	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty and penalty	9,29,966	Apr-06 to Dec-06	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty and penalty	17,14,285	Apr-06 to Dec-07	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty and penalty	4,06,466	Jan-07 to Feb-07	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty and penalty	1,52,728	Mar-07	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty	1,28,37,340	Jun-07 to Nov-07	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty and penalty	12,15,845	Jun-07 to Aug-08	CESTAT, Mumbai
Finance Act, 1994	Service Tax duty and penalty	1,61,49,123	Jun-07 to Jan-09	CESTAT, Delhi
Central Excise Act, 1944	Excise duty and penalty	2,02,460	Jul-07 to Oct-07	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty and penalty	6,455	Nov-07 to Aug-08	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty and penalty	89,957	Jan-08 to Dec-08	CESTAT, Mumbai
Finance Act, 1994	Service Tax	1,09,430	2010-11 to 2011-12	Commissioner (Appeals), Meerut

- x) The accumulated losses as at the end of the financial eighteen months period are less than fifty percent of the net worth. Further, the Company has not incurred cash losses in the current eighteen months period and in the immediately preceding financial year.
- xi) According to the information and explanations given to us and as per the books and records examined by us, the company has not defaulted in repayment of dues to any financial institution or banks.
- xii) According to the information & explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



- xiii) In our opinion, the Company is not a chit fund or nidhi/mutual benefit fund/ society. Therefore the relevant reporting requirements of the Order are not applicable.
- xiv) According to the information and explanations given by the management, the Company is not dealing in or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.
- xv) The company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi) Based on the information and explanations given to us by the management, term loans were generally applied for the purpose for which the loans were obtained where such end use has been stipulated by the lenders.
- xvii) According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the Company, *the funds raised by the Company on short-term basis have been applied for long-term investment to the extent of ₹ 25,50,72,543/-.*
- xviii) During the period, the company has not made any preferential allotment of shares to companies and parties covered in the register maintained under section 301 of the Act (Superseded by Section 189 of the Companies Act, 2013).
- xix) During the financial period, the Company has not issued any debentures nor has any outstanding debentures.
- xx) The company has not raised any monies by way of public issues during the eighteen months period.
- xxi) During the course of our examination of the books & records of the company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company, noticed and reported during the eighteen months period, nor have we been informed of such case by the management.

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

Place: New Delhi
Date: May 29, 2015

ARUN K. TULSIAN
Partner
Membership No.89907



BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

	Note No.	As at 31/03/2015	As at 30/09/2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	1	47,41,46,760	47,41,46,760
(b) Reserves and surplus	2	56,44,32,260	73,19,33,962
		1,03,85,79,020	1,20,60,80,722
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	1,88,74,78,995	1,56,71,73,934
(b) Other long term liabilities	4	4,31,48,370	4,73,84,721
(c) Long term provisions	5	10,62,35,466	7,62,75,512
		2,03,68,62,831	1,69,08,34,167
(3) Current Liabilities			
(a) Short-term borrowings	6	3,52,81,74,202	1,52,36,88,378
(b) Trade payables	7	2,01,04,04,999	98,05,12,111
(c) Other current liabilities	8		
Current maturities of long term debts		82,79,03,576	83,11,09,200
Others		52,35,54,355	35,48,05,744
(d) Short-term provisions	9	2,20,00,872	1,76,31,604
		6,91,20,38,004	3,70,77,47,037
TOTAL		9,98,74,79,855	6,60,46,61,926
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		3,98,57,18,038	4,40,44,08,117
(ii) Intangible assets		---	---
(iii) Capital work-in-progress		4,05,041	---
		3,98,61,23,079	4,40,44,08,117
(b) Non-current investments	11	24,00,000	24,00,000
(c) Deferred Tax assets (net)	12	20,00,66,514	10,16,64,138
(d) Long term loans and advances	13	9,63,55,890	10,54,84,601
(e) Other non-current assets	14	60,88,251	70,89,766
		4,29,10,33,734	4,62,10,46,622
(2) Current assets			
(a) Inventories	15	4,91,07,22,446	1,91,95,48,316
(b) Trade receivables	16	42,79,75,524	2,00,49,034
(c) Cash and bank balances	17	82,07,666	2,10,86,072
(d) Short-term loans and advances	18	3,13,99,805	2,28,98,124
(e) Other current assets	19	31,81,40,680	33,758
		5,69,64,46,121	1,98,36,15,304
TOTAL		9,98,74,79,855	6,60,46,61,926
See accompanying notes to the financial statements			

As per our report of even date

For S.S.Kothari Mehta & Co.

Chartered Accountants

Arun K. Tulsian

Partner

Membership No. 89907

Place: New Delhi

Date: 29th May, 2015

G. R. Morarka

Managing Director

B. J. Maheshwari

Whole Time Director & Company Secretary
cum Chief Compliance Officer

Vijay S. Banka

Whole Time Director & Chief Financial Officer

Place: Mumbai

Date: 28th May, 2015



STATEMENT OF PROFIT AND LOSS FOR THE EIGHTEEN MONTHS PERIOD ENDED 31ST MARCH, 2015

(Amount in ₹)

	Note No.	Eighteen months period ended 31/03/2015	Year ended 30/09/2013
REVENUE:			
I. Revenue from operations (Gross)	20	11,76,43,04,579	9,62,82,38,022
Less: Excise duty		40,35,59,720	35,20,88,521
Revenue from operations (Net)		11,36,07,44,859	9,27,61,49,501
II. Other income	21	2,65,45,908	13,10,37,638
III. Total Revenue (I +II)		11,38,72,90,767	9,40,71,87,139
EXPENSES:			
IV. Cost of materials consumed	22	11,99,77,65,688	7,42,47,47,921
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(2,82,28,45,443)	45,10,60,768
Employee benefit expenses	24	71,43,67,574	40,29,57,112
Finance cost	25	75,20,97,675	70,56,09,489
Depreciation and amortization expenses	26	47,24,63,759	33,18,52,043
Other expenses	27	53,93,45,592	41,01,38,929
V. Total Expenses		11,65,31,94,845	9,72,63,66,262
VI. Loss before tax (III - V)		(26,59,04,078)	(31,91,79,123)
VII. Tax expense:			
(1) Current tax			
Current period			9,98,193
(2) Deferred tax		(9,84,02,376)	(12,65,74,282)
VIII. Net Loss for the period/year after tax		(16,75,01,702)	(19,36,03,034)
IX. Earning per equity share (Nominal value ₹ 10 per share)			
(1) Basic		(13.19)	(13.54)
(2) Diluted		(13.19)	(13.54)
See accompanying notes to the financial statements			

As per our report of even date
For S.S.Kothari Mehta & Co.
Chartered Accountants

Arun K. Tulsian
Partner
Membership No. 89907

Place: New Delhi
Date: 29th May, 2015

G. R. Morarka
Managing Director

B. J. Maheshwari
Whole Time Director & Company Secretary
cum Chief Compliance Officer

Vijay S. Banka
Whole Time Director & Chief Financial Officer
Place: Mumbai
Date: 28th May, 2015


CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED 31ST MARCH, 2015

(Amount in ₹)

	Eighteen months period ended March 31, 2015	Year ended September 30, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(26,59,04,078)	(31,91,79,123)
Adjustments for :		
Depreciation/Obsolescence	47,24,63,759	33,18,52,043
Loss on sale of fixed assets	(1,72,743)	4,02,763
Bad debts written off	---	8,03,55,167
Other operating revenue	---	(3,51,23,452)
Finance cost	75,20,97,675	70,56,09,489
Interest income	(27,79,986)	(9,35,873)
Dividend income	(2,00,000)	(2,00,000)
Provision for wealth tax	5,05,608	2,60,009
	1,22,19,14,313	1,08,22,20,146
Operating profit before working capital changes	95,60,10,235	76,30,41,023
Adjustments for changes in Working Capital :		
(Increase)/Decrease in Inventories	(2,99,11,74,130)	47,39,71,016
(Increase)/Decrease in Trade Receivables	(40,79,26,490)	19,29,73,876
(Increase)/Decrease in Other Receivables	(32,36,41,154)	1,92,39,908
Increase/(Decrease) in Trade Payables	1,02,94,42,917	88,82,11,652
Increase/(Decrease) in Other Payables	23,10,59,277	(30,30,54,114)
	(2,46,22,39,580)	1,27,13,42,338
Cash generated from operations	(1,50,62,29,345)	2,03,43,83,361
Direct taxes paid	(5,38,340)	(10,69,187)
Net cash from operating activities	(1,50,67,67,685)	2,03,33,14,174
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(4,93,00,442)	(3,74,95,403)
Interest received	27,79,986	9,35,873
Dividend income	2,00,000	2,00,000
Sale of fixed assets	24,57,241	5,00,246
Net cash from investing activities	(4,38,63,215)	(3,58,59,284)



CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS PERIOD ENDED 31ST MARCH, 2015

(Amount in ₹)

	Eighteen months period ended March 31, 2015	Year ended September 30, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share application money pending allotment	---	(10,00,00,000)
Increase in share capital	---	15,00,00,000
Proceeds from long term borrowings	1,56,73,00,000	---
Repayment of long term borrowings	(1,25,02,00,563)	(91,86,35,556)
Increase/(Decrease) in short term borrowings including cash credit	2,00,44,85,824	(40,96,80,913)
Finance cost paid	(78,38,32,767)	(71,13,84,029)
Net cash from financing activities	1,53,77,52,494	(1,98,97,00,498)
Net increase in cash and bank balances (a+b+c)	(1,28,78,406)	77,54,392
Opening balance of cash and bank balances	2,10,86,072	1,33,31,680
Closing balance of cash and bank balances	82,07,666	2,10,86,072

Notes:

1. Closing Cash and bank balances Comprise :

a. Cash & Cash Equivalents

i) Current accounts	13,43,524	40,91,528
ii) Cash on hand	48,10,806	8,38,197

b. Other bank balances

i) Earmarked balance for unpaid dividend	4,62,081	9,05,597
ii) Earmarked balance in current account (as per Uttar Pradesh State Molasses Control Rules, 1974)	15,91,255	52,21,759
iii) Fixed deposit account (having maturity more than 3 months to 12 months)	---	1,00,28,991

Total	82,07,666	2,10,86,072
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2. Figures in bracket indicate cash outflow.

3. The above cash flow statement has been prepared under the indirect method set out in AS-3 notified pursuant to the Companies (Accounting Standards) Rules, 2006.

4. Previous year figures have been regrouped and recasted wherever necessary to conform to the current year's classification.

As per our report of even date
For S.S.Kothari Mehta & Co.
Chartered Accountants

Arun K. Tulsian
Partner
Membership No. 89907

Place: New Delhi
Date: 29th May, 2015

G. R. Morarka
Managing Director

B. J. Maheshwari
Whole Time Director & Company Secretary
cum Chief Compliance Officer

Vijay S. Banka
Whole Time Director & Chief Financial Officer
Place: Mumbai
Date: 28th May, 2015


NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

Note No.	(Amount in ₹)	
	As at 31/03/2015	As at 30/09/2013
1	SHARE CAPITAL	
	AUTHORISED:	
	1,75,00,000 (previous year 1,75,00,000) equity shares of ₹ 10 each	17,50,00,000
	12% 1,50,000 (previous year 1,50,000) cumulative redeemable preference shares of ₹ 100 each (Series I)	1,50,00,000
	8% 15,00,000 (previous year 15,00,000) cumulative redeemable preference shares of ₹ 100 each (Series II)	15,00,00,000
	8% 10,00,000 (previous year 10,00,000) cumulative redeemable preference shares of ₹ 100 each (Series III)	10,00,00,000
	8% 10,00,000 (previous year 10,00,000) cumulative redeemable preference shares of ₹ 100 each (Series IV)	10,00,00,000
	54,00,00,000	54,00,00,000
	ISSUED:	
	1,63,14,676 (previous year 1,63,14,676) equity shares of ₹ 10 each paid up	16,31,46,760
	12% 1,10,000 (previous year 1,10,000) cumulative redeemable preference shares of ₹ 100 each paid up (Series I)	1,10,00,000
	8% 15,00,000 (previous year 15,00,000) cumulative redeemable preference shares of ₹ 100 each paid up (Series II)	15,00,00,000
	8% 10,00,000 (previous year 10,00,000) cumulative redeemable preference shares of ₹ 100 each (Series III)	10,00,00,000
	8% 5,00,000 (previous year 10,00,000) cumulative redeemable preference shares of ₹ 100 each (Series IV)	5,00,00,000
	47,41,46,760	52,41,46,760
	SUBSCRIBED AND FULLY PAID UP:	
	1,63,14,676 (previous year 1,63,14,676) equity shares of ₹ 10 each paid up	16,31,46,760
	12% 1,10,000 (previous year 1,10,000) cumulative redeemable preference shares of ₹ 100 each paid up (Series I)	1,10,00,000
	8% 15,00,000 (previous year 15,00,000) cumulative redeemable preference shares of ₹ 100 each paid up (Series II)	15,00,00,000
	8% 10,00,000 (previous year 10,00,000) cumulative redeemable preference shares of ₹ 100 each (Series III)	10,00,00,000
	8% 5,00,000 (previous year 5,00,000) cumulative redeemable preference shares of ₹ 100 each (Series IV)	5,00,00,000
	Total Share Capital	47,41,46,760



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

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

	As at 31/03/2015		As at 30/09/2013	
	No of shares	Amount in ₹	No of shares	Amount in ₹
AUTHORISED:				
a) Equity Shares:-				
At the beginning of the period	1,75,00,000	17,50,00,000	1,75,00,000	17,50,00,000
Reclassified into preference shares	---	---	---	---
Addition during the period	---	---	---	---
Outstanding at the end of the period	1,75,00,000	17,50,00,000	1,75,00,000	17,50,00,000
b) Preference Shares:-				
12% cumulative redeemable preference shares of ₹ 100 each (Series I)				
At the beginning of the period	1,50,000	1,50,00,000	1,50,000	1,50,00,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,50,000	1,50,00,000	1,50,000	1,50,00,000
8% cumulative redeemable preference shares of ₹ 100 each (Series II)				
At the beginning of the period	15,00,000	15,00,00,000	15,00,000	15,00,00,000
Change during the period	---	---	---	---
Outstanding at the end of the period	15,00,000	15,00,00,000	15,00,000	15,00,00,000
8% cumulative redeemable preference shares of ₹ 100 each (Series III)				
At the beginning of the period	10,00,000	10,00,00,000	10,00,000	10,00,00,000
Reclassified from equity shares	---	---	---	---
Outstanding at the end of the period	10,00,000	10,00,00,000	10,00,000	10,00,00,000
8% cumulative redeemable preference shares of ₹ 100 each (Series IV)				
At the beginning of the period	10,00,000	10,00,00,000	---	---
Change during the period	---	---	10,00,000	10,00,00,000
Outstanding at the end of the period	10,00,000	10,00,00,000	10,00,000	10,00,00,000
ISSUED:				
a) Equity Shares:-				
At the beginning of the period	1,63,14,676	16,31,46,760	1,63,14,676	16,31,46,760
Change during the period	---	---	---	---
Outstanding at the end of the period	1,63,14,676	16,31,46,760	1,63,14,676	16,31,46,760
b) Preference Shares:-				
12% cumulative redeemable preference shares of ₹ 100 each (Series I)				
At the beginning of the period	1,10,000	1,10,00,000	1,10,000	1,10,00,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,10,000	1,10,00,000	1,10,000	1,10,00,000
8% cumulative redeemable preference shares of ₹ 100 each (Series II)				
At the beginning of the period	15,00,000	15,00,00,000	15,00,000	15,00,00,000
Change during the period	---	---	---	---
Outstanding at the end of the period	15,00,000	15,00,00,000	15,00,000	15,00,00,000
8% cumulative redeemable preference shares of ₹ 100 each (Series III)				


NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

	As at 31/03/2015		As at 30/09/2013	
	No of shares	Amount in ₹	No of shares	Amount in ₹
At the beginning of the period	10,00,000	10,00,00,000	10,00,000	10,00,00,000
Change during the period	---	---	---	---
Outstanding at the end of the period	10,00,000	10,00,00,000	10,00,000	10,00,00,000
8% cumulative redeemable preference shares of ₹ 100 each (Series IV)				
At the beginning of the period	10,00,000	10,00,00,000	---	---
Change during the period	(5,00,000)	(5,00,00,000)	10,00,000	10,00,00,000
Outstanding at the end of the period	5,00,000	5,00,00,000	10,00,000	10,00,00,000
SUBSCRIBED AND FULLY PAID UP:				
a) Equity Shares:-				
At the beginning of the period	1,63,14,676	16,31,46,760	1,63,14,676	16,31,46,760
Change during the period	---	---	---	---
Outstanding at the end of the period	1,63,14,676	16,31,46,760	1,63,14,676	16,31,46,760
b) Preference Shares:-				
12% cumulative redeemable preference shares of ₹ 100 each (Series I)				
At the beginning of the period	1,10,000	1,10,00,000	1,10,000	1,10,00,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,10,000	1,10,00,000	1,10,000	1,10,00,000
8% cumulative redeemable preference shares of ₹ 100 each (Series II)				
At the beginning of the period	15,00,000	15,00,00,000	15,00,000	15,00,00,000
Change during the period	---	---	---	---
Outstanding at the end of the period	15,00,000	15,00,00,000	15,00,000	15,00,00,000
8% cumulative redeemable preference shares of ₹ 100 each (Series III)				
At the beginning of the period	10,00,000	10,00,00,000	---	---
Change during the period	---	---	10,00,000	10,00,00,000
Outstanding at the end of the period	10,00,000	10,00,00,000	10,00,000	10,00,00,000
8% cumulative redeemable preference shares of ₹ 100 each (Series IV)				
At the beginning of the period	5,00,000	5,00,00,000	---	---
Change during the period	---	---	5,00,000	5,00,00,000
Outstanding at the end of the period	5,00,000	5,00,00,000	5,00,000	5,00,00,000

B Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

	No of shares	% holding	No of shares	% holding
a) Equity Shares:-				
Dwarikesh Trading Company Limited	26,24,889	16.09%	26,24,889	16.09%
Morarka Finance Limited	21,59,118	13.23%	21,59,118	13.23%
Param Capital Research Private Limited	8,15,077	5.00%	8,65,237	5.30%
Gautam R Morarka	28,26,659	17.33%	28,14,385	17.25%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

	No of shares	% holding	No of shares	% holding
b) Preference Shares:-				
12% Cumulative Redeemable Preference Shares (Series I)				
Dwarikesh Trading Company Limited	1,05,500	95.91%	1,10,000	100.00%
8% Cumulative Redeemable Preference Shares (Series II)				
Bimla Devi Poddar	6,00,000	40.00%	2,00,000	13.33%
Krishna Neotia	2,00,000	13.33%	2,00,000	13.33%
Gayatri Neotia	---	---	2,00,000	13.33%
Suresh Kumar Neotia	---	---	2,00,000	13.33%
Madhu Neotia	3,00,000	20.00%	3,00,000	20.00%
Harshvardhan Neotia	2,00,000	13.34%	2,00,000	13.34%
Govind Commercial Company Limited	---	---	1,00,000	6.67%
Likhani Commercial Company Limited	2,00,000	13.33%	1,00,000	6.67%
8% Cumulative Redeemable Preference Shares (Series III)				
Bimla Devi Poddar	7,50,000	75.00%	7,50,000	75.00%
Madhu Neotia	2,50,000	25.00%	2,50,000	25.00%
8% Cumulative Redeemable Preference Shares (Series IV)				
Harshvardhan Neotia	5,00,000	100.00%	5,00,000	100.00%

C Rights & restrictions attached to various classes of shares are as under:

a) Equity Shares:-

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

b) Preference Shares:-

12% cumulative redeemable preference shares (Series I):

1,10,000, 12% cumulative redeemable preference shares of ₹ 100 each were issued in September 1998. These preference shares were to be redeemed at par in September, 2011 which has been originally extended to September, 2014 is now further extended to 01/08/2018 by virtue of the resolution passed in preference share holders meeting wherein the consent is obtained from the concerned shareholders and committee of board.

8% cumulative redeemable preference shares (Series II):

15,00,000, 8% cumulative redeemable preference shares of ₹ 100 each were issued in August, 2007. These preference shares were to be redeemed at par in August, 2012, which has been extended to August, 2015 by virtue of consent obtained from the concerned shareholders.

8% cumulative redeemable preference shares (Series III):

10,00,000, 8% cumulative redeemable preference shares of ₹ 100 each were issued in October 2012. These preference shares shall be redeemed at par in September, 2017.

8% cumulative redeemable preference shares (Series IV):

50,00,000, 8% cumulative redeemable preference shares of ₹ 100 each were allotted in April 2013. These preference shares shall be redeemed at par in March, 2018.

D Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.-Nil



Note No.	As at 31/03/2015	As at 30/09/2013
2		
<u>RESERVES AND SURPLUS</u>		
a) Capital reserve		
As per last account	59,86,500	59,86,500
Changes during the period	---	---
Closing balance	59,86,500	59,86,500
b) Capital redemption reserve		
As per last account	7,52,00,000	7,52,00,000
Changes during the period	---	---
Closing balance	7,52,00,000	7,52,00,000
c) Securities premium reserve		
As per last account	90,00,38,192	90,00,38,192
Changes during the period	---	---
Closing balance	90,00,38,192	90,00,38,192
d) Other reserves		
General reserve		
As per last account	27,08,54,154	27,08,54,154
Changes during the period	---	---
Closing balance	27,08,54,154	27,08,54,154
e) Deficit in Statement of Profit and Loss		
As per last account	(52,01,44,884)	(32,65,41,850)
Add: loss during the period	(16,75,01,702)	(19,36,03,034)
Less: appropriations	---	---
Closing balance of Deficit in Statement of Profit and Loss	(68,76,46,586)	(52,01,44,884)
Total Reserves & Surplus	56,44,32,260	73,19,33,962

3		
<u>LONG-TERM BORROWINGS</u>		
(Refer note.1 of note no.28B)		
SECURED		
Term loans		
From banks	1,46,13,48,595	1,29,03,27,734
From others	12,61,30,400	27,68,46,200
From companies	30,00,00,000	---
Total Secured Long term borrowings	1,88,74,78,995	1,56,71,73,934

4		
<u>OTHER LONG TERM LIABILITIES</u>		
a) Trade payables	2,23,579	6,73,550
b) Capital Supplier payable	3,15,83,057	3,41,98,057
c) Other payables		
Security/Retention money	1,13,41,734	1,25,13,114
Total Other Long Term Liabilities	4,31,48,370	4,73,84,721



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

Amount in ₹

<u>Note No.</u>		As at 31/03/2015	As at 30/09/2013
5	<u>LONG-TERM PROVISIONS</u>		
	Provision for employee benefits		
	Gratuity	7,94,43,884	5,58,71,076
	Leave encashment	2,67,91,582	2,04,04,436
	Total Long Term Provisions	10,62,35,466	7,62,75,512
6	<u>SHORT-TERM BORROWINGS</u>		
	(Refer note.1 of note no.28B)		
	a) Secured		
	Cash credit from banks	3,52,73,22,158	1,52,28,35,109
		3,52,73,22,158	1,52,28,35,109
	b) Unsecured		
	Loan & advances from related parties		
	(Refer note.16 of note no.28B)		
	due to director	6,53,794	6,53,794
	inter corporate deposits	1,98,250	1,99,475
	(including interest accrued thereon ₹ Nil previous year ₹ Nil)		
		8,52,044	8,53,269
	Total Short Term Borrowings	3,52,81,74,202	1,52,36,88,378
7	<u>TRADE PAYABLES</u>		
	a) Micro, small and medium enterprises*	26,15,307	10,63,073
	b) Others	2,00,77,89,692	97,94,49,038
	Total Trade Payables	2,01,04,04,999	98,05,12,111
	* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the Balance Sheet date to the extent such enterprises have been identified based on information available with the company . In view of this there is no overdue interest payable.		
8	<u>OTHER CURRENT LIABILITIES</u>		
	a) Current maturities of long term debts		
	(Refer note.1 of note no.28B)		
	Term loans		
	From banks	72,74,26,376	71,31,32,000
	From others	10,04,77,200	11,79,77,200
	Total Current maturities of long term debts	82,79,03,576	83,11,09,200
	b) Interest accrued but not due on borrowings	1,03,14,657	4,20,49,749
	c) Advance from customer and others	8,87,78,574	15,35,60,970
	d) Unpaid dividend*	4,62,081	9,05,597

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015****Amount in ₹**

Note No.	As at 31/03/2015	As at 30/09/2013
e) Other payables		
Statutory dues payable (Including TDS, Purchase tax, PF and Excise duty)	1,19,74,851	4,21,78,728
Salary & wages payable	3,54,34,483	3,32,09,310
Remuneration-due to directors	10,52,606	34,25,009
Excise duty payable on stock	20,44,87,504	5,75,29,979
Forward premium principal payable	90,03,836	---
Security/Retention money payable	1,45,11,105	1,19,67,327
Others	14,75,34,658	99,79,075
Including amount payable to related parties of ₹ 11,40,388 (previous year ₹ 7,86,744)		
Total Others	52,35,54,355	35,48,05,744
Total Other Current Liabilities	1,35,14,57,931	1,18,59,14,944

* There are no amounts outstanding in respect of unpaid dividend for more than seven years to be transferred to Investor Education and Protection Fund.

9	<u>SHORT TERM PROVISIONS</u>		
	Provision for employee benefits		
	Gratuity	1,16,14,586	91,89,788
	Leave encashment	1,03,86,286	84,41,816
	Total Short Term Provisions	2,20,00,872	1,76,31,604



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

Note No.	GROSS CARRYING VALUE					DEPRECIATION					NET CARRYING VALUE	
	As at 01/10/2013 ₹	Added during the period ₹	Disposals ₹	As at 31/03/2015 ₹	Up to 01/10/2013 ₹	For the period ₹	Disposals ₹	Up to 31/03/2015 ₹	As at 30/09/2013 ₹	As at 31/03/2015 ₹		
10	FIXED ASSETS											
i)	Tangible Assets											
	7,72,24,710	---	---	7,72,24,710	---	---	---	---	7,72,24,710	7,72,24,710		
	(7,72,24,710)	---	---	(7,72,24,710)	---	---	---	---	(7,72,24,710)	(7,72,24,710)		
	1,08,81,90,427	1,36,73,827	---	1,10,18,64,254	24,02,86,157	4,31,90,510	---	28,34,76,667	84,79,04,270	81,83,87,587		
	(1,08,75,50,504)	(13,17,406)	(6,77,483)	(1,08,81,90,427)	(21,17,66,869)	(2,86,73,950)	(1,54,662)	(24,02,86,157)	(87,57,83,635)	(84,79,04,270)		
	5,62,41,29,737	2,38,44,771	18,664	5,64,79,55,844	2,18,22,94,173	41,39,02,177	2,368	2,59,61,93,982	3,44,18,35,564	3,05,17,61,862		
	(5,59,28,69,707)	(3,12,81,078)	(21,048)	(5,62,41,29,737)	(1,88,77,37,385)	(29,45,58,321)	(1,533)	(2,18,22,94,173)	(3,70,51,32,322)	(3,44,18,35,564)		
	3,81,72,414	10,73,982	8,05,978	3,84,40,418	2,31,39,095	27,76,526	3,60,898	2,55,54,723	1,50,33,319	1,28,85,695		
	(3,85,41,584)	(10,69,575)	(14,38,745)	(3,81,72,414)	(2,24,21,650)	(18,65,361)	(11,47,916)	(2,31,39,095)	(1,61,19,934)	(1,50,33,319)		
	3,45,04,516	99,11,803	53,24,987	3,90,91,332	1,88,81,289	47,97,037	34,86,266	2,01,92,060	1,56,23,227	1,88,99,272		
	(3,41,66,077)	(11,98,470)	(8,60,031)	(3,45,04,516)	(1,65,00,966)	(30,52,145)	(6,71,822)	(1,88,81,289)	(1,76,65,111)	(1,56,23,227)		
	1,33,34,951	10,88,406	44,950	1,43,78,407	65,47,924	12,84,456	12,885	78,19,495	67,87,027	65,58,912		
	(1,54,11,637)	(8,61,839)	(29,38,525)	(1,33,34,951)	(80,94,669)	(8,88,954)	(24,35,699)	(65,47,924)	(73,16,968)	(67,87,027)		
	3,45,56,129	22,66,015	17,47,647	3,50,74,497	3,45,56,129	22,66,015	17,47,647	3,50,74,497	---	---		
	(3,85,49,673)	(21,92,121)	(61,85,665)	(3,45,56,129)	(3,85,49,673)	(21,92,121)	(61,85,665)	(3,45,56,129)	---	---		
	6,91,01,12,884	5,18,58,804	79,42,226	6,95,40,29,462	2,50,57,04,767	46,82,16,721	56,10,064	2,96,83,11,424	4,40,44,08,117	3,98,57,18,038		
ii)	Intangible Assets											
	56,73,485	41,99,374	---	98,72,859	56,73,485	41,99,374	---	98,72,859	---	---		
	(72,06,811)	---	(15,33,326)	(56,73,485)	(72,06,811)	---	(15,33,326)	(56,73,485)	---	---		
	56,73,485	41,99,374	---	98,72,859	56,73,485	41,99,374	---	98,72,859	---	---		
	6,91,57,86,369	5,60,58,178	79,42,226	6,96,39,02,321	2,51,13,78,252	47,24,16,095	56,10,064	2,97,81,84,283	4,40,44,08,117	3,98,57,18,038		
	(6,89,15,20,703)	(3,79,20,489)	(1,36,54,823)	(6,91,57,86,369)	(2,19,22,78,023)	(33,12,30,852)	(1,21,30,623)	(2,51,13,78,252)	(4,69,92,42,680)	(4,40,44,08,117)		

Acquisition through business combination, other adjustments and impairment/revaluation are not applicable as no such transactions occurred during the period and in the corresponding previous period.

Note:- Figures in the brackets are for the previous year.


NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015
(Amount in ₹)

Note No.	As at 31/03/2015	As at 30/09/2013
11 NON-CURRENT INVESTMENTS		
Other investments-Associate companies		
Unquoted investments (valued at cost except for permanent diminution in value)		
a) Investment in equity instruments		
20,000 (previous year 20,000) equity shares of ₹ 10 each fully paid up in 'Dwarikesh Informatics Limited' extent of holding : 40% (previous year 40%)	2,00,000	2,00,000
20,000 (previous year 20,000) equity shares of ₹ 10 each fully paid up in 'Faridpur Sugars Limited' extent of holding : 40% (previous year 40%)	2,00,000	2,00,000
b) Investments in preference shares		
20,000 (previous year 20,000) 10% preference shares of ₹ 100 each fully paid up in 'Dwarikesh Informatics Limited' extent of holding : 100% (previous year 100%)	20,00,000	20,00,000
Total Non-Current Investments	24,00,000	24,00,000
Aggregate amount of unquoted investments	24,00,000	24,00,000
Aggregate provision for diminution in the value of investments	---	---

(Amount in ₹)

	As at 31/03/2015		As at 30/09/2013	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
12 DEFERRED TAX LIABILITIES (NET):				
a) Difference between book depreciation and tax depreciation		95,70,73,717		1,01,00,25,858
b) Non payment of taxes and duties	---		34,94,295	
c) Non payment of bonus, leave & gratuity	4,50,19,878		3,23,13,597	
d) Deferment of interest	17,73,226		69,48,149	
e) Non payment of excise duty on closing stock	7,07,69,035		1,95,54,440	
f) Brought forward losses & depreciation	1,03,95,78,092		1,04,93,79,515	
Total	1,15,71,40,231	95,70,73,717	1,11,16,89,996	1,01,00,25,858
Net Deferred Tax Asset /(Liability)		20,00,66,514		10,16,64,138

Deferred tax assets in respect of brought forward losses and depreciation have been recognized owing to reasonable certainty of availability of future taxable income to realize such assets. Though the company has been incurring losses in the last few years, it expects turnaround of the sector by way of assistance from both Central & State Government to revive the fortunes of a core & agri based sector.

Further being amongst the lowest cost producer of sugar, company will be in a position to seize emerging opportunities.

(Amount in ₹)

	As at 31/03/2015	As at 30/09/2013
13 LONG TERM LOANS & ADVANCES		
unsecured, considered good		
a) Capital advances	2,05,11,055	2,76,73,832
b) Security deposits	19,59,775	17,10,417
c) Others		
MAT Credit Entitlement	5,97,38,677	5,97,38,677
Advance taxes & TDS	99,693	66,957
{net of provisions of ₹ 15,03,801 (previous year ₹ 20,68,419)}		
Advances recoverable in cash or in kind or for value to be received		
Considered good	1,40,46,690	1,62,94,718
Considered doubtful	---	12,12,958
Less: provision for bad and doubtful advances	---	12,12,958
Total Long Term Loans & Advances	9,63,55,890	10,54,84,601



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

<u>Note No.</u>	(Amount in ₹)	
	As at 31/03/2015	As at 30/09/2013
14	<u>OTHER NON-CURRENT ASSETS</u>	
	Unsecured, considered good	
(a)	Trade receivables*	
	Considered good	33,78,609
	Considered doubtful	---
	Less: provision for bad and doubtful debts	---
		33,78,609
(b)	Other receivables	
	i) Fixed deposit account (having maturity of more than 12 months) (as margin money for bank guarantees / pledged with government departments, including net interest accrued thereon ₹ 5,90,054 (previous year ₹ 3,94,959)	20,90,054
	ii) Others**	6,19,588
	Total Non-Current Assets	60,88,251
		70,89,766

* Since the matter is in litigation, management considers the same as non current.

** Includes ₹ 93,547 (previous year ₹ 13,64,355) representing trade tax and interest thereon paid as a matter of abundant caution under protest under applicable Trade Tax Act, based on the enquiry made on the company by Uttar Pradesh Trade tax authorities in respect of diesel provided to contractors/ sugar cane transporters during the years 1998-99 and 2000-2001 consequent to reduction in trade tax liability by favorable order in 1998-99 to the extent of refund adjusted/refunded.

However, the company is confident of the non-applicability of any trade tax levy on this score as these items have been provided strictly for the activities directly related to the manufacturing process. The issue of diesel and other items has also not been classified as revenue income and has always been treated as store consumption. The company has paid the amount purely to establish its bona fide intentions and is confident of settling the issue in its favor and does not consider it necessary for making any provision.

15	<u>INVENTORIES</u>	
	(As taken, valued and certified by the Management)	
	Valued at or below cost: (Refer note.6 of note no.28A)	
a)	Raw materials	64,75,931
b)	Work-in-progress (Refer note.5 II (b) (ii) of note no.28B)	3,58,98,928
c)	Finished goods (Refer note.5 II (b) (i) of note no.28B)	4,72,65,45,151
d)	Stores and spares	13,44,78,678
e)	Chemicals	35,52,539
f)	Packing material	37,71,219
	Total Inventories	4,91,07,22,446
		1,91,95,48,316

16	<u>TRADE RECEIVABLES</u>	
	unsecured, considered good	
a)	Outstanding for more than six months from the due date	---
b)	Others	---
	Considered good	42,79,75,524
	(Includes unbilled revenue of ₹ 13,60,01,174 (previous year ₹ Nil)	2,00,49,034
	Total Trade Receivable	42,79,75,524
		2,00,49,034



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

(Amount in ₹)

Note No.		Eighteen months ended 31/03/2015	Year ended 30/09/2013
17	<u>CASH & BANK BALANCES</u>		
a)	Cash & Cash Equivalents		
	Balance with scheduled banks		
	Current accounts	13,43,524	40,91,528
	Cash on hand	48,10,806	8,38,197
		61,54,330	49,29,725
b)	Other bank balances		
	i) Earmarked balance for unpaid dividend	4,62,081	9,05,597
	ii) Earmarked balance in current account (as per Uttar Pradesh State Molasses Control Rules, 1974)	15,91,255	52,21,759
	iii) Fixed deposit account (having maturity more than 3 months to 12 months) (as margin money for bank guarantees / pledged with government departments ,including net interest accrued thereon ₹ Nil (previous year ₹ 23,18,991)	---	1,00,28,991
	Total Cash & Bank Balances	82,07,666	2,10,86,072

(Amount in ₹)

		As at 31/03/2015	As at 30/09/2013
18	<u>SHORT TERM LOANS & ADVANCES</u>		
	unsecured, considered good		
	Others		
	Security Deposit	5,00,000	---
	Balances with government authorities	1,67,74,861	1,00,01,902
	Advances recoverable in cash or in kind or for value to be received	1,41,24,944	1,28,96,222
	Total Short Term Loans & Advances	3,13,99,805	2,28,98,124

19	<u>OTHER CURRENT ASSETS</u>		
a)	Interest receivable and others	1,17,000	33,758
b)	Claim for reimbursement of subsidy	17,99,65,764	---
c)	Claim for reimbursement of cane commission	13,80,57,916	---
	Total Other Current Assets	31,81,40,680	33,758

20	<u>REVENUE FROM OPERATIONS</u>		
	(Refer note.5.II (a) of note no.28B)		
a)	Sale of products*	11,68,29,85,792	9,59,12,14,883
b)	Other operating revenues**	8,13,18,787	3,70,23,139
	Gross Revenue From Operations	11,76,43,04,579	9,62,82,38,022
c)	Less: excise duty on sale of products	40,35,59,720	35,20,88,521
	Total Net Revenue From Operations	11,36,07,44,859	9,27,61,49,501

* Includes unbilled revenue of ₹ 13,60,01,174 (previous year Nil) against sale of power.

** Includes ₹ 7,68,64,500 (previous year ₹ Nil) being the amount received towards sale of REC.



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

(Amount in ₹)

Note No.		Eighteen months ended 31/03/2015	Year ended 30/09/2013
21	<u>OTHER INCOME</u>		
a)	Interest income		
	on current deposits	25,63,215	8,08,237
	on non current deposits with banks	2,16,771	1,27,636
b)	Dividend income from non current investment	2,00,000	2,00,000
c)	Other non operating income	2,35,65,922	12,99,01,765
	Total Other Income	2,65,45,908	13,10,37,638

22	<u>COST OF MATERIALS CONSUMED</u>		
a)	Raw material consumed*		
	Sugar cane		
	Opening stock	---	---
	Add: purchases	11,70,59,13,020	7,22,56,21,516
	Less: closing stock	64,75,931	---
		11,69,94,37,089	7,22,56,21,516
b)	Other materials consumed		
	i)Chemicals		
	Opening stock	35,86,568	20,17,319
	Add: purchases	9,93,34,394	7,40,31,955
	Less: closing stock	35,52,539	35,86,568
		9,93,68,423	7,24,62,706
	ii) Packing Material consumed		
	Opening stock	16,11,907	34,99,102
	Add: purchases	20,11,19,488	12,47,76,504
	Less: closing stock	37,71,219	16,11,907
		19,89,60,176	12,66,63,699
	Total Cost Of Materials Consumed	11,99,77,65,688	7,42,47,47,921

*The Company has during the period reduced the cost of material consumed by ₹ 6 per quintal of sugar cane amounting to ₹ 1,252.47 lacs pertaining to season 2013-14 towards assistance given by the State Government. Further pursuant to the notification issued by the State Government of Uttar Pradesh, the Company has during the period also reduced the cost of material consumed by ₹ 8.60 per quintal of sugarcane amounting to ₹ 1,799.66 lacs pertaining to sugar season 2014-15.

23	<u>(INCREASE)/DECREASE IN STOCKS</u>		
	(Refer note.5.II (b) of note no.28B)		
	Closing stock		
	Finished goods	4,72,65,45,151	1,79,22,62,838
	Work in progress	3,58,98,928	3,78,273
		4,76,24,44,079	1,79,26,41,111
	Opening stock		
	Finished goods	1,79,22,62,838	2,27,07,70,890
	Work in progress	3,78,273	3,72,399
		1,79,26,41,111	2,27,11,43,289
	NET (INCREASE)/DECREASE IN STOCK	(2,96,98,02,968)	47,85,02,178
	Excise duty on account of increase/(decrease) on stock of finished goods	14,69,57,525	(2,74,41,410)
	Total (Increase)/Decrease In Stocks	(2,82,28,45,443)	45,10,60,768

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015****(Amount in ₹)**

Note No.		Eighteen months ended 31/03/2015	Year ended 30/09/2013
24	<u>EMPLOYEE BENEFIT EXPENSES</u>		
a)	Salary and wages		
	Salary and wages	60,00,41,752	34,73,19,565
	Bonus	18,46,120	11,53,457
	Leave encashment	1,74,34,438	89,41,585
	Gratuity (Refer note.7.b(ii) of note no.28B)	3,04,83,806	87,37,503
		64,98,06,116	36,61,52,110
	Provident fund	5,20,65,182	3,04,60,024
c)	Staff welfare expenses	1,24,96,276	63,44,978
	Total Employee Benefit Expenses	71,43,67,574	40,29,57,112

25	<u>FINANCE COST</u>		
a)	Interest expense		
	i) Interest on fixed loans :		
	Term loans	26,42,08,498	39,25,96,143
	Others (including paid to directors ₹ 97,979 previous year ₹ 72,055)	6,27,77,081	89,17,197
		32,69,85,579	40,15,13,340
	ii) Interest on cash credit	30,90,93,180	29,39,22,126
b)	Other borrowing costs	2,08,51,036	1,01,74,023
c)	(Gain) / loss on foreign exchange transactions	9,51,67,880	---
	Total Finance Cost	75,20,97,675	70,56,09,489

26	<u>DEPRECIATION AND AMORTIZATION EXPENSES</u>		
a)	Depreciation		
	Depreciation of tangible assets	46,82,16,721	33,12,30,852
	Obsolescence	47,664	6,21,191
		46,82,64,385	33,18,52,043
b)	Amortization of intangible assets	41,99,374	---
	Total Depreciation and Amortization Expenses	47,24,63,759	33,18,52,043



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2015

(Amount in ₹)

Note No.		Eighteen months ended 31/03/2015	Year ended 30/09/2013
27	<u>OTHER EXPENSES</u>		
	Power and fuel		
	Power	1,50,19,029	1,15,11,186
	(Net of ₹ 56,92,750 power banked with UPPCL previous year ₹ 1,26,51,625) Fuel	26,33,379	8,60,062
	Other manufacturing expenses	9,86,25,730	6,22,47,498
	Repairs to buildings	2,22,13,125	87,67,194
	Repairs to machinery		
	Consumption of stores & spare parts	12,97,21,302	7,44,38,294
	Plant & machinery	4,38,21,229	2,31,39,882
	Rent	75,35,252	27,88,648
	Insurance	1,06,84,070	1,03,93,970
	Rates and taxes*	61,62,643	44,56,323
	Travelling & conveyance	1,99,56,954	1,13,40,440
	Postage, telephone & telex	32,19,808	22,58,844
	Printing & stationery	49,34,058	28,10,149
	Sugar sales promotion expenses	3,46,70,492	3,67,79,895
	Freight and forwarding (net of recovery from customers)	4,19,53,159	1,94,50,622
	Donations & charity	45,500	22,000
	Repairs & maintenance - others	83,40,023	54,22,614
	Loss on sale of fixed assets	(1,72,743)	4,02,763
	Bad debts written off	---	8,03,55,167
	Payment to the auditors		
	Audit fees	19,50,000	11,75,000
	Taxation matters	3,00,000	1,25,000
	Other Law Matters	40,000	3,00,000
	Reimbursement of expenses	2,87,686	1,03,544
	Miscellaneous expenses	8,74,04,896	5,09,89,834
	Total Other Expenses	53,93,45,592	41,01,38,929

* Includes provision for wealth tax of ₹ 5,05,608 (previous year ₹ 2,60,009) as per the provisions of Wealth Tax Act, 1957.

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS ENDED MARCH 31, 2015
NOTE "28 A"****GENERAL INFORMATION**

Dwarikesh Sugar Industries Limited (DSIL) is a public limited company domiciled in India and was incorporated in the year 1993 under the provisions of the Companies Act, 1956.

Currently equity shares of the company are listed at BSE and NSE.

DSIL is integrated conglomerate, primarily engaged in manufacture of sugar and allied products. From a humble beginning in 1993, DSIL today is a multi faceted, fast growing industrial group with the strong presence in diversified fields such as sugar manufacturing, power and Ethanol/Industrial Alcohol production.

The Company has three sugar manufacturing units, out of which 2 units namely Dwarikesh Nagar and Dwarikesh Puram are located in Bijnor District of Uttar Pradesh (U.P.) and one unit namely Dwarikesh Dham in Bareilly District (U.P.).

Registration details

Registration No. CIN No. L15421 UP1993 PLC 018642

State code 20

Generic name of principal product of the Company

Item code No.(ITC Code) 170111.09

Product Description Cane Sugar

SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The company prepares its accounts on accrual basis following the historical cost convention and on the basis of going concern in compliance with the provisions of Section 211 (3C) [Companies (Accounting Standards) Rules,2006, as amended] and the other relevant provisions of the Companies Act, 1956 which, as per a clarification issued by the Ministry of Corporate Affairs, continue to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act 1956 w.e.f 12 September 2013).The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2. USE OF ESTIMATES

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

3. FIXED ASSETS

Fixed assets are capitalised at cost of acquisition including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to their working condition for intended use.

Emergency machinery spares of irregular use and critical insurance machinery spares are capitalised as part of relevant plant & machinery.

Pre-operative expenditure incurred upto the date of commencement of commercial production is capitalized as part of fixed assets.

4. INVESTMENTS

Current investments are stated at lower of cost and fair value. Long-term investments are stated at cost after providing for diminution in value where in the opinion of the management such diminution is not temporary in nature.

5. DEPRECIATION/AMORTISATION

Depreciation is provided for on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except in respect of computers (including accessories,software and peripherals), which are depreciated fully in the year of addition. Depreciation on other additions/deletions is provided pro-rata from/upto the month of addition/deletion.

Emergency machinery spares of irregular use and critical insurance spares are depreciated over the balance useful life of the parent asset.

All assets costing ₹ 5,000 or below are depreciated in full by way of a one time depreciation charge.



6. INVENTORY VALUATION

Inventories are valued at lower of cost or net realisable value except in case of scrap which is taken at net realizable value. Cost for various items of inventory is determined as under:

a. Raw materials (including those in transit)	:	Purchase cost including incidental expenses on FIFO basis.
b. Chemicals, Packing material, other Stores and spares (including those in transit)	:	Purchase cost including incidental expenses on weighted average basis.
c. Work-in-process	:	At raw material cost including proportionate production overheads.
d. Finished goods		
i) Sugar	:	At raw material cost including proportionate production overheads.
ii) Molasses	:	At average net realisable price.
iii) Industrial Alcohol	:	At value of molasses as determined above plus proportionate production overheads in distillery.
iv) Traded goods	:	Purchase cost including incidental expenses on FIFO basis.
v) Renewable Energy Certificates	:	Cost incurred by the company at the time of application and other related expenses.

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

7. REVENUE RECOGNITION

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

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

Sale of goods

Sales includes excise duty and is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer. Gross sales and net sales are disclosed separately in Statement of Profit & Loss.

Power generated at co-gen plants is primarily consumed by the manufacturing units and excess power is sold to State Electricity Board (SEB) at rate stipulated by SEB's.

Carbon Credit Entitlement (CER's)/Renewable Energy Certificates (REC's)

In process of production, the Company also generates carbon emission reduction units which may be negotiated for price in international market under Clean Development Mechanism (CDM) subject to completing certain formalities and obtaining certificate of Carbon Emission Reduction (CER) as per Kyoto Protocol. Revenue from CER is recognized as and when the CER's are certified and it is probable that the economic benefits will flow to the Company.

Entitlement to Renewable Energy Certificates owing to generation of power are recognised to the extent sold. Entitlement remaining unsold at the year end are valued at lower of cost and net realisable value.

Late Payment Surcharge

Late payment surcharge on delayed payments is recognized as income in accordance with the terms of power purchase agreement (PPA) entered into with UPPCL and its associates.

Interest

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue in respect of dividends is recognised when the Shareholders rights to receive payment is established by the balance sheet date.

8. CONTINGENCIES AND EVENTS OCCURING AFTER THE BALANCE SHEET DATE

Events occurring after the date of the Balance sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered upto the date of approval of accounts by the Board of Directors, where material.

**9. GOVERNMENT GRANTS**

Grants relating to specific fixed assets are deducted from the original cost of specified assets.

10. EMPLOYEES BENEFITS**a) Provident Fund**

Company's contribution to provident fund, being in the nature of defined contribution plan, are being charged to Statement of Profit & Loss in the period during which services are rendered by employees.

b) Gratuity & Leave Encashment

Provision for gratuity and leave encashment in the nature of defined benefit obligation is considered on the basis of Accounting Standard AS-15 on actuarial valuation using projected unit credit method. The discount rate and other financial assumptions are based on the parameters defined in the accounting standard.

c) Other Short term benefits

Expenses in respect of other short term benefits are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

11. EXCISE DUTY

Excise duty in respect of finished goods (including molasses) is accounted for at the end of period and is included in the value of closing stock as per 'Guidance Note on Accounting Treatment of Excise Duty' issued by the Institute of Chartered Accountants of India.

12. INTANGIBLE ASSETS

Items of expenditure that meet the recognition criteria as mentioned in Accounting Standard are classified as intangible assets and are amortized over the period of economic benefits not exceeding ten years.

13. BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

14. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are accounted for at the exchange rate prevailing on the date of transaction. Exchange differences arising on account of forward contracts are dealt with in the Statement of Profit & Loss over the period of the contracts. Monetary assets and liabilities relating to foreign currency transactions are converted at the year-end rate or at forward contract rate, as applicable. Gains or losses arising on cross currency forex swap transactions are accounted for over the period of contract.

15. TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income & tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on expected outcome of assessments/ appeals.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year and reversal/adjustment of earlier year deferred tax assets / liabilities which are quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets on account of unabsorbed losses and depreciation are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reassessed at each Balance Sheet date.

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

**16. IMPAIRMENT OF ASSETS**

Where the recoverable amount of the fixed asset is lower than its carrying amount, a provision is made for the impairment loss. Post impairment, depreciation is provided for on the revised carrying value of the asset over its remaining useful life. The impairment loss recognized in prior accounting period is reversed if there is a favorable change in the estimate of recoverable amount.

17. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements. A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

18. EARNING PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

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

19. LEASES**Where the Company is the lessee**

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

Where the Company is the lessor

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

20. SEGMENT ACCOUNTING & REPORTING**Identification of segments**

The company's operating business are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products.

Allocation of common costs

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

Unallocated Items

Unallocable assets & liabilities represent the assets & liabilities not allocable to any segment as identified as per the Accounting Standard.

Segment Policies

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

21. CASH & CASH EQUIVALENTS

Cash & Cash Equivalents includes cash in hand, demand deposit with banks, other short-term highly liquid investment with original maturities of three months or less.



“28 B” – OTHER NOTES

1. SECURITIES FOR BORROWINGS:

Value in ₹

<p>Abbreviations: DN - Dwarikesh Nagar Unit DP- Dwarikesh Puram Unit DD - Dwarikesh Dham Unit ROI-Rate of interest O/S- Amount outstanding Qtly.- Quarterly FCL- Foreign Currency Loan</p>	<p>PNB- Punjab National Bank IDBI- IDBI Bank Limited SUPGB- Sarva U.P.Gramin Bank DCB- District Co-Operative Bank (Zila Sahkari Bank) UPGB- U.P.Co-Operative Bank SDF- Sugar Development Fund</p>
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Bank/FI, amount sanctioned and outstanding as on reporting Date	Current (₹)	Non-Current (₹)	Security	Repayment Schedule of amount outstanding and ROI on the reporting date
i) Long Term Borrowings				
IDBI Sanctioned - 16,00,00,000 O/S - 80,00,000 (5,60,00,000)	80,00,000 (2,40,00,000)	--- (3,20,00,000)	Pari-passu Charge on fixed assets : -1 st on DD -2 nd on DN -3 rd on DP	- ROI-14.00% - 1 installment of ₹ 80,00,000 payable In July,2015.
PNB ** # Sanctioned - 90,00,00,000 O/S - 9,51,22,989 (38,04,40,989)	9,51,22,989 (19,02,12,000)	--- (19,02,28,989)	Pari-passu Charge on fixed assets : -1 st on DP -2 nd on DN -3 rd on DD	- ROI-14.00% - 1 quarterly installment of ₹ 4,75,53,000 payable in June,2015 and final installment of ₹ 4,75,69,989 payable in September,2015.
PNB ** # Sanctioned - 94,00,00,000 O/S - 24,86,38,763 (54,70,18,763)	19,89,20,000 (19,89,20,000)	4,97,18,763 (34,80,98,763)	Pari-passu Charge on fixed assets : -1 st on DD -2 nd on DN -3 rd on DP	-ROI-14.00% - 4 quarterly installments of ₹ 4,97,30,000 each and final installment of ₹ 4,97,18,763 payable in April,2015 and onwards.
PNB ** # Sanctioned - 56,00,00,000 O/S - 12,00,00,000 (12,00,00,000)	9,03,79,319 (---)	2,96,20,681 (12,00,00,000)	Pari-passu Charge on fixed assets : -1 st on DP 24 MW Co-gen assets -2 nd on DN -3 rd on DD	-ROI-14.00% -next installment of ₹ 15,01,319 payable in April,2015 -rest 3 qtly installments of ₹ 2,96,26,000 each and final installment of ₹ 2,96,20,681 payable in July,2015 and onwards.
PNB * Sanctioned - 50,00,00,000 O/S - 15,00,00,000 (30,00,00,000)	10,00,00,000 (10,00,00,000)	5,00,00,000 (20,00,00,000)	Pari-passu Charge on fixed assets : -1 st on DN -2 nd on DP -2 nd on DD	-ROI-14.00% - 6 qtly installments of ₹ 2,50,00,000 each payable in April,2015 and onwards.
PNB Sanctioned - 1,00,00,00,000 O/S - 29,99,99,982 (59,99,99,982)	20,00,00,000 (20,00,00,000)	9,99,99,982 (39,99,99,982)	Pari-passu Charge on fixed assets : -1 st on DN, DP and DD	-ROI-14.00% -5 qtly installments of ₹ 5,00,00,000 each and final installment of ₹ 4,99,99,982 payable in June,2015 and onwards.



Bank/FI, amount sanctioned and outstanding as on reporting Date	Current (₹)	Non-Current (₹)	Security	Repayment Schedule of amount outstanding and ROI on the reporting date
PNB Sanctioned - 65,00,00,000 O/S - 65,00,00,000 [^] (---)	---	65,00,00,000 (---)	Pari-passu Charge on fixed assets : -1 st on DN, DP and DD	-ROI-14.00% -12 qtlly installments of ₹ 5,41,66,667 each payable in December,2016 and onwards.
PNB [SEFASU 2014] Sanctioned – 61,08,00,000 O/S - 61,08,00,000 (---)	3,39,33,334 (---)	57,68,66,666 (---)	Pari-passu Charge on fixed assets : - 3rd ^d on DN, DP and DD	-ROI-12.00% [total subvention from Govt. of India] -36 monthly installments of ₹ 1, 69, 66,667 each payable in February ,2016 and onwards.
PNB [car loan] Sanctioned - 65,00,000 O/S - 62,13,237 (---)	10,70,734 (---)	51,42,503 (---)	Hypothecation of car	-ROI-10.65% -56 EMI of ₹ 1,40,200 each [including interest] payable in April,2015 and onwards.
Total term loans from Banks O/S - 2,18,87,74,971 (2,00,34,59,734)	72,74,26,376 (71,31,32,000)	1,46,13,48,595 (1,29,03,27,734)		
SDF Sanctioned - 27,50,00,000 O/S – 12,82,66,000 (20,52,25,600)	5,13,06,400 (5,13,06,400)	7,69,59,600 (15,39,19,200)	Pari-passu Charge on fixed assets : -1 st on DP	-ROI- 4% - 5 half yearly Installments of ₹ 2,56,53,200 each payable in May,2015 and onwards.
SDF Sanctioned - 26,50,00,000 O/S – 9,83,41,600 (17,20,97,800)	4,91,70,800 (4,91,70,800)	4,91,70,800 (12,29,27,000)	Pari-passu Charge on fixed assets : -1 st on DD	-ROI- 4% - 4 half yearly Installments of ₹ 2,45,85,400 each payable in May,2015 and onwards.
SDF Sanctioned - 2,00,00,000 O/S - --- (50,00,000)	---	---	---	---
SDF Sanctioned - 2,50,00,000 O/S - --- (62,50,000)	---	---	---	---
SDF Sanctioned - 2,50,00,000 O/S - --- (62,50,000)	---	---	---	---
Total term Loans from others O/S – 22,66,07,600 (39,48,23,400)	10,04,77,200 (11,79,77,200)	12,61,30,400 (27,68,46,200)		
From Companies O/S – 30,00,00,000 (---)	---	30,00,00,000 (---)	Residual Charge on fixed assets of DN, DP & DD	- ROI- 13% - Payable in May,2017
Total long term borrowings O/S - 2,71,53,82,571 (2,39,82,83,134)	82,79,03,576 (83,11,09,200)	1,88,74,78,995 (1,56,71,73,934)		



ii) Short Term Borrowings:				
a. Cash Credit				
PNB Sanctioned- 2,60,00,00,000	2,44,19,84,444 (1,35,29,83,671)	---	-hypothecation & pledge of stock of sugar, molasses, chemicals, stores & spares - 2 nd Pari-passu charge on fixed assets of all three units of the company	-ROI- 13.50%
SUPGB Sanctioned- 10,00,00,000	9,96,08,163 (6,99,23,516)	---		-ROI- 13.00%
DCB Sanctioned- 1,00,00,00,000	98,57,29,551 (9,99,27,922)	---		-ROI- 11.50%
Total Cash Credit	3,52,73,22,158 (1,52,28,35,109)	--- (---)		
b. Loans & advances from related parties	8,52,044 (8,53,269)	--- (---)	Unsecured	-ROI- 10% - Payable on demand
Total short term borrowings	3,52,81,74,202 (1,52,36,88,378)			

Term Loans from PNB & IDBI and Cash credit from all the banks aggregating to ₹ 5,71,60,97,129 (previous year ₹ 3,52,62,94,843) are personally guaranteed by the Managing Director of the company out of which the company has given Counter guarantees of ₹ 3,82,33,54,341 (previous year ₹ 2,75,64,43,423) to him to secure all these personal guarantees excluding PNB term loan outstanding of ₹ 1,26,70,13,237 (previous year ₹ 59,99,99,982) and part CC outstanding of ₹ 62,57,29,551 of DCB (previous year ₹ 16,98,51,438 from DCB & SUPGB).

PNB Term Loans marked with # are additionally secured by second pari-passu charge on current assets of the company.

Out of the term loan outstanding of PNB marked with [^] , amount equivalent to ₹ 50 Crores (previous year Nil) is converted to Foreign Currency Term Loan amounting to USD 78,70,297.50 (at ROI @ 6.1288 % p.a. excluding hedging cost) ,which on the due date of settlement on 28th December,2015 , will be reinstated in respective Rupee term loan of PNB.

Term Loans marked with * were restructured in 2009 and term loans marked with ** were restructured twice first in 2007 and second time in 2009.

2. Contingent liabilities not provided for

Particulars	As at 31st March 15 ₹	As at 30th Sep'13 ₹
(a) Claims not acknowledged as debts by the company.	20,76,408	20,76,408
(b) In respect of show cause notices from Central Excise department in various cases against which the company has preferred appeals [net of amount reversed and payments of ₹ 2,40,72,147 (previous year ₹ 2,40,62,421)].	5,45,34,998	3,22,30,862
(c) In respect of Trade Tax and Entry Tax demand received from Uttar Pradesh Trade Tax authorities in various cases, in respect of which the company has preferred appeals [net of amount deposited under appeal of ₹ 3,76,453 (previous year ₹ 15,98,498)].	Nil	Nil
(d) Guarantees issued by the bankers on behalf of the Company.	69,68,525	Nil

3. a) Estimated amount of contracts remaining to be executed on capital account, net of advance of ₹ 2,05,11,055 (previous year ₹ 2,76,73,832) and not provided for is ₹ 10,53,344 (previous year ₹ 73,87,249). Other Commitments ₹ Nil (previous year ₹ Nil).

4. Dividend not provided for on cumulative preference shares:-

Particulars	As at 31st March 15 ₹	As at 30th Sep'13 ₹
12% 1,10,000 (previous year 1,10,000) cumulative redeemable preference shares (Series I)	72,60,000 ₹66 per share	52,80,000 ₹48 per share
8% 15,00,000 (previous year 15,00,000) cumulative redeemable preference shares (Series II)	6,60,00,000 ₹44 per share	4,80,00,000 ₹ 32 per share
8% 10,00,000 (previous year 10,00,000) cumulative redeemable preference shares (Series III)	2,00,00,000 ₹20 per share	80,00,000 ₹8 per share
8% 5,00,000 (previous year 5,00,000) cumulative redeemable preference shares (Series IV)	80,00,000 ₹16per share	20,00,000. ₹4 per share



5. Particulars of Capacity, Production, Stock and Turnover

I Capacities & Production

a.) Capacities

Particulars	Unit	Licensed Capacity	Installed Capacity
Sugar Cane	TCD	21,500 (21,500)	21,500 (21,500)
Industrial Alcohol / Ethanol	KLPD	30 (30)	30 (30)
Power	MW	86 (86)	86 (86)

Note: Capacities are as certified by the Management.

b.) Production

Class of Goods	Unit	Actual Production
Sugar	Qtls.	43,41,529 (23,81,045)
Molasses	Qtls.	17,59,095 (11,68,080)
Power	Kwh.	43,32,12,964 (25,90,55,028)
Industrial Alcohol		
-Spirit	Ltrs.	*50,38,103 (34,31,173)
-Ethanol	Ltrs.	5,74,205 (7,11,883)
Renewable Energy Certificates (REC)	Units	173,572 (Nil)

Note:

* Includes 2,12,806 Ltrs (previous year Nil) on conversion of 2,00,155 Ltrs ethanol and addition moisture thereon.

II Particulars of Revenue from operations & Inventory

a) Revenue from operations:

Class of Goods	Unit	Quantity	Value (₹)
i) Sugar	Qtls.	32,12,629 (25,57,370)	9,74,30,50,171 (8,30,55,98,394)
ii) Molasses	Qtls.	*9,79,050 (12,02,412)	46,54,45,908 (44,04,79,110)
iii) Power	Kwh.	28,25,36,258 (16,81,67,676)	1,26,84,41,756 (71,80,61,573)
iv) Industrial Alcohol			
-Spirit	Ltrs.	**34,54,000 (26,78,000)	13,20,96,508 (8,36,25,581)
-Ethanol	Ltrs.	***2,72,000 (6,21,000)	1,23,22,801 (2,68,58,541)
v) Miscellaneous sale			6,16,28,648 (1,65,91,684)
vi) Other operating Revenue			
- Renewable Energy Certificates (REC)	Units	51,243 (Nil)	7,68,64,500 (Nil)
-Others			44,54,287 (3,70,23,139)
Total Revenue from operations			11,76,43,04,579 (9,62,82,38,022)

Note:

* Excludes 2,06,522 Qtls (previous year 1,44,274 Qtls) molasses used internally for manufacturing of Industrial Alcohol in Distillery.

** Excludes 6,04,753 Ltrs (previous year 7,58,646 Ltrs) spirit used internally manufacturing of Ethanol in Distillery.

*** Excludes 2,00,155 Ltrs (previous year Nil) ethanol used internally for conversion into spirit.



b) Inventories

i) Finished Goods

Class of goods		Unit	Opening Stock		Closing Stock	
			Quantity	Amount (₹)	Quantity	Amount (₹)
i)	Sugar	Qtls.	5,80,977 (7,57,302)	1,78,84,33,082 (2,20,91,47,652)	17,09,877 (5,80,977)	4,47,67,39,615 (1,78,84,33,082)
ii)	Molasses	Qtls.	1,518 (1,81,032)	4,23,829 (6,03,86,233)	*5,74,270 (1,518)	21,34,32,075 (4,23,829)
iii)	Industrial Alcohol					
	- Spirit	Ltrs.	1,449 (11,195)	27,618 (2,12,679)	**9,69,717 (1,449)	2,80,36,098 (27,618)
	-Ethanol	Ltrs.	1,42,802 (42,902)	33,78,309 (10,24,326)	***2,43,729 (1,42,802)	83,37,363 (33,78,309)
iv)	Renewable Energy Certificates (REC)	Units	Nil (Nil)	Nil (Nil)	1,22,329 (Nil)	Nil (Nil)

Note: The quantities are net of:

* 771 Qtls (previous year 908 Qtls) normal losses.

** 11,082 Ltrs (previous year 4,273 Ltrs) normal losses and use from SDS solution.

*** 1,123 Ltrs (previous year 9,017 Ltrs normal gains) normal losses.

ii) Work-in-progress

Class of goods		Unit	Opening Stock		Closing Stock	
			Quantity	Amount (₹)	Quantity	Amount (₹)
i)	Sugar	Qtls.	142 (108)	3,13,576 (2,40,003)	17,050 (142)	3,21,72,240 (3,13,576)
ii)	Molasses	Qtls.	93 (54)	28,909 (9,933)	13,049 (93)	36,52,402 (28,909)
iii)	Industrial Alcohol	Ltrs.	2,027 (6,884)	35,788 (1,22,463)	3,091 (2,027)	74,286 (35,788)

(B) Raw Material & Chemicals Consumed

Particulars		Quantity (Qtls.)	%	Value (₹)
a)	Sugar Cane	4,17,71,204 (2,42,60,411)		11,69,94,37,089 (7,22,56,21,516)
b)	Chemicals			9,93,68,423 (7,24,62,706)
Indigenous			100 (100)	11,79,88,05,512 (7,29,80,84,222)
Imported			Nil (Nil)	Nil (Nil)
Total			100 (100)	11,79,88,05,512 (7,29,80,84,222)
c)	C I F VALUE OF IMPORTS			Nil (Nil)
d)	EXPENDITURE IN FOREIGN CURRENCY (on accrual basis) Interest on Foreign Currency Term Loans			5,98,58,697 (Nil)
e)	EARNINGS IN FOREIGN CURRENCY			Nil (Nil)

Note:-Figures in the brackets are for the previous year.



6.
a) Remuneration to Managing Director

	2013-2015 (18 Months) ₹	2012-2013 (12 Months) ₹
Salary	1,44,00,000	72,00,000
Leave Encashment *	---	12,00,000
	1,44,00,000	84,00,000
Add: Company's Contribution to P.F. (exempted allowance)	17,28,000	8,64,000
Total	1,61,28,000	92,64,000

Commission to Managing Director is not payable in view of inadequacy of profit as per Schedule V of the Companies Act, 2013 and hence not provided for.

b) Remuneration to other Whole time director

Salary	71,81,460	45,40,536
Other Allowances	77,60,247	44,83,896
Leave Salary *	---	3,43,629
Interim Bonus	5,39,816	---
Company's Contribution to P.F. (exempted allowance)	8,61,786	5,44,863
Total	1,63,43,309	99,12,924

c)

Directors sitting Fee- Non-executive directors	3,50,000	1,27,500
Total Managerial Remuneration (a+b+c)	3,28,21,309	1,93,04,424

*Gratuity and long term liability in respect of leave encashment not determinable as the actuarial valuation is done on overall company basis. The above figures are actual payments.

7. a) The company has made provision for gratuity and leave encashment in the nature of defined benefit obligation on the basis of actuarial valuation as per Accounting Standard AS-15. Since the liability has not been funded through a Trust or Insurer, there are no plan assets.

b) i) Defined Contribution Plans :

Employer's Contribution to Provident Fund ₹ 5,20,65,182 (previous year ₹ 3,04,60,024).

ii) Defined Benefits Plans :

Liability for Gratuity is determined on actuarial basis using projected unit credit method. The details are as under

	As at 31st March 15 ₹	As at 30th Sep' 13 ₹
Change in defined benefit obligation:		
Opening defined benefit obligation	6,50,60,864	5,86,08,985
Current service cost	96,92,361	61,38,833
Interest cost	92,86,197	50,50,431
Actuarial loss/ (gain)	1,15,05,248	(24,51,761)
Past service cost	---	---
Benefit paid	(44,86,200)	(22,85,624)
Closing defined benefit obligation	9,10,58,470	6,50,60,864



Change in fair value of assets :		
Contribution by employer	44,86,200	22,85,624
Benefit paid	(44,86,200)	(22,85,624)
Change in fair value of plan assets	---	---
Expense recognized in Statement of Profit & Loss		
Current service cost	96,92,361	61,38,833
Interest cost	92,86,197	50,50,431
Net actuarial losses / (gain)	1,15,05,248	(24,51,761)
Past service cost	---	---
Expense recognized in Statement of Profit & Loss	3,04,83,806	87,37,503
Financial Assumptions at the valuation date		
Discount rate	8.00%	9.25%
Expected rate of return on assets (p.a.)	---	---
Salary escalation	6.00%	6.00%

Amount for the current and previous four years in respect of gratuity are as follows:-

Particulars	Period Ended				
	31-March-15	30-Sep-13	30-Sep-12	30-Sep-11	30-Sep-10
	(in ₹)				
Defined Benefit Obligation	9,10,58,470	6,50,60,864	5,86,08,985	4,73,69,283	3,73,93,670
Plan Assets	---	---	---	---	---
Surplus/(Deficit)	(9,10,58,470)	(6,50,60,864)	(5,86,08,985)	(4,73,69,283)	(3,73,93,670)
Exp. Adj. on Plan Liabilities	32,48,848	26,74,548	17,63,251	41,07,428	40,30,723
Exp. Adj. on Plan Assets	---	---	---	---	---

8. Trade Receivable/Payables and Loans and Advances balances are subject to confirmation and reconciliation.
9. As per the Accounting Standard AS-28 'Impairment of Assets', the company has tested impairment to identify the impairment loss, if any. Based on the assessment of the existing assets, the realizable amount for all the units is higher than the carrying values of such units. Accordingly no impairment is required to be recognized during the period.
10. The company has not taken/given any assets on finance/ operating lease. Accordingly, Accounting Standard AS-19 on leases is not applicable. The company has taken various office/ residential premises and office equipment's on cancellable leases which are renewable on expiry of the respective lease period.
11. **Derivative instruments and foreign currency exposures:**
 - (a) During the period Rupee term loans of ₹ 15,000 lacs (previous year Nil) were converted into foreign currency loan of USD 2,44,40,305.80, out of which ₹ 10,000 lacs equivalent to USD 1,65,70,008.30 was reinstated as Rupees term loan during the period itself. The above loans are hedged by forward contracts here is no foreign currency exposure outstanding as at the Balance Sheet date (Previous year ₹ Nil).
 - (b) Particulars of un-hedged foreign currency exposures as at the Balance Sheet date are ₹ Nil (Previous year ₹ Nil).
12. There are no present obligations requiring provision in accordance with the guiding principles as enunciated in Accounting Standard AS-29 as it is not probable that an outflow of resources embodying economic benefit will be required.
13. Previous period figures have been regrouped and recasted wherever considered necessary. However, the same are not strictly comparable as the previous period figures are for the period from 01.10.2012 to 30.09.2013 whereas the current period figures are for the period from 01.10.2013 to 31.03.2015.



14 Segment information for the Eighteen months period ended 31st March, 2015

(i) Information about Primary Business segment

(Amount in ₹)

Particulars	Sugar	Co-Generation	Distillery	Adjustment	Total
Revenue					
External Revenue	9,88,67,90,902 (8,42,44,43,223)	1,34,53,06,256 (75,31,85,025)	12,86,47,701 (9,85,21,253)		11,36,07,44,859 (9,27,61,49,501)
Internal Revenue	10,82,44,789 (3,70,34,376)	65,98,65,581 (38,49,91,557)	---	(76,81,10,370) (-42,20,25,933)	---
Total Revenue	9,99,50,35,691	2,00,51,71,837	12,86,47,701	(76,81,10,370)	11,36,07,44,859
Results					
Segment Results	(1,00,74,29,461) (-41,88,36,071)	1,46,18,21,928 (76,74,78,343)	3,18,01,130 (3,77,88,094)		48,61,93,597 (38,64,30,366)
Less: Unallocated Expenditure (net of income)					
Interest					75,20,97,675 (70,56,09,489)
Profit/(Loss) before tax					(26,59,04,078) (-31,91,79,123)
Provision for tax					(9,84,02,376) (-12,55,76,089)
Net Profit/(Loss) for the period after tax					(16,75,01,702) (-19,36,03,034)
Other Information					
Segment Assets	8,38,66,94,597 (5,44,41,64,706)	1,21,62,23,064 (92,18,58,914)	16,35,79,584 (10,93,00,336)		9,76,64,97,245 (6,47,53,23,956)
Segment Liabilities	2,70,38,34,657 (1,47,27,64,328)	8,02,650 (5,39,578)	7,06,755 (33,05,786)		2,70,53,44,062 (1,47,66,09,692)
Capital Expenditure	5,45,27,010 (1,82,90,149)	14,80,611 (1,96,30,340)	50,557 ---		5,60,58,178 (3,79,20,489)
Depreciation/Obsolescence	35,99,04,499 (25,12,02,273)	10,03,08,595 (7,24,82,798)	1,22,50,665 (81,66,972)		47,24,63,759 (33,18,52,043)

Revenue in respect of captive power produced from co generation plant has been arrived at based on the rates at which the same is being supplied to State Electricity Board.

(ii) The company does not have any Secondary Business Segment since there were no exports during the year and no assets located outside India.

15 Earning per share:

(Amount in ₹)

	Oct-13-Mar-15	2012-13
Profit after tax	(16,75,01,702)	(19,36,03,034)
Less: Preference dividend including corporate dividend tax of earlier year	4,76,90,202	2,72,83,234
Profit attributable to Equity Share holders	(21,51,91,904)	(22,08,86,268)
Number of equity shares outstanding during the period (weighted average)	1,63,14,676	1,63,14,676
Potential equity shares (weighted average)	---	---
Number of equity shares outstanding during the period including potential shares (weighted average)	1,63,14,676	1,63,14,676
Nominal value of equity shares (₹)	10	10
Earning per share (₹) Basic	(13.19)	(13.54)
Earning per share (₹) Diluted	(13.19)	(13.54)


16 Related party disclosures as required by Accounting Standard AS-18 for the eighteen months period ended 31st March,2015
a) Names of the related parties and description of relationship:
i) Enterprises over which key management personnel are able to exercise significant influence

- Morarka Finance Limited
- Dwarikesh Trading Company Limited
- Dwarikesh Informatics Limited
- Dwarikesh Agriculture Research Institute
- Faridpur Sugars Limited (Associate Company)

ii) Key Management Personnel

- Shri G.R.Morarka Managing Director
- Shri B.J.Maheshwari Whole-time Director & Company Secretary
Cum Chief Compliance Officer
- Shri Vijay S. Banka Whole -time Director & Chief Finance Officer

**iii) Relatives of Key Managerial Personnel
Shri G.R.Morarka**

- Smt. Smriti G. Morarka (Wife)
- Ms. Priyanka G. Morarka (Daughter)
- Shri Pranay G. Morarka (Son)

b) Details of Transactions

Sl. No.	Name of Related Party	Nature of Transaction	Volume of Transaction (₹)	Amount due to (₹)	Amount due from (₹)	Investment (₹)
1	Dwarikesh Trading Co. Ltd.	Inter Corporate Deposit Repaid	1,225 (72,899)	72,039 (73,264)		
		Inter Corporate Deposit Received	Nil (Nil)			
		Interest Paid	10,724 (12,537)			
		Rent Paid (Car)	3,37,500 (Nil)			
		Rent Received	3,60,000 (2,40,000)			
		Advance Rent		40,000 (1,60,000)		
2	Dwarikesh Informatics Ltd.	Services Purchased	40,44,960 (26,96,640)	11,40,388 (5,65,344)		22,00,000 (22,00,000)
		Dividend Received	2,00,000 (2,00,000)			
3	Dwarikesh Agriculture Research Institute (Formerly Dwarikesh Sugarcane Research Institute)	Interest Paid	18,914 (12,621)	1,26,211 (1,26,211)		
4	Faridpur Sugars Limited		Nil (Nil)	Nil (Nil)		2,00,000 (2,00,000)
5	Morarka Finance Limited	Rent Paid	24,58,626 (2,46,000)	Nil (2,21,400)		



Sl. No.	Name of Related Party	Nature of Transaction	Volume of Transaction (₹)	Amount due to (₹)	Amount due from (₹)	Investment (₹)
6	Shri G.R.Morarka	Loan Repayment	Nil (2,65,444)	6,53,794 (6,53,794)		
		Loan Taken	Nil (1,33,386)			
		Interest Paid	97,979 (72,055)			
		Remuneration	1,61,28,000 (80,64,000)			
		Leave Encashment	Nil (12,00,000)			
7	Shri B.J. Maheshwari	Remuneration	77,83,521 (47,31,834)			
		Ex-gratia/Interim Bonus	2,81,491 (Nil)			
		Leave Encashment	Nil (1,82,239)			
8	Shri Vijay S. Banka	Remuneration	80,19,972 (48,37,461)			
		Ex-gratia/Interim Bonus	2,58,325 (Nil)			
		Leave Encashment	Nil (1,61,390)			
9	Ms. Priyanka G. Morarka	Remuneration	13,50,000 (9,00,000)			
		Ex-gratia/Interim Bonus	90,124 (Nil)			
		Leave Encashment	44,275 (44,275)			

As per our report of even date
For S.S.Kothari Mehta & Co.
Chartered Accountants
Arun K. Tulsian
Partner
Membership No. 89907

Place: New Delhi
Date: 29th May, 2015

G. R. Morarka
Managing Director

B. J. Maheshwari
Whole Time Director & Company Secretary
cum Chief Compliance Officer
Vijay S. Banka
Whole Time Director & Chief Financial Officer
Place: Mumbai
Date: 28th May, 2015


KEY FINANCIAL DATA

Key Financial Data	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011*	2011-2012	2012-2013	2013-2015 (18 months)
Sales	16,425	24,821	24,402	29,386	48,461	57,728	61,655	72,595	96,282	117,643
<i>Revenue from operation</i>										
Other Income	44	144	119	40	155	190	35	216	1,310	266
Increase/Decrease () in stock	321	(954)	6,929	7,005	(9,318)	6,132	(1,829)	9,941	(4,511)	28,228
Total Income	16,790	24,011	31,450	36,431	39,297	64,051	59,861	82,752	93,082	146,137
Manufacturing and operating expenses <i>(cost of material used)</i>	9,820	16,091	25,440	26,089	20,499	50,735	43,134	63,790	74,247	119,978
Excise Duty	937	1,355	1,708	2,121	2,274	2,221	2,342	2,735	3,521	4,035
Exception item/ Deferred revenue expenditure	21	30	30	30	30	30	0	0	0	0
Staff expenses	804	1,206	1,597	2,412	2,858	3,218	3,543	3,805	4,030	7,144
Selling & administration expenses <i>(other expenses*)</i>	541	767	784	822	1,038	1,346	3,359	2,811	4,101	5,393
Total Expenditure	12,123	19,449	29,559	31,474	26,699	57,551	52,378	73,141	85,899	136,550
Profit before interest, depreciation and tax (PBI DT)	4,667	4,562	1,890	4,957	12,598	6,500	7,483	9,611	7,183	9,587
Depreciation and amortization expenses	550	1,221	1,331	2,943	3,295	3,206	3,272	3,289	3,319	4,725
Profit before interest and tax (PBIT)	4,117	3,341	559	2,014	9,302	3,294	4,212	6,322	3,864	4,862
Interest	594	650	1,846	4,947	6,164	4,631	5,978	7,886	7,056	7,521
Profit before tax (PBT)	3,523	2,691	(1,287)	(2,933)	3,138	(1,336)	(1,766)	(1,564)	(3,192)	(2,659)
Taxes	863	607	(658)	(455)	630	(431)	(450)	(433)	(1,256)	(984)
Profit after Tax (PAT)	2,660	2,084	(628)	(2,478)	2,508	(906)	(1,316)	(1,131)	(1,936)	(1,675)
Cash accruals	3,764	3,645	2	27	6,103	1,651	1,506	1,725	117	2,066
Equity Share Capital	1,256	1,556	1,556	1,631	1,631	1,631	1,631	1,631	1,631	1,631
Preference Share Capital	110	110	1,610	1,610	1,610	1,610	1,610	1,610	3,110	3,110
Share Application money pending allotment								1,000	0	0
Equity Share Warrant			120	60	0	0		0	0	0
Reserves & Surplus	7,569	13,679	12,441	10,638	12,608	11,702	10,386	9,255	7,319	5,644
Secured loan funds excluding cash credit limits/ <i>secured loan including repayable within 1 year*/ long term borrowing including current maturity of long term debt</i>	9,161	10,946	34,704	39,311	38,459	32,305	39,308	33,169	23,983	27,154
Unsecured loan funds	3	423	763	5,459	44	5,617	239	11	9	9
Net block of fixed assets	16,665	28,220	56,206	58,655	55,544	52,531	50,032	46,999	44,044	39,861
Investment	34	33	22	22	22	27	24	24	24	24
Deferred tax liability	1,229	1,569	1,413	945	1,701	1,261	683	249	0	0
Deferred tax Assets									1,017	2,001
Current assets	6,089	6,022	17,261	22,911	12,820	18,300	14,058	26,967	19,837	56,964
Non Current Assets/Long term loans & advances & other non current assets*							1,208	1,231	1,125	1,024
Current Liabilities / current liabilities excluding short term borrowing & current maturity of loan term debts*	2,913	4,708	12,578	7,727	5,928	9,306	3,301	7,813	13,529	25,560
Non Current Liabilities/Other long term liabilities & long term provisions*							1,046	1,159	1,237	1,494
Current Liabilities including cash credit limit	3,460	6,111	20,972	21,995	12,361	16,732	10,419	27,137	28,758	60,833
Capital raising expenditure to the extent not written off		120	90	60	30	0	0	0	0	0

*regrouped /reclassified as per schedule VI since 2010-11



Financial Icons

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011*	2011-2012	2012-2013	2013-2015 (18 months)
OPERATING RATIOS										
Manufacturing & operating expenses / Total income	58.49%	67.02%	80.89%	71.61%	52.16%	79.21%	72.06%	77.09%	79.77%	82.10%
<i>Cost of material consumed/Total income*</i>										
Excise duty / Total income	5.58%	5.64%	5.43%	5.82%	5.79%	3.47%	3.91%	3.30%	3.78%	2.76%
Staff expenses / Total income	4.79%	5.02%	5.08%	6.62%	7.27%	5.02%	5.92%	4.60%	4.33%	4.89%
Selling & administration expenses / Total income	3.22%	3.19%	2.49%	2.26%	2.64%	2.10%	5.61%	3.40%	4.41%	3.69%
Other expenses / Total income*										
PBIDT / Total income	27.80%	19.00%	6.01%	13.61%	32.06%	10.15%	12.50%	11.61%	7.72%	6.56%
PBIT / Total income	24.52%	13.91%	1.78%	5.53%	23.67%	5.14%	7.04%	7.64%	4.15%	3.33%
PBT / Total income	20.98%	11.21%	-4.09%	-8.05%	7.99%	-2.09%	-2.95%	-1.89%	-3.43%	-1.82%
PAT / Total income	15.84%	8.68%	-2.00%	-6.80%	6.38%	-1.41%	-2.20%	-1.37%	-2.08%	-1.15%

Balance Sheet Ratio

Debt Equity Ratio	1.04	0.71	2.21	2.82	2.43	2.16	2.88	2.65	1.99	2.61
(Secured loan excluding cash credit / share holder's funds)										
Inventory Turnover Ratio	4.14	8.23	2.45	1.68	5.95	4.04	4.94	3.20	5.37	2.47
(Turnover / closing stock of inventory)										
Fixed Assets Turnover Ratio	1.01	0.85	0.56	0.62	0.71	1.22	1.20	1.76	2.11	3.67
(Total income / net block of fixed assets)										
Fixed Assets Coverage Ratio (FACR)	1.82	2.58	1.62	1.49	1.44	1.60	1.26	1.41	1.83	1.47
(Net block of fixed assets/ Secured loan excluding cash credit)										

Per Share Data

Earnings per share (EPS) (Rs.)	23.17	13.90	-4.20	-15.31	14.20	-6.50	-9.02	-7.88	-13.53	-13.19
Cash earnings per share (CEPS) (Rs.)	32.85	24.38	-0.22	-0.63	35.90	9.17	8.28	9.62	-0.95	15.77
Dividend (Rs.per Equity Share)	6.00	6.00	0.00	0.00	1.50	0.00	0.00	0.00	0.00	0.00
Dividend Payout %	60%	60%	0%	0%	15%	0%	0%	0%	0%	0%
Book Value (Rs.)	70.24	97.89	89.93	75.21	87.28	81.73	73.66	66.73	54.86	44.60

*regrouped / reclassified as per schedule VI since 2010-11


VALUE-ADDED STATEMENT

₹ in lakhs

PARTICULARS	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011*	2011-2012	2012-2013	2013-2015 (18 months ending on 31st March)
Corporate Output (Total Income)	16,790	24,011	31,450	36,431	39,297	64,051	59,861	82,752	93,082	146,137
Less: Manufacturing & Operating expenses/ <i>cost of material consumed*</i>	9,820	16,091	25,440	26,089	20,499	50,735	43,134	63,790	74,247	119,978
Less: Exceptional Item/ deferred revenue expenditure	21	30	30	30	30	30	0	0	0	0
Less: Selling & Administrative expenses/ <i>Other Expenses*</i>	541	767	784	822	1,038	1,346	3,359	2,811	4,101	5,393
Gross Value Added	6,408	7,123	5,196	9,490	17,730	11,940	13,368	16,151	14,734	20,766
Less: Depreciation	550	1,221	1,331	2,943	3,295	3,206	3,272	3,289	3,319	4,725
Net Value Added	5,858	5,902	3,865	6,547	14,435	8,734	10,096	12,862	11,415	16,041
Allocation of Net Value Added										
to personnel	804	1,206	1,597	2,412	2,858	3,218	3,543	3,805	4,030	7,144
to Exchequer (Excise)	937	1,355	1,708	2,121	2,274	2,221	2,342	2,735	3,521	4,036
to Exchequer (Direct Taxes)	309	266	72	14	360	249	0	0	0	0
to Mat Credit entitlement					(487)	(239)	128	0	0	0
to deferred tax	554	341	(731)	(469)	757	(441)	(578)	(433)	(1,256)	(984)
to Stake holders (Interest)	594	650	1,846	4,947	6,164	4,631	5,978	7,886	7,056	7,521
to Investors (Dividend)	875	1,080	36	1	598	0	0	0	0	0
to Company (Retained earnings)	1,785	1,004	(664)	(2,479)	1,910	(906)	(1,316)	(1,131)	(1,936)	(1,675)
	5,858	5,902	3,865	6,547	14,435	8,734	10,096	12,862	11,415	16,041

*regrouped /reclassified as per schedule VI since 2010-11.

KEY STATISTICS

PARTICULARS	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2013-2015 (6 months ending 31st March)
No of days crushed											
- DN	162	156	169	142	119	140	141	155	159	141	125
- DP		100	166	127	106	134	132	147	148	131	125
- DD				99	66	114	113	145	143	111	122
Sugar cane Crushed in Qtls.											
- DN	80,14,653	72,05,405	83,77,011	72,19,113	50,64,737	66,15,074	68,82,340	76,62,759	77,30,481	67,54,422	66,41,700
- DP		33,93,773	88,95,373	71,29,891	45,75,622	64,83,011	58,70,034	78,88,321	83,90,189	72,63,772	73,93,000
- DD				50,42,169	30,06,582	58,55,079	61,05,708	81,57,356	81,39,741	68,53,451	68,64,859
Recovery % - DN	10.48	10.10	10.58	10.64	10.31	10.31	10.30	10.16	10.32	10.47	10.99
Recovery % - DP		10.20	10.07	10.33	9.93	9.77	9.47	9.73	10.00	10.52	10.82
Recovery % - DD				10.27	8.61	8.77	8.55	9.09	9.15	9.65	10.14
Total losses % - DN	1.851	2.06	2.04	1.92	1.84	1.89	1.85	1.82	1.83	1.79	1.64
Total losses % - DP		2.30	2.21	1.97	1.97	1.96	1.93	1.76	1.81	1.66	1.60
Total losses % - DD				2.14	2.14	2.04	2.07	1.90	1.92	1.68	1.72
Sugar Cane Bagged in Qtls. - DN	8,40,153	7,27,362	8,86,127	7,68,075	5,22,037	6,83,165	7,10,349	7,78,198	7,97,890	7,07,397	7,22,640
Sugar Cane Bagged in Qtls. - DP		3,45,850	8,95,500	7,36,265	4,54,380	6,34,460	5,57,845	7,67,410	8,38,650	7,64,090	7,90,400
Sugar Cane Bagged in Qtls. - DD				5,17,759	2,58,461	5,14,082	5,22,085	7,41,195	7,44,505	6,61,266	6,95,736

DWARIKESH SUGAR INDUSTRIES LIMITED

Regd. Office :Dwarikesh Nagar – 246762, Dist. Bijnor, U.P.

CIN : L15421UP1993PLC018642

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **21st ANNUAL GENERAL MEETING** of the Company held on Saturday, 19th September, 2015 at 10 a.m. at Dwarikesh Nagar – 246762, Dist. Bijnor, U.P.

* Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy



DWARIKESH SUGAR INDUSTRIES LIMITED

Regd. Office :Dwarikesh Nagar – 246762, Dist. Bijnor, U.P.

CIN : L15421UP1993PLC018642

PROXY FORM

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

Name of Member(s) Registered address		E-mail Id Folio No/ *Client Id *DP Id	
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I/We, being the member(s) of _____ shares of Dwarikesh Sugar Industries Limited, hereby appoint:

- 1) _____ of _____ having e-mail id or failing him _____ or failing him _____
- 2) _____ of _____ having e-mail id or failing him _____ or failing him _____
- 3) _____ of _____ having e-mail id or failing him _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **21st Annual General Meeting** of the Company, to be held on Saturday ,19th September 2015 at 10.00 a.m. at Dwarikesh Nagar – 246762, Dist. Bijnor, U.P. and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolutions	For	Against
1. Adoption of financial statement for the year ended March 31, 2015		
2. Appointment of Mr G. R. Morarka (DIN 00002078); who retires by rotation.		
3. Re-appointment of Ms Priyanka G. Morarka (DIN 00001088); who retires by rotation.		
4. Approval of related party transaction with related party – Morarka Finance Limited for taking on rent the office premises		
5. Appointment of Ms Malathi Mohan as a woman independent director		
6. Appointment of Mr B K Agarwal as an independent director		
7. Appointment of Mr K N Prithviraj as an independent director		
8. Re-appointment of Mr B J Maheshwari as a Whole Time Director & CS cum CCO		
9. Re-appointment of Mr Vijay S Banka as a Whole Time Director & CFO		
10. Approval for payment of sitting fees to independent directors		
11. Approval for increase in authorized share capital from Rs 54 crores to Rs 84 crores		
12. Approval for alteration of the capital clause of Memorandum of Association		
13. Approval for alteration of the capital clause of Articles of Association		
14. Approval for issue of cumulative redeemable preference shares		

Signed this _____ day of _____ 2015

Signature of first proxy holder

Signature of second proxy holder

Signature of shareholder

Signature of third proxy holder

Affix a
15 paise
Revenue
Stamp

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated

Milestones

Year	Event
1993	Incorporation of the Company in the name of Dwarka Sugar Limited.
1994	Change of name to Dwarikesh Sugar Industries Ltd.
1995	Setting up of 2500 TCD Sugar Plant Commencement of Commercial Production.
1996	Expansion of Capacity to 3500 TCD Setting up of 6 MW Power Plant.
1997	Payment of madien Dividend of 10%.
1999	Expansion of Capacity to 4000 TCD.
2001	Expansion of Capacity to 5000 TCD. Bought back 25.20 Lakh Shares at Rs. 40 per Share.
2002	Expansion of Co-gen from 6 MW to 9 MW. Expansion of Capacity to 6500 TCD.
2003	Sold Power worth Rs. 183 Lacs to UP State Grid.
2004	Successful Completion of IPO (23 Times Oversubscribed).
2004	Expansion of Co-gen Power Plant from 9 MW to 17 MW.
2005	Commissioned 30 KLPD distillery for manufacture of Industrial Alcohol.
2005	Successfully completed GDR issue of USD 12 million.
2006	Commencement of Dwarikesh Dham Plant of 7500 TCD with 36 MW Co-generation and expanded the Co-generation capacity at Dwarikesh Puram from 9 MW to 33 MW.
2008	Commencement of Co-generation for supply to state grid at Dwarikesh Puram and Dwarikesh Dham units.
2009	Recording of the highest recovery in U.P. at the DN Plant (10.31 per cent), while recovery recorded of DP Plant was amongst the top 5 in the State (9.93 per cent).
2010	Highest ever turnover exceeding Rs. 500 Crores mark.
2011	Registration with NLDC (National Load Dispatch Centre) of all the three units for generation of REC's.
2015	Recording of the highest recovery in U.P. at the DN Plant (11.11 per cent), while recovery recorded of DP Plant was amongst the top in the State (10.98 per cent).

Cautionary Statement

Statements made in this Annual Report describing the Company's objectives, projections, estimates, expectations may be "Forward-looking Statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

The background of the entire page is a light green color with a subtle pattern of stylized sugarcane stalks and leaves. The stalks are vertical and segmented, with long, pointed leaves extending from them. The overall aesthetic is clean and modern, with a focus on the natural elements of the sugar industry.

If undelivered, please return to :
Dwarikesh Sugar Industries Limited
511, Maker Chamber V,
221, Nariman Point,
Mumbai - 400 021.