



Dwarikesh Sugar Industries Limited

ROOTED IN
EXCELLENCE.
FOUNDED IN
EFFICIENCIES.



Twenty Second
Annual Report 2015-16



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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 - *Whole-time Director
& Company Secretary Cum Chief Compliance
Officer*

Vijay S. Banka - *Whole-time Director &
Chief Financial Officer*

REGISTERED OFFICE

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 (Corporate Affairs)
Ms. Priyanka G. Morarka

Vice President (Works)
– DN & DP Units
B. P. Dixit

Vice President (Works)
– DD Unit
R. K. Gupta

CORPORATE OFFICE

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

SOLICITORS

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

BANKERS

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

AUDITORS

S. S. Kothari Mehta & Co.
Chartered Accountants



We live in a world where nothing tastes sweeter than sugar

A world where we help you celebrate all those special moments of life

With our sweet little grains of sugar

A world in which we are continuously nurturing happiness

By leveraging our intrinsic strengths to deliver value

It's the world of Dwarikesh Sugar Industries Limited

A world packed with infinite possibilities and nurtured by our inherent efficiencies!



WELCOME TO THE WORLD OF DWARIKESH

To celebrate a year of driving more efficiencies and delivering more excellence

A year in which we saw a silver lining streak across the cloudy horizon

Steered by a favorable environment

And driven by an enhanced focus on creating efficiencies

A year of scaling higher levels of excellence in the recovery of sugar

Led by working hand-in-hand with farmers and improved people efficiencies

And augmented by technological prowess

A year of bringing higher production & cost efficiencies into the business

Through streamlined processes

And robust systems

It has been, for DSIL, a remarkable journey of making the most of the potential unleashed by an improving market sentiment.



A period of transposition that mapped a strategic roadmap for our future, and imbued us with a sense of cautious optimism to move confidently forward... to deliver excellence and value to all our stakeholders!



WE TAKE PRIDE IN OUR LEGACY OF EXCELLENCE

An integrated conglomerate with presence in production of sugar and allied products, power and ethanol/ industrial alcohol, Dwarikesh Sugar Industries Limited (DSIL) is a reputed industrial group that is also continually contributing to renewable energy.

It's an organization founded on the efficiencies it has consistently developed since inception in 1993. Headquartered in Mumbai, with office in Delhi, the Company today

stands out as one of the most technically efficient producers of sugar on the strength of its three manufacturing plants located strategically in the sugarcane-rich belt of Uttar Pradesh.



Through an enabling environment

Our plants are strategically located in India's largest sugarcane producing state of U.P. which is blessed with abundant water supply to yield maximum operational and cost efficiencies for the Company and all our stakeholders.

The Company's manufacturing strength encompasses two sugar plants located in Bijnor district (U.P.) – at Dwarikesh Nagar (Najibabad), Dwarikesh Puram (Afzalgarh), in addition to Dwarikesh Dham (Tehsil Faridpur – district Bareilly).

From commissioning the first 2500 TCD plant in Bijnor district of U.P. to creating a combined production capacity of 21,500 tons of sugarcane per day, Dwarikesh Sugar has come a long way.

While sugar remains our thrust area, we also have significant presence in power generation and ethanol production, through co-gen power plants at all our units along with a distillery in one of our units.



Check out our efficiencies scorecard

- High recoveries in North India
- Among the lowest cost producers of sugar in India
- Ranked among top 15 sugar manufacturing companies in India
- Renewable Energy Certificate NLDC accreditation to all 3 captive power generation enabled units

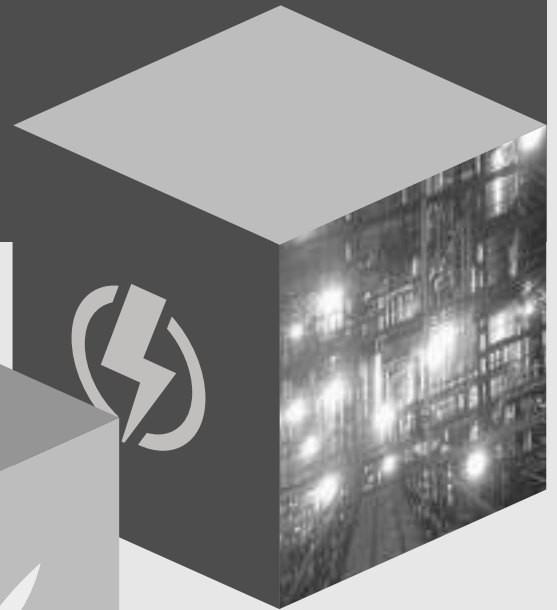


THIS IS HOW WE ARE POWERED TO DRIVE EFFICIENCIES

The power co-gen segment contributes significantly to the Company's revenues. Here's how:

Our 86 MW power plants at the three sugar manufacturing units are value-accretive efficiency drivers. These plants use bagasse - the solid residue that remains after crushing of sugarcane, to generate power.

Of the 86 MW power generated at the plants, 30 MW is used by the Company for captive consumption, with the remaining being sold to the Uttar Pradesh Power Corporation Limited (UPPCL).



And we also deliver value-added efficiencies

Our 30 KLPD distillery uses molasses, a by-product of sugar production, to manufacture industrial alcohol. The distillery is equipped to produce rectified spirit and ethanol, the latter being a vital additive in petrol, having to be mandatorily mixed with petrol in almost all states of India.

While providing value-addition to the by-product, the distillery ensures better price stability and realization of molasses to improve the viability of our sugar mills. This business is also emerging as a strong enabler for the Company's growth.



86 MW
power generated
at the plants

30 KLPD
distillery uses
molasses

HOW WE MAPPED OUR JOURNEY FROM HIGHER EXCELLENCE TO IMPROVED EFFICIENCIES IN FY16...

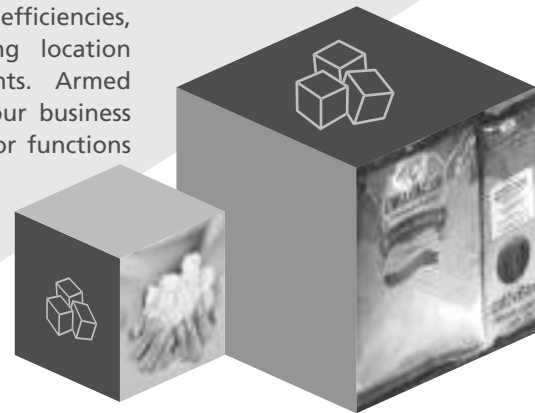
Through an enabling environment

The changing face of the Indian sugar industry, propelled by positive Government interventions, has led to the creation of a more favorable environment for the growth of the industry. Backed by some measures introduced by the Government, the Indian sugar industry started showing signs of positivity during the year under review. Underlined by international and global market resurgence, it was clearly a defining year for the industry, which slowly but surely started emerging out of the despondency that had gripped it over the past few years.

With the ability to leverage intrinsic strengths

At Dwarikesh Sugar, we were quick to leverage on the strength of our operational and cost efficiencies, coupled with the strong location advantage of our plants. Armed with the robustness of our business model across all the major functions

of procurement, manufacturing, logistics, marketing, financial and operational strengths, we reported excellence across our key parameters during the year.



AND THEN...

The policies were favorable too

The presence of our sugar mills in Uttar Pradesh proved to be a key strategic lever for our performance during the year. Unlike Maharashtra and Karnataka, U.P. was not faced with any climatic hurdles to its uninterrupted sugar mill operations. Also, the U.P. government did not increase the sugarcane price (SAP) for the 4th year in a row, providing strong price stability for sugar companies operating in the region. Waiver of several post-procurement taxes & grant of subsidies helped the sugar industry to bring down their arrears.

So was the weather

Our sugar mills are located in an area that is blessed by nature. The plants are in close proximity to the river Ganga and are also surrounded by the fertile sugarcane belt of U.P. This external factor insulated us from the vagaries of the weather.

Unlike Maharashtra and Karnataka, which were gripped by El Niño-linked drought, U.P. enjoyed favorable climatic conditions during the year; virtually frost-free winter and huge swings in the day and night temperature were conducive for optimum maturing of sugarcane. This, along with the deep cane development initiatives, ensured that we had high recoveries and improved cane quality.



FURTHER, WE REMAINED FOCUSED ON NURTURING OUR ROOTS

As an organization steered by an ethical value system, we are constantly nurturing our farmer relations through timely payments, in which we have an excellent track record.

We believe that our progress is linked with that of the farmers, and we remain closely engaged with them to enable their prosperity through various initiatives. It is our focused endeavor to partner with the cane-growers in their quest for better quality cane through our collaborative efforts, centered on knowledge-sharing and training programs about new technologies and modern farming practices.

- We are constantly striving to support their technological upgradation initiatives, besides distribution of rich seed and fertilizer varieties to improve their cane quality.
- We regularly provide our farmer-partners with the latest information about advanced water harvesting techniques, benefits of crop rotation, use of bio-agents, better control of pests, insects and diseases, etc.

More than

87,000

No. of farmers from whom sugarcane was procured during Season 2015-16

More than

73,700

hectares

Sugarcane area reserved for DSIL



Here's how we continued to partner the cane-growers in progress

Cognizant of the criticality of cane-growing to our success, we are constantly partnering farmers to drive increased and improved yield of high-quality sugarcane. Our cane development initiatives during the year encompassed:

- Helping farmers source and use better quality pesticides and fertilizers; providing subsidies where needed
- Setting up demonstration plots to showcase best farming practices and induce farmers to replicate the same; Nearly 100 such plots have been set up so far
- Adoption of trench farming technique, enabling accumulation of water and growth of sugarcane in pre-built trenches to improve yield and quality
- Educating farmers on the importance of autumn planting, coupled with intercropping to improve their earnings; Personal interactions, 'kisangoshtis' (farmers' seminars), 'nukkadnataks' (street plays) etc. are some of the mediums used for educating the farmers
- Providing customized solutions to meet specific requirements of farmers in the context of local conditions
- Providing high-yielding seed varieties to boost growth and increase yield of sugarcane

How the cane development initiatives enabled higher efficiencies

Our collaborative approach has helped improve the quality and yield of sugarcane produced in the sugar belt of U.P., thereby enabling the farmers to improve their yields and maximize their returns.

The high recoveries were attributable mainly to the revolutionary sugarcane variety Co 0238. This early maturing variety has a reasonably good amount of fiber content and high-yield properties. Coupled with the committed cane development efforts launched in the state, this variety worked wonders for sugar recoveries in U.P.

Along with good weather, another factor that boosted recovery in the state was reduction in harvest to crushing time, thus ensuring retention of sucrose content in sugarcane.





AND WE ALSO CONTINUED TO STRENGTHEN OUR R&D

Our focus on strengthening our efficiencies extends beyond procurement and manufacturing of sugar to propagating the latest practices in farming. The Dwarikesh Agriculture Research Institute is engaged in practical research of farming techniques to augment the crop yield and safeguard the quality of the soil.

The research institute comprises a hi-tech soil-testing laboratory and a bio-pesticides laboratory to study the application of fertilizers and the ideal sowing conditions for sugarcane seeds. Propagation and testing of varietal mix of sugarcane is also undertaken by the institute.

Other steps taken by institute to help farmers improve their efficiencies encompass:

- Use of remote sensing for accurate geological surveys of the command area, using satellite images to enhance sugarcane growth and yield
- Separate web portal for farmers to access information about their calendar, payment status, survey details and loan position
- SMS alert facility for automatic sending of messages to growers regarding their indent/payment
- IVR facility to help growers know about their cane status/payment on phone
- Hand-held machines at our centers to expedite transfer of data with 100% accuracy
- Kisan Sewa Kendras for providing good quality agrochemicals, financial assistance for nurseries and technology upgradation, with tie-ups with various banks for loan disbursement
- Camps for farmers to create awareness among them about the latest research and use of technology, better ways of storage and transportation, protection from pests etc., along with distribution of free high-quality cane seeds












Our focused R&D initiatives have enabled the Company to ensure streamlined and quality supply of sugarcane, enabling high recovery and production levels for us.

THE RESULT - IMPROVED EFFICIENCY

How our sugar mills performed during season 2015-16

Recovery scorecard

Name of the plant	Recovery season 2015-16	Recovery season 2014-15	Recovery season 2013-14
Dwarikesh Nagar (DN)	 12.12%	 11.11%	 10.47%
Dwarikesh Puram (DP)	 11.77%	 10.98%	 10.52%
Dwarikesh Dham (DD)	 11.16%	 10.14%	 9.65%
Combined	 11.73%	 10.78%	 10.22%

Dwarikesh Nagar

Using the latest automated machinery to handle high capacity under the most cost-effective conditions, the Dwarikesh Nagar plant reached new echelons of efficiencies, underlined by a record sugar production, during crushing season 2015-16:

7.8 million
quintals of
sugarcane crushed

12.12%
of recovery recorded

Dwarikesh Puram

With 7,500 TCD capacity, the Dwarikesh Puram plant is aligned to our growth strategy of becoming a large integrated sugar conglomerate with interests in synergistic businesses. During the crushing season 2015-16, the plant notched up the following milestones:

7.2 million
quintals of
sugarcane crushed

11.77%
of recovery recorded

Dwarikesh Dham

Backed by improving efficiencies, the Dwarikesh Dham plant also reported good performance during the crushing season 2015-16:

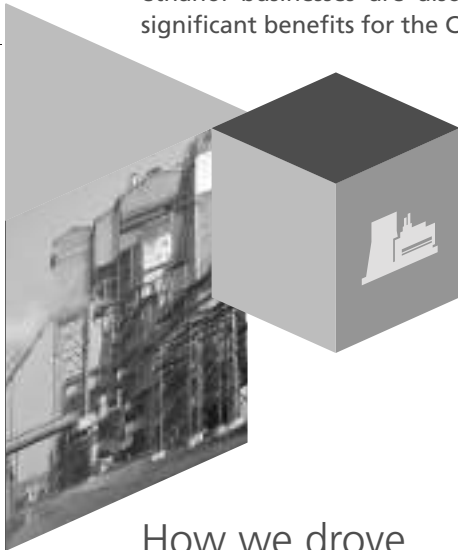
5.9 million
quintals of
sugarcane crushed

11.16%
of recovery recorded



BUT OUR EXCELLENCE STORY DID NOT END WITH OUR SUGAR SCORECARD WE ALSO FOUND EXCELLENCE BEYOND SUGAR!

At Dwarikesh, the excellence of our integrated business approach is underlined by our continuous efforts to ensure zero liquid discharge. Our energized efforts to drive efficiencies in our power co-generation and ethanol businesses are also yielding significant benefits for the Company.



How we drove excellence in our ethanol business

Our value-additive ethanol business continues to drive excellence in our performance through better efficiencies built over the past 10 years. During FY 2015-16, we commissioned our Bio-methanol spent wash plant, de-bottlenecking our ethanol manufacturing capabilities.

Here's how we delivered excellence in our co-gen business

We continued to build efficiencies in our power co-gen unit during the year under review.

1377 lacs
kwh surplus power exported to UPCCCL

52 lac
kwh power banked with UPCCCL for use in off-season

₹ 6719 lacs
earned from co-gen business

And in our journey towards zero liquid discharge

Our efforts towards optimizing the use of process water are aligned with the stringent norms introduced by the various State Pollution Control Boards to minimize liquid discharge from the sugar mills. Armed with the goal of ensuring zero liquid discharge in the coming years, we have set up online monitoring systems to monitor the quality of liquid and air discharge from our plants.

Sustaining Nature's efficiencies

All our manufacturing plants are registered with the Clean Development Mechanism (CDM), underlining the clean efficiencies of their operations. Effluent treatment plants and ethanol production for the recycling of waste at the manufacturing plants are also key measures we have undertaken to promote green efficiencies.

FUELING GROWTH THROUGH EFFICIENCIES

₹ in Lacs

	2010-2011	2011-2012	2012-2013	2013-2015	2015-2016
Key Financial Data					
Sales (Revenue from operation)	61,655	72,595	96,282	117,643	83,151
Other income	35	216	1,310	266	862
Increase/Decrease() in stock	(1,829)	9,941	(4,511)	28,228	2,856
Total Income	59,861	82,752	93,082	146,137	86,869
Manufacturing and operating expenses (cost of material used)	43,134	63,790	74,247	119,978	61,717
Excise duty	2,342	2,735	3,521	4,035	3,717
Exception item/Deferred revenue expenditure	---	---	---	---	(492)
Staff expenses	3,543	3,805	4,030	7,144	4,968
Selling & Administration Expenses (other expenses)*	3,359	2,811	4,101	5,393	4,785
Total Expenditure	52,378	73,141	85,899	136,550	74,695
Profit before interest, depreciation and tax (PBIDT)	7,483	9,611	7,183	9,587	12,174
Depreciation and amortization expenses	3,272	3,289	3,319	4,725	3,076
Profit before interest and Tax (PBIT)	4,212	6,322	3,864	4,862	9,098
Interest	5,978	7,886	7,056	7,521	5,159
Profit before tax (PBT)	(1,766)	(1,564)	(3,192)	(2,659)	3,939
Taxes	(450)	(433)	(1,256)	(984)	42
Profit after tax (PAT)	(1,316)	(1,131)	(1,936)	(1,675)	3,897
Cash accruals	1,506	1,725	117	2,066	7,006
Equity share capital	1,631	1,631	1,631	1,631	1,631
Preference share capital	1,610	1,610	3,110	3,110	3,110
Share application money pending allotment	---	1,000	---	---	---
Equity Share Warrant	---	---	---	---	---
Reserves & Surplus	10,386	9,255	7,319	5,644	6,960
Secured loan funds excluding Cash Credit Limit/Secured loan including repayable within 1 year	39,308	33,169	23,983	27,154	30,141
Unsecured Loan Funds	239	11	9	9	9
Net Block of Fixed Assets	50,032	46,999	44,044	39,861	35,666
Non Current Investment	24	24	24	24	20
Deferred Tax Liability	683	249	---	---	---
Deferred Tax Assets	---	---	1,017	2,001	1,707
Current Assets	14,058	26,967	19,837	56,964	61,725



FUELING GROWTH THROUGH EFFICIENCIES

₹ in Lacs

	2010-2011	2011-2012	2012-2013	2013-2015	2015-2016
Non Current Assets / Long term loans & advances & Other non current assets	1,208	1,231	1,125	1,024	1,005
Current Liabilities/Current liabilities excluding short term borrowing and current maturity of long term debts	3,301	7,813	13,529	25,560	21,190
Non Current Liabilities/other long term liabilities and long term provision	1,046	1,159	1,237	1,494	1,670
Current Liabilities including cash credit limit	10,419	27,137	28,758	60,833	56,602
Capital raising expenditure to the extent not written off	---	---	---	---	---

Value Added Statement

₹ in Lacs

	2010-2011	2011-2012	2012-2013	2013-2015	2015-2016
Corporate Output (Total Income)	59,861	82,752	93,082	146,137	86,869
Less : Manufacturing & Operating Expenses	43,134	63,790	74,247	119,978	61,717
Cost of material consumed*					
Less : Exceptional item / deferred revenue expenditure	---	---	---	---	(492)
Less : Selling & Administrative expenses/ other expenses*	3,359	2,811	4,101	5,393	4,785
Gross Value Added	13,368	16,151	14,734	20,766	20,859
Less : Depreciation	3,272	3,289	3,319	4,725	3,076
Net Value Added	10,096	12,862	11,415	16,041	17,783
Allocation of Net Value Added					
To Personnel	3,543	3,805	4,030	7,144	4,968
To Exchequer (Excise)	2,342	2,735	3,521	4,036	3,717
To Exchequer (Direct Taxes)	---	---	---	---	145
To MAT Credit Entitlement	128	---	---	---	(136)
To Deferred Tax	(578)	(433)	(1,256)	(984)	33
To Stake Holders (Interest)	5,978	7,886	7,056	7,521	5,159
To Investors (Dividend)	---	---	---	---	---
To Company (Retained Earnings)	(1,316)	(1,131)	(1,936)	(1,675)	3,897

* Re-grouped / re-classified as per scheduled VI since 2010-11

Key Statistics

Sugar Season	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
No. of days crushed - DN	155	159	141	156	146
No. of days crushed - DP	147	148	131	139	127
No. of days crushed - DD	145	143	111	113	98
Sugarcane crushed in Qtls - DN	7,662,759	7,730,481	6,754,422	8,288,859	7,821,407
Sugarcane crushed in Qtls - DP	7,888,321	8,390,189	7,263,772	8,152,637	7,280,891
Sugarcane crushed in Qtls - DD	8,157,356	8,139,741	6,853,451	6,864,859	5,946,903
Recovery % - DN	10.16	10.32	10.47	11.11	12.12
Recovery % - DP	9.73	10.00	10.52	10.98	11.77
Recovery % - DD	9.09	9.15	9.65	10.14	11.16
Total Losses % - DN	1.82	1.83	1.79	1.70	1.82
Total Losses % - DP	1.76	1.81	1.66	1.61	1.62
Total Losses % - DD	1.90	1.92	1.68	1.72	1.74
Sugarcane bagged in Qtls - DN	778,198	797,890	707,397	920,511	948,800
Sugarcane bagged in Qtls - DP	767,410	838,650	764,090	895,261	856,652
Sugarcane bagged in Qtls - DD	741,195	744,505	661,266	695,766	665,433





MANAGING DIRECTOR'S MESSAGE

"After a prolonged period of gloom and depression, the sugar sector in India has found some reason to cheer. The positive effect of this change can be seen across the industry, including at Dwarikesh Industries, triggering a sense of cautious optimism all around."

Dear Shareholders,

I am happy to state that at the macro level, globally and within India, things appear to be somewhat better on the strength of policy reforms initiated by Governments across the world. On the global economic landscape, IMF has pegged the growth estimates for 2016 at 3.6% (inflation adjusted), with both advanced and emerging economies contributing to the improvement.

On the industry front, too, things have started looking up, with global sugar stockpiles showing signs of reducing, and global sugar prices rebounding after hitting a low. With demand outstripping supply for the first time in five years and prices showing signs of stability, value for sugar is expected to be reasonable remunerative globally in the coming seasons.

As far as the domestic economic overview is concerned, overall, India continues to be a shining star on the global economic horizon, showing signs of renewed positivity propelled by key policy reforms. Pick-up in private consumption, particularly in the rural belt, backed by inflation control, steady global oil prices and strengthening of domestic demand are the vital factors invigorating the Indian economic performance.

After a prolonged period of gloom and depression, the sugar sector in India has also found some reason to cheer. The positive effect of this change can be seen across the industry, including at Dwarikesh Industries, triggering a sense of cautious optimism all around.

Indian Sugar Industry

The Indian sugar industry is demonstrating signs of improvement despite a decline in overall production figures for SY 2016. The lower production has been mainly on account of the drought in Maharashtra and Karnataka caused by the El Niño effect, and partly due to decrease in cane availability in Uttar Pradesh. Tamil Nadu, however, reported higher production over the previous season due to better monsoon. As per the latest ICRA estimates, an 11% decrease in production, along with exports, is expected to bring down the closing industry stocks to around 7.6 million MT in SY 2016, from 9.5 million MT in SY 2015. Buoyed by the forecast, domestic sugar realization has been on the uptick since August 2015.

Further contributing to the positivity in the industry is a host of stimuli triggered by the Central Government

to bail out the sugar sector. A loan of ₹ 6,000 crores to help the industry clear its sugarcane dues of 2014-15; mandatory exports requirement; subsidy to sugar mills fulfilling their export obligation as also their obligation to supply ethanol; and increase in mandated procurement price of ethanol are some of the measures that have enabled the sugar sector to find its feet after several years of skidding on a slippery road.

The marginal decline in production notwithstanding, the sugar sector in Uttar Pradesh witnessed a good year in 2015, particularly in terms of recoveries, as the State Government launched a slew of industry-friendly measures to bring the sugar companies out of the depths in which they had been languishing over the last few years. Empathetic to the problems faced by the sugar industry, the U.P. Government did not raise the sugarcane price (SAP) for the fourth year in a row, while also waiving off post-procurement levies such as entry tax, society commission and purchase tax.

Announcement of subsidies and introduction of two-tier payment system were some of the other Government initiatives that contributed to lending a strong impetus to the industry's performance in the State during the year under review. The favorable policies of the State Government, where our mills are strategically located, supported our performance.

Key performance

While the positive external conditions, marked by key government interventions, have played a pivotal

role in enabling a turnaround for the sugar industry in India, your Company's performance is directly linked to its inherent efficiencies and the legacy of excellence which we have meticulously built over the years. During the year under review, we successfully leveraged our strengths to deliver positive performance, with revenue from operations at ₹ 83,151 lakhs for the 12-month period from April 2015 to March 2016. Profit after tax for April 2015 – March 2016 was ₹ 3,897 lakhs. These figures compared favorably with the numbers for the previous 18-month period, when the revenue reported was ₹ 117,643 lakhs while there was loss after tax of ₹ 1,675 lakhs.

Our positive performance matrices extended to recoveries, and I am happy to share that our recoveries were among the highest in North India, even as we had the distinction of being among the lowest cost producers of sugar in the country. As one of the top 15 sugar manufacturing companies in India, with NLDC accreditation for all our three power co-gen units, we stand tall as a diversified and integrated entity on the industry landscape.

As part of our collaborative approach, we are continuously investing in nurturing cane growers to develop better quality of high-yielding sugarcane. It is our constant endeavor to introduce the farming community to new cane development methods and technologies by helping them source better quality seed varieties, pesticides and fertilizers, and also providing them with subsidies as needed. Our demonstration plots, as well as our initiatives to educate

and encourage farmers to adopt intercropping, trench farming technique, etc., are playing a critical role in enhancing their yield and earnings, while benefiting sugar mills through improved recoveries and production. This results in a win-win proposition for both, setting the stage for collective growth for all industry stakeholders.

While the overhang of past still remains, we see the current positivity translating into vastly improved performance for the sugar sector in India as a whole, and your Company in particular.

With our efforts focused on reaping the benefits of our strength and utilizing the funds generated in the current phase to quickly repay our debts, we are optimistic about deleveraging the Company in the near term. What we see ahead is a more dynamic entity, operating in an auto pilot mode to surge steadfastly on a trajectory of stability and recurring profits.

Building efficiencies across our value-added offerings

As an integrated sugar player, we have committed ourselves to responsible growth, with our strong forward linkages in the power co-gen and ethanol production segments. Not only are these segments enabling green and clean growth for your Company but are also emerging as important contributors to our revenue.

Given the Government thrust on the Ethanol Blending Program (EBP), ethanol production offers a strong risk-mitigating value-addition to our



business. To leverage the potential in this business, we successfully debottlenecked our plant, with an outlay of nearly ₹ 10 crores, during the year. This will improve our ethanol manufacturing capabilities and scale up our performance in this segment.

Our corporate responsibility extends to ensuring minimal liquid discharge from our sugar mills as per the norms mandated by the Pollution Control Boards across the country. Our efforts in this area encompass recycling and reuse of the process water while minimizing the use of ground water. We are also constantly monitoring the air and water discharge at our plants to keep the pollution levels under stringent control.

We have, in fact, a well-defined CSR charter aimed at uplift of the communities around our plants, and we are regularly investing in various programs to nurture their progress, as well as the progress of our own people.

Moving forward with cautious optimism

It would be correct to state that the foundation has indeed been laid for reasonable growth going forward. But the optimism needs to be tempered with some degree of caution too. This cautious optimism stems from the uncertainty surrounding the global and domestic economic and industry environment. Globally, the slow pace of economic growth is expected to continue, with emerging and developing nations, in particular, still falling short of the desired levels of structural reforms needed to incentivize growth. On the domestic front, economic performance is



expected to fare somewhat better, though still lagging on key growth matrices on account of the slow pace of reforms.

Coming to the sugar industry, much depends on the weather conditions both within and outside India. Excessive rainfall in the harvest season could lower Brazil's production estimates in the coming year, and coupled with expectations of lower production in Thailand, India and China, the global sugar balance is expected to remain somewhat tight. In India, the effect of drought in Maharashtra and Karnataka is likely to cause production to decline significantly, though U.P. and T.N. are estimated to partially make up for the loss. However, at least for the next two years, efficient sugar companies, particularly in Uttar Pradesh, will be able to sustain the momentum triggered over the past few months. And given our intrinsic strengths and value-accretive efficiencies, we are optimistic that your Company will be

at the forefront of this sustainable growth.

Imperatives needed to sustain positivity

For the Indian sugar industry, sustained Government initiatives to keep prices under control and stocks in a comfortable position will play an important role in ensuring continued momentum. Other vital parameters that will determine the industry's future course are: timely payments to farmers at reasonably remunerative prices, taking steps to keep employees satisfied, servicing bankers and lenders on time, delivering value to shareholders, and meeting the corporate social responsibilities to which we are all committed. At Dwarikesh, we believe that if the Government and the industry continue to collaborate to deliver on these counts, there is no reason for the sugar sector in India not to show marked improvement in the future. And with our inherent strengths and

efficiencies, we are well positioned to lead this expected improvement. A robust business model and our integrated value chain also promise to steer our performance in the coming seasons.

The Government of India has been taking several steps in recent years to provide strong impetus to EBP, which augurs well for your Company. With prices of by-products such as bagasse and molasses remaining remunerative in India, I am confident that our forward integration into power co-generation and distilleries will continue to yield healthy returns for DSIL. This forward integration will be particularly critical for your Company, and in fact for the industry at large, to boost profitability in view of the cyclic nature of the sugar business.

A few last words

At Dwarikesh Industries, our differential thinking and innovative approach, founded on an edifice of ethical & professional behavior and backed by our robust competency & capability framework, has enabled us to reach this far. And we are hopeful of things getting better, at the back of our own strengths and efforts, as also the expectations of continued Government support.

It is my firm opinion that our reputation and goodwill, coupled with the vendor loyalty we have developed through our transparent and collaborative approach, will continue to drive our performance. Our focus on ensuring total customer satisfaction through stringent adherence to quality benchmarks, and our employee-friendly policies,

are the key engines of our growth and we shall further nurture them through the coming years.

While moving steadfastly to increase our share in the sugar market, we shall also continue to strengthen our power co-gen and ethanol production businesses.

In conclusion, I would like to express the Company's gratitude to the Central and U.P. Government officials and authorities for all the help they have extended to the ailing sugar industry in an effort to nurse it back to good health. I am hopeful that our collaborative efforts, underlined by affirmative action, will enable us to scale new milestones of excellence in the years ahead.

I would also like to express appreciation, on behalf of the Board, for all our customers, employees, bankers, partners and shareholders for standing by us in difficult times. Let me assure you at this juncture that we shall continue to strive to deliver augmented value to all our stakeholders as we surge towards enhanced performance.

Thank you

Gautam R. Morarka

Managing Director





BOARD OF 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.

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, 2011 and again in the year 2016 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" in 2012, recognizing the contribution made towards promoting social harmony and in service of the society, in personal capacity and through our charity organisations.

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 PNB Investment Services Ltd., IL&FS Asset Management Ltd. and CAN FIN Housing 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 32 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 nine years, Mr. Vijay S. Banka has nearly 26 years of rich experience in handling Finance and Strategy.



OUR EFFICIENCIES ARE ALSO ROOTED IN OUR PEOPLE EXCELLENCE

Creation and management of operational and cost efficiencies in an organization require a high level of employee efficiencies. Led by this guiding philosophy, we have in place a robust and well structured Human Resources (HR) model oriented towards nurturance of our people efficiencies.

Talent acquisition, promotion and retention are key facets of our HR agenda, and we are concertedly focused on the creation of a strong talent pool nurtured in an empowering and motivating environment. Our HR function is engaged in continuous skill mapping and matching of talent to ensure right people for the right jobs. Skill honing and training camps are conducted on a regular basis to bridge capability gaps, where needed.

Regular interactive meetings are held with employees in furtherance of our zero grievance target. We are committed to providing our workforce a healthy and safe working environment, to which end we are continuously scaling up our health and safety parameters.

Our training programs are customized to individual employee needs, which are identified through periodic performance appraisals. Performance evaluation is based on the Key Result Areas (KRAs) allocated to the employees, who are also motivated through incentives and rewards for good work.

Celebration of festivals, and welfare activities in the field of education and health for the families of the employees, are other notable features of our employee engagement. We have built excellent residential colonies at the plant sites for our employees and their families, backed by the complete range of basic amenities needed by them for dignified living.

Our plants are also equipped with recreational clubs providing facilities for our employees and their children to play outdoor and indoor games, thus nurturing their holistic growth and development.





AND WE ARE COMMITTED TO FOSTERING EXCELLENCE THROUGH INCLUSIVE GROWTH

Impactful and collaborative progress is a function of sustainable growth encompassing all the key stakeholders of an organization. Our efficiency culture is aimed at fostering an inclusive environment, enabling progress for the communities in the regions of our presence.

Our community welfare measures include regular medical camps, which are conducted by specialist doctors to provide free medical aid and hygiene education to the needy and poor.

The R. R. Morarka Public School at Dwarikesh Nagar endorses our commitment to fostering an environment of education not only for the children of our employees but also those from surrounding villages. The spacious campus is well-equipped to provide students with academic and co-curricular facilities, with highly trained and qualified faculty to teach them. The CBSE-affiliated school, which is up to Standard XII, has brought education to the doorstep of many bright and needy students who had earlier been deprived of this vital tool to nurture their progress. Students of the school have won laurels in academics, as well as in extra-curricular activities, bringing accolades to the institution.



The Company has also adopted Rajpura (Uttar Pradesh) as a model village, and has initiated strengthening of its road network, besides providing sanitary facilities and hygiene education to the villagers.

Our plants are located in lush green surroundings with large-scale tree plantation. We have, in fact, set up a separate Task Force to drive our tree plantation drive. We are also working to spread environmental consciousness among the villagers through distribution of free saplings and seedlings.

Our SewaJyoti (R. R. Morarka Charitable Trust) is working proactively in the region, with welfare activities designed to uplift the people of the village. It organizes free health and eye camps, accu-pressure

and accu-puncture camps, and blood donation drives on a regular basis. It also provides free vaccination for children and artificial limbs for the handicapped.

In a major contribution, SewaJyoti has successfully built, and handed over to the state government, a college in the name of Late Shri Radheyshyamji Ramkumarji Morarka. Shri Radheyshyam R. Morarka Govt. PG College, Jhunjhunu (Rajasthan), is being constantly developed and expanded by the Trust, which is also in the process of building a similar government college building in Nawalgarh (Rajasthan).

A roadways bus stand constructed by SewaJyoti has also become operational. Other initiatives include establishment of an intensive training at the plant for ITI graduates as part

of a Youth Orientation program, and construction of a charitable hospital.

Empowerment of farmers and women is a key agenda of the Trust's programs. To this end, it has been playing a constructive role in the implementation of government schemes and programs, including formation of Self Help Groups (SHGs), Micro Enterprises Development Program (MEDP), Financial Literacy Awareness Program (FLAP), Water Management and Conservation under Mukhaya Mantri Jal Swavlamban Program, and formation of Kisan Clubs.





MANAGEMENT DISCUSSION AND ANALYSIS



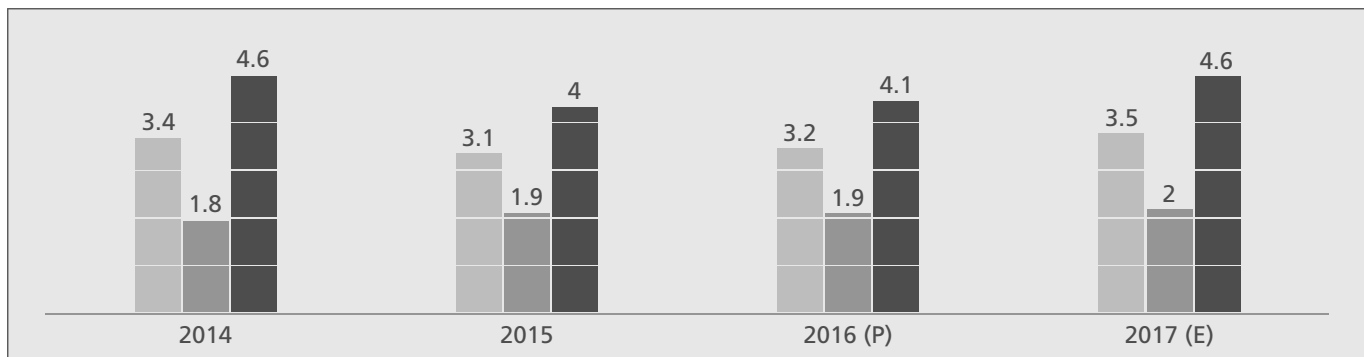
Global Economy

Global economy is poised for economic growth comparable to the recent years' performance, but with a somewhat different texture. European countries are expected to do better, Asian countries a tad less and natural resource-based economies, worse. The baseline projection for global growth in 2016

is a modest 3.2 percent. The recovery is projected to strengthen in 2017 and beyond, driven primarily by emerging market and developing economies, as conditions in stressed economies start gradually to normalize. But uncertainty has increased, and risks of weaker growth scenarios are becoming more tangible. China's growth rate of GDP is 6.9%, down

from 7% in previous quarters. India's growth remains strong, but capital spending has slackened this year. Consumer spending and low commodity prices are strengths that should enable India to continue its strong expansion. Commodity prices are 30 percent lower than their 2011 peak, driving cutbacks in mining, petroleum and agriculture

World GDP Growth



■ World Economies ■ Advance Economies
 ■ Emerging Market & Developing Economies

[E - Estimate; P - Projection]

Source: IMF's World Economic Update, April 2016

Indian economy – growing, despite challenges

India's economic growth is expected to be a tad lower at 7.4% in 2016-17, in juxtaposition with the growth of 7.6% in 2015-16, with tepid external demand and shrinking export offsetting the pickup in domestic demand. According to the report of Asian Development Bank (ADB), growth in India is expected to dip marginally this year as expansion in public investment weakens due to fiscal constraints, private corporations continue to deleverage, and external demand remains anemic. The weak balance sheets of public sector banks may also hamper lending and growth prospects. The Economic Survey though pegged the economy's growth at 7-7.75% in 2016-17. The growth trajectory in 2017-18 could be better on account of the Government's strengthening of public sector banks' capital and operations, private investment benefiting from corporate deleveraging, the financing of stalled projects, and an uptick in bank credit.

India is expected to be a star performer and will remain the fastest growing large economy in the world in the near term. The potential growth of the country can be raised further if it can successfully implement necessary reforms including unifying tax regime, improving the labor market regulations, as well as opening up further to foreign direct investment and trade.

GLOBAL SUGAR SUPPLY AND DEMAND SCENARIO

After a few years of surplus, things are looking tight and the global sugar deficit for the year 2015-16 has widened. The estimates of deficit range between 5 million tons and 7 million tons. Fresh figures of harvest and production estimates in key sugar geographies viz. India, Thailand and Brazil have caused a slash in the production estimates. Deficit

mainly driven by erratic weather in Brazil, more diversion of sugarcane for ethanol production, drought running from China through India, including Thailand, resulting in lower production in China, Thailand and India.

Global stockpiles are now showing signs of ebbing. Global sugar prices of both raw and whites which had recorded unprecedented low levels in August 2015 have since rebounded by nearly 40% to 60%. Currently, international sugar prices are hovering around 16 cents per pound, up by more than 50% over the last 7 months from a low of 10.4 cents per pound in August 2015. It has indeed been a story of remarkable turnaround.

Outlook for 2016-17:

- Promising sugar production season is forecasted in Brazil. Excessive rainfall during the harvest season can dampen the production estimates in Brazil
- Unfortunate drought in Maharashtra and Karnataka, is expected to drag the production by 3 million tons, However, surge in production in Uttar Pradesh and Tamil Nadu, can propel the production by 1 million ton. Overall production to be lower by 2 million tons
- Production in Thailand is also expected to be lower. Lesser production outlook in India, China and Thailand will result in continuance of tight sugar balance, globally

Some takeaways from the key sugar geographies:

Brazil:

- Globally, Brazil is the largest producer of sugar and accounts for around 20% of the global sugar production and it is also the largest sugar exporter

India is expected to be a star performer and will remain the fastest growing large economy in the world in the near term.

- Good level of rain since the beginning of rainy season has resulted in absence of water stress. It is estimated that the cane availability will be plentiful and CS Brazil mills will crush 624 million tons of sugarcane in 2016-17 (April to March) and sugar mix is expected to be slightly greater than 43% of the total cane crushed, as against 40.65% diverted in 2014-15 SS. Sugar production is expected to increase by 3.15 million tons to 34 million tons. Giant crop and bumper production in Brazil is likely to cut global deficit substantially during 2016-17
- Besides the weather, political situation, regulatory changes, competitive prices of fuel are the other key factors which will influence sugar production. Export viability will be determined among other factors by the equation of Brazilian Real vis-à-vis USD which again is influenced by political



climate. Impending impeachment of the President has led to a strong rally of Brazilian Real. There is also an expectation of tax hike in case of ethanol by the new dispensation which would make manufacture of ethanol more viable

- Brazilian sugar industry is also experiencing enormous amount of pain as many sugar companies are facing bankruptcy caused by fractured cash flows emanating from low global sugar prices during the last few years

Thailand:

- Season 2015-16 was disappointing on the back of small cane supply and lower sucrose content. Sugar output is pegged at 9.8 million tons
- Anecdotal evidence points out to lower cane plantation for the season 2016-17. Much of the plant cane sown during monsoon season has received less water for vegetative growth. However, sugar production is expected to increase to 10.1 million tons
- Indonesia has been a major destination for raw sugar exports from Thailand

China:

- Lower cane supply and disappointing sucrose content would mean lower production as the output during 2015-16 is pegged at 8.8 million tons. Deficit seen at 6.5 million tons
- However, this does not necessarily imply bigger imports of raw because of strong cross-border imports of whites and possibility of stock release by the government
- The regional flows thus displace international trade. Nonetheless, lot of whites moving into China
- Domestic prices, which are already high, not impressed by small crop and big deficit

Global sugar production expected to rebound during 2016-17 after weakness of 2015-16. However, it is still in the early stages to prophesize.

GLOBAL SUGAR BALANCE:

In Million Tons	2010-11	2011-12	2012-13	2013-14
Production	162.10	172.20	177.50	175.00
Consumption	163.04	166.32	169.85	173.65

Comparison between 2014-15 and 2015-16

	2015-16	2014-15	Change in Million Tons and in %	
Production	163.91	171.22	-7.32	-4.28
Consumption	170.56	167.49	3.07	1.83
Surplus/deficit	-6.65	3.74		
Import demand	56.73	55.26	1.47	2.66
Export availability	56.60	55.64	0.96	1.73
End stocks	80.81	87.32	-6.52	-7.46
-Stocks/Consumption ratio in %	47.38	52.14		

Export and Import figures may not match due to rounding and time lags between exports and imports

Source: ISMA



INDIA STORY:

India is the largest sugar consumer and second largest sugar producer in the world with 538 operational sugar mills with total production capabilities in excess of 33 million tons of sugar annually. Out of these, nearly 60% mills are privately owned. Many sugar mills are integrated having co-generation and distillery production infrastructure. Since India is a power deficit

country and since ethanol blending program has been identified as efforts of priority to address the energy needs of the country, both co-generation and ethanol manufacture offer enormous scope for risk mitigation for the Indian sugar industry. India is the largest consumption market and though not isolated from global market and its vagaries, is partly insulated.

Season 2015-16, a year of tectonic shift for the sugar industry in India: The season 2015-16 will prove to be a defining season in the history of Indian sugar industry. Concerned at the mounting cane arrears year after year, the Central Government introduced a slew of measures to nurse the Indian sugar industry back to good health.

- It dawned on the Government that grant of loan (though subsidized or interest free) every year to help enable the industry to clear the sugarcane dues, has only led the sugar mills into a debt trap. Additional repayment obligation is cast on the already stressed cash flows of the Company. Additionally, the grant of subvention has caused a drain on the exchequer of the Government
- However, the Government did announce grant of loan of ₹ 6,000 crores to the cash-starved industry. The scheme was to help the industry clear the sugarcane dues of 2014-15. One year interest subvention of interest @ 10% is being provided through SDF
- It was further assessed that the problems plaguing the industry are on account of excess production and hence the excess stock in the country. Skewed sugar balance had created an unprecedented glut in the market resulting in a free fall in domestic sugar prices, so much so, that sugar was sold in the price band of ₹ 2,200 per quintal to ₹ 2,300 per quintal (ex-sugar mill) during August 2015, an incredible loss of more than ₹ 1,000 per quintal to the sugar manufacturers
- The Central Government therefore ordered export of 4 million tons of sugar from the country. A compulsory 80% obligation was cast on all sugar mills in proportion

to the ratio of their respective sugar production in the earlier years. Mills in the hinterland were provided window for trading their obligation of export on payment of charges to mills in the proximity of coastal area, who would physically export. Out of the 3.2 million tons of obligation cast on the sugar mills, nearly 1.55 million tons has already been shipped out of the country. Myanmar has been the major destination for the exported sugar

- The Government has announced that those sugar mills fulfilling their export obligation and also obligation to supply ethanol will be given a subsidy of ₹ 4.50 per quintal of sugarcane crushed during the season 2015-16 and that the said subsidy will be directly transferred to the account of farmers affiliated and supplying sugarcane to the concerned sugar mills in discharge of the sugar mills obligation to pay the sugarcane dues
- In yet another significant move, Central Government increased the mandated procurement price of ethanol to be paid by Oil Marketing Companies. Tenders were floated for procuring ethanol which would facilitate 10% blending of ethanol with the conventional fuel. While achieving 10% ethanol blending is a far cry, 5% blending involving 1.6 billion liters of ethanol is achieved

The Government has also granted a one year excise duty waiver on ethanol involving ₹ 5 per liter with the sole objective of providing impetus to the ethanol blending program and to encourage more and more ethanol producers to participate in the ethanol program.

The Central Government has thus displayed commendable alacrity in

bailing the sugar industry out of the woods. The effect of the policy initiatives has pulled the industry out of the depths of despair as the sugar prices which had fallen below the mark of ₹ 2,300 per quintal has now rebounded by nearly 50% and is now range-bound between ₹ 3,250 and ₹ 3,350 per quintal. Export of 1.55 million tons, tightening global sugar balance, lesser than estimated production domestically has all underwritten the revival of market sentiments amply demonstrated in the resurgent sugar prices. However, the industry needs reasonable sugar prices on sustained basis and not sporadic surges in the prices which emits erroneous signals and needless hue and cry across. The Government is then constrained to intervene as it happened recently, when the Government had to set stock limits for the traders across the country with a view to smother the prices and avoidable hoopla.

The season 2015-16 will prove to be a defining season in the history of Indian sugar industry.



The sugar stock in the country is at comfortable levels, notwithstanding the fact that the states of Maharashtra and Karnataka have suffered a cruel drought caused by El Niño factor. The table below illustrates the fact that the country is carrying adequate sugar stocks and there is no cause whatsoever for anyone to speculate wildly.

DOMESTIC SUGAR BALANCE SHEET

(Figures in Lac Tons)

Sr. No.	Particulars	2011-12	2012-13	2013-14	2014-15 (P)	2015-16 (E)
a.	Opening Stock as on 1st Oct.	58.54	66.01	92.98	74.74	90.80
b.	Production during the season	263.42	241.50	243.96	283.10	251.00
c.	Imports ***	-	6.76	0.98	0.00	0.00
d.	Total availability	321.96	324.17	337.92	357.84	341.80
e.	Off-take					
	i) Internal consumption	226.03	227.71	241.91	256.10	256.00
	ii) Exports ***	29.92	3.48	21.27	10.94	15.00
	Total Off-take	255.95	231.19	263.18	267.04	271.00
f.	Closing stock as on 30th Sept.	66.01	92.98	74.74	90.80	70.80
g.	Stock as % of Off-take	29.2	40.8	30.9	35.5	27.7

Source: ISMA

* Considering response of sugar mills, estimated exports has been reduced.

*** Imports and exports are under O.G.L. and reported by sugar mills to Gol through Pro forma II. Imports under AAS are not included in the domestic sugar balance sheet (as is being followed by Government of India)



As is evidenced by the above table, the country will carry a year-end stock of more than 7 million tons which translates into more than 3 months consumption and a healthy stock ratio of 27.7%.

It is estimated that the punishing effect of the drought is carried forward to the season of 2016-17. While between Maharashtra and Karnataka, a drop in production of 3 million tons is projected, at least 1 to 1.5 million tons is expected to be made good from the higher production in Uttar Pradesh and Tamil Nadu. Based on the aforesaid number crunching, experts are extrapolating the production estimates for the crushing season 2016-17 at 23.5 to 24 million tons.

However, even then, there certainly is no case for any import of sugar. Since the sugar trade has been de-controlled, new season's (2017-18) sugar production will be on offer for sale in the market no sooner the sugar season starts. The dread or the alarm over alleged shortage in sugar availability during 2016-17 or thereafter is therefore uncalled for, as logically no shortage is perceivable. Avoidable imports of sugar in the past had led to carnage of domestic sugar market.

Uttar Pradesh sugar industry - heralding new territories:

The season 2015-16 has been a year of turnaround for the sugar industry in the state. Distinguishing features of the season 2015-16 are enumerated below:

- For the 4th year in succession, sugarcane price (SAP) announced by the State Government remained unchanged at ₹ 280 per quintal for the general variety. The runaway increase in sugarcane price between

2007 and 2012 had spelt doom to the fortunes of sugar industry in Uttar Pradesh. The positioning of sugarcane price at higher levels had created structural imbalance in the sugar industry

- However, the State Government displayed tremendous empathy of the problems tormenting the industry and not only did it not increase the price but also announced waiver of post-procurement levies such as entry tax, society commission and purchase tax. The State Government has also announced subsidies of ₹ 23.30 per quintal which is linked to the threshold average price of sugar and by-products
- The State Government of Uttar Pradesh had paid a subsidy of ₹ 28.60 per quintal of sugarcane purchased for the earlier crushing season 2014-15. The amount was disbursed by way of direct transfer to the account of farmers against sugarcane price dues of respective sugar mills. These initiatives resulted in substantial decrease in cane price arrears of the season 2014-15. As on date, there are hardly any arrears pertaining to season 2014-15
- For season 2015-16, the State Government also introduced two-tier payment. While payment equal to FRP of ₹ 230 per quintal was mandated payable within the statutory 14 days' time, the balance is payable within 90 days of the close of crushing season of the respective sugar mills

This has resulted in each farmer receiving a payment of at least ₹ 230 per quintal, unlike in the earlier years when the farmer supplying cane early would be the beneficiary of full payment, whereas the farmer supplying

sugarcane towards the fag end would have to wait for many months before getting any payment

- Extra-ordinary recoveries clocked by sugar mills in Uttar Pradesh: As against average recovery in the range of 9.25% to 9.50% normally recorded by sugar mills in Uttar Pradesh, average recovery in excess of 10.50% was clocked by sugar mills. This was mainly on account of revolutionary sugarcane variety Co 0238. The said variety is an early maturing variety, reasonably good on fiber content and is generally favored by the farmers on account of its high yield properties. The phenomenal rise in the recovery is on account of focused and dedicated cane development efforts planned and executed by sugar mills. Though some distance away from the recovery clocked by sugar mills in Maharashtra, the recovery clocked is indeed path-breaking. A couple of mills have closed their crushing season with a recovery in excess of 12%. The cane development efforts are continuing on a sustained basis and sugar mills are not only helping farmers procure seeds of good variety but are also educating farmers on a regular basis to maximize their yields. Sugar mills have also minimized their harvest to crush time, so that the sucrose content in sugarcane is not lost. The higher recovery is also attributable to excellent climatic conditions. Uttar Pradesh witnessed frost-free winter, huge swings in day and night temperature. The climate was conducive for optimized maturity of sugarcane. Next season, when the climate is expected to be normal, it will be possible to draw distinction between the role of superior varietal mix and the impact of better climate on the recovery and assign specific numbers

Sugar mills have also minimized their harvest to crush time, so that the sucrose content in sugarcane is not lost.

Various measures of the Central and State Government coupled with realignment of market dynamics on account of global as well domestic contraction in sugar production has breathed a new life in the industry which was on the brink of being vanished in the wilderness. The pain in the industry accumulated on account of losses which it still carries forward and will take some time to subside. As mentioned earlier, sporadic price rise creates needless exuberance. Sustained sugar price at reasonable levels where the industry earns a decent profit and which will help enable the industry to discharge its responsibility to all stake holders, is the key. Farmers have to be paid on time and need to be paid a reasonably remunerative price, employees should be a contented lot, banks and lenders' servicing obligations needs to be served on time, shareholders should



be paid their dividend and more importantly, the industry should be in a position to fulfill its responsibilities to the society. These are the key parameters on which the industry will be judged.

Ethanol:

Activities over the last few years in the sugar industry are focused on integration. There has been hardly any capacity addition in the sugar space. Ethanol offers an attractive value-added risk mitigating option. Lately, ethanol blending program (EBP) has been identified by the Government as a means to bail the sugar industry out of trouble and also to address the energy needs of the nation. During 2015, Oil Marketing Companies invited bids of supply of ethanol for 10% blending. Against the 10% blending target, 5% blending has already been achieved and the industry is gearing for supplying ethanol required for 10% blending. To motivate the industry to participate in the EBP, the Government has waived off excise duty of 12.50% on ethanol for 2015-16 which will result in an additional realization of approximately ₹ 5 per liter.

While the first target is 10% blending, it is to be progressively increased to 20% and in order to do so, the industry could divert B-heavy molasses to produce ethanol which will help enable the industry to limit sugar production in a year of sugar surplus.

Co-generation:

Presently, only half of the sugar mills in India have infrastructure for co-generation with a capacity in excess of 5,500 MW of power. Many sugar mills have added high pressure boilers which have resulted in better combustion of bagasse. Rates offered by the State Government Electricity Boards range between ₹ 4 and ₹ 6.50 per unit. Though sugar mills have an option to sell sugar in the open market, most sugar mills have

entered into long-standing power purchase agreements with their respective State Electricity Boards, although a challenge generally faced by sugar mills in evacuating power to the State grids is the delay in receiving the payment.

DWARIKESH OPERATIONS – A SNAPSHOT

In Uttar Pradesh, typically sugar season starts in November and ends in April / May. However, since the accounts are drawn for one year period starting from 1st April to 31st

March of next year, the results capture the operating performance of a small part of previous crushing season (April / May 2015) and a large part of another crushing season (2015-16 from November 2015 to March 2016). By a similar analogy, accounts for the year 2015-16 covers part of the season 2014-15 (from 1st April, 2015), off-season of 2015-16 season and the crushing season of 2015-16 till 31st March, 2016. Operational highlights of the season 2013-14, 2014-15 and 2015-16 are given below:

Season 2014-15 vis-à-vis season 2013-14

(Figures in Lac Tons)

Particulars	2014-15	2013-14	% Change
Crushing (Lac/Quintals)			
DN	82.89	67.54	22.73
DP	81.53	72.64	12.24
DD	68.65	68.53	0.18
Total	233.06	208.72	11.66
Recovery (%)			
DN	11.11	10.47	6.11
DP	10.98	10.52	4.37
DD	10.14	09.65	5.08
Combined	10.78	10.22	5.48
Production (Lac/Quintals) *			
DN	9.21	7.07	30.27
DP	8.95	7.64	17.15
DD	6.96	6.61	5.30
Total	25.12	21.33	17.77
Losses (%)			
DN	1.70	1.79	
DP	1.61	1.66	
DD	1.72	1.68	

Season 2014-15 saw an increase of 11.66% over the crushing of season 2013-14. Recovery clocked was higher by more than 5%. Combination of higher crushing and recovery resulted in more than 17% higher sugar production; Group recovery of 10.78% recorded in the season was the highest in North India.



Season 2015-16 (completed season)

Particulars	2015-16	2014-15	% Change
Crushing (Lac/Quintals)			
DN (up to 12.04.16 - season 2015-16)	78.21	82.89	-5.64
DP	72.81	81.53	-10.70
DD	59.47	68.65	-13.37
Total	210.49	233.06	-9.68
Recovery (%)			
DN	12.12	11.11	9.09
DP	11.77	10.98	7.19
DD	11.16	10.14	10.06
Combined	11.73	10.78	8.81
Production (Lac/Quintals) *			
DN	9.49	9.21	3.04
DP	8.57	8.95	-4.25
DD	6.65	6.96	-4.45
Total	24.71	25.12	-1.63
Losses (%)			
DN	1.82	1.70	
DP	1.62	1.61	
DD	1.74	1.72	

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

- Significant drop in cane availability and cane crushed. Drop more pronounced in DD unit – in excess 13%. In case of DP unit, nearly 11% fall in cane crushed. Lesser cane availability was a common phenomenon across all parts of Uttar Pradesh
- Higher recovery on account of proportionately higher mix of early variety in the total varietal composition. Early variety Co 0238 has transformed the dynamics of sugar industry in Uttar Pradesh. Hitherto laggards, in recovery, Uttar Pradesh mills now rub shoulder to shoulder with sugar mills in Maharashtra, on this score. Because of its higher yield properties, Co 0238 is also a favored variety among farmers. Higher per hectare
- Climatic conditions played a weighty role in improvement of recoveries. Frost-free winter, lesser rainfall and huge swing in the day and night temperature resulted in optimized maturity of sugarcane and higher sucrose content
- Reasonable accurate impact of early variety on the recovery will be known in the ensuing season when the climate is expected to return to its normalcy
- Group recovery of 11.73%, among the highest in North India. Record sugar production in DN unit
- Higher recovery also on account of lowest cut - crush (sugarcane) time and increasing awareness among farmers to supply fresh cane



output vis-à-vis other varieties, obviously results in higher income to the farmers

- Group recovery of 11.73%, among the highest in North India. Record sugar production in DN unit
- Higher recovery also on account of lowest cut - crush (sugarcane) time and increasing awareness among farmers to supply fresh cane
- Climatic conditions played a weighty role in improvement of recoveries. Frost-free winter, lesser rainfall and huge swing in the day and night temperature resulted in optimized maturity of sugarcane and higher sucrose content
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Unit	Year 2015-16		Period 2013-15	
	(01.04.2015 to 31.03.2016)		(01.10.2013 to 31.03.2015)	
	Power sold in Lac units	Amount in ₹ Lacs	Power sold in Lac units	Amount in ₹ Lacs
DN	249	1,092	441	1,904
DP	567	2,830	1,086	4,910
DD	561	2,797	1,298	5,870
Total	1,377	6,719	2,825	12,684

**Season 2015-16
(completed season)**

Unit	Completed season 2015-16	
	Power sold in Lac units	Amount in ₹ Lacs
DN	236	1,042
DP	512	2,559
DD	561	2,796
Total	1,309	6,397



Distillery:

During the year, Bio-methanated spent wash plant involving an outlay of nearly ₹ 10 crores was commissioned. The plant will de-bottleneck ethanol manufacturing capabilities. It is a plant based on the most modern technology and will help solidify the spent wash and will facilitate easy composting. It will also aid in the uninterrupted working of distillery for most part of the year. The plant will enable the Company to be compliant in fuelling norms of effluent treatment. While expenditure in creating the infrastructure has been incurred during the year, its real benefit will accrue to the Company in the coming years.

Zero liquid discharge:

There has been an increasing alertness to minimize the liquid discharge from the sugar mills. Pollution Control Boards have set formidable norms to reduce the liquid discharge. Typically, sugarcane contains 50% water and it is expected that the same would be used in the process and no additional groundwater will be drawn. Sugar mills, however, are known to draw additional groundwater. Efforts are now directed to not only recycle and reuse the process water, but to draw minimum groundwater as well. The Company has taken many small steps with a view to optimize the use of processed water, adequately treat the water to be discharged and make it suitable for irrigation. The energized efforts of the workforce and the Company have not only minimized drawing of groundwater, but also minimized the liquid discharge from its sugar mills. The avowed objective of the Company is to achieve zero liquid discharge in the near foreseeable future. The Company has also set up online monitoring systems to monitor the quality of liquid and air discharge. The Company is committed to playing the role of a responsible corporate citizen.

ACCOUNTING POLICIES

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The significant accounting policies followed by your Company form an integral 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 the perils of unauthorized use or disposition. Towards enhancing the efficacy of internal controls, services of external consultants are hired wherever necessary, and 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 conducts 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 the 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 the 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 1,287 employees, including seasonal employees during the year.

RISKS AND CONCERNS

The Company has in place a mechanism to inform the Board Members about the Risk Assessment and Minimization procedures and periodical reviews, to ensure that the risks are controlled by the Executive management through the means of a properly defined policy. The details of these are discussed in the Corporate Governance Section of this Annual Report.

CAUTIONARY STATEMENT

The statements in the Management Discussion and 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.

NOTICE

NOTICE is hereby given pursuant to the relevant provisions of the Companies Act, 2013 (the "Companies Act") read with the Companies (Management and Administration) Rules, 2014 (the "Management Rules"), and other applicable provisions, if any, that the Twenty Second Annual General Meeting of the Company will be held on Friday, August 5, 2016, 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 financial statements for the year ended 31st March, 2016 together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri B. J. Maheshwari, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Vijay S. Banka, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to 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 SS 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, 2016-17, 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-imbursalment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

5. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

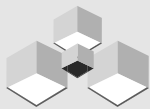
"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

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

6. To fix the remuneration of Mr G. R. Morarka (DIN 00002078) as a Managing Director for the period of 2 years 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 Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013 [(including any statutory modification(s) or re-enactment thereof for the time being in force)] and subject to the requisite approvals as may be necessary, consent and approval of the shareholders be and is hereby accorded to the remuneration of Shri G. R. Morarka (DIN-00002078), Managing Director for a period of 2 (Two) years with effect from April 1, 2016 on the terms and conditions as set out in the explanatory statement annexed with this notice."

"RESOLVED FURTHER THAT the Board of Director of the Company ("Board") be and is hereby authorized to remunerate Shri G. R. Morarka, within and in accordance with maximum permissible limits as specified in Section 197 of the Companies Act, 2013 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 in case the Company has in any financial year no profits or if its profits are inadequate anytime during the period of 2 (two) years from April 1, 2016, the Managing Director be paid the remuneration as provided in first proviso given below section II (A) of Schedule V of the Companies Act, 2013 being not exceeding two times of the limits specified in Table A as minimum remuneration, with the liberty to the Board of Directors (which term shall be deemed to include the Nomination & Remuneration Committee) to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Managing Director in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or any modification thereto and as may be agreed by and between the Board and Shri G. R. Morarka.”

“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.”

7. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, be paid the remuneration as set out in the explanatory statement annexed hereto.”

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

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

“RESOLVED THAT in accordance with provision of Section 13 and 61 and all the other applicable provisions, if any, of the Companies Act, 2013, the Authorised Share Capital of the company of ₹ 54 crores, consisting of 1,75,00,000 (One Crore Seventy Five Lac Only) Equity Shares of ₹ 10/- each & 1,50,000 (One Lac Fifty Thousand Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (series I) and 15,00,000 (Fifteen Lac Only) Preference Shares of ₹ 100/- each (series II) 10,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each (series III) and 10,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each (series IV) be reclassified into 2,25,00,000 (Two Crore twenty Five Lacs only) Equity Shares of ₹ 10/- each and 1,50,000 (One Lac Fifty Thousand Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series I) and 15,00,000 (Fifteen Lac Only) Preference Shares of ₹ 100/- each (series II) 10,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each (Series III) and 5,00,000 Cumulative Redeemable Preference Shares of ₹ 100 each (Series IV) & Consequently the existing Clause V(a) of Memorandum of Association be and is hereby altered by deleting the same & substituting the following in its place as a New Clause V (a):

The Authorised Share Capital of the Company is ₹ 54,00,00,000/- (Rupees Fifty Four Crores Only) divided in to 2,25,00,000 (Two Crore Twenty 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 Lac Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series II) , 10,00,000 (Ten Lac Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series III) and 5,00,000 (Five Lac Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series IV) with power to increase or reduce the same.”

9. 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), capital clause of Articles of Association, if any, of the Company be and is hereby amended and substituted by the following:

The Authorised Share Capital of the Company is ₹ 54,00,00,000/- (Rupees Fifty Four Crores Only) divided in to 2,25,00,000 (Two Crore Twenty 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), 15,00,000 (Fifteen Lac Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (series II), 10,00,000 (Ten Lac Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series III) and 5,00,000 (Five Lac Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (series IV) 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).

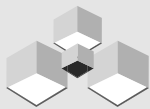
10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing regulations entered into with the stock exchanges where the Equity Shares of the Company are listed (the “Stock Exchanges”), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2009 (“ICDR Regulations”), the Securities and Exchange Board of India (Listing obligations & Disclosure Requirements) Regulation 2015, Listing Agreements entered into by the Company with the Stock Exchanges where equity shares of the Company of Face Value ₹. 10 each are listed, the Depository Receipts Scheme, 2014, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the law, rules, regulations, guidelines, notifications and circulars if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India, Foreign Investment Promotion Board (“FIPB”), Department of Industrial Policy and Promotion (“DIPP”) or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, the Board be and is hereby authorised on behalf of the Company to create, issue, offer and allot, (including the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more public or private offerings in domestic and/or one or more international market(s) with or without a green shoe option, Equity Shares including but not limited to by way of Qualified Institutions Placement (“QIP”) in terms of Chapter VIII of the SEBI ICDR Regulations and/or Equity Shares through depository receipts and/or convertible bonds and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares and/or securities including non-convertible debentures with warrants or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/or warrants with an option exercisable by the warrant-holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares or Global Depository Receipts (“GDRs”) and / or American Depository Receipts (“ADRs”) Convertible into Equity Shares (including the issue and allotment of Equity Shares pursuant to a Green Shoe Option, if any), (all of which are hereinafter collectively referred to as ‘Securities’) to eligible investors under applicable laws, regulations and guidelines (whether residents and/or non-residents and/or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds and Indian and/or multi-lateral financial institutions and/or individuals and/or trustees and/or stabilizing agents or otherwise, and whether or not such investors are members of the Company), through placement document and/or prospectus and/or letter of offer or circular and/or on public and/or private/preferential placement basis, such issue and allotment to be made at such time/times, in one or more tranches, for cash, whether rupee denominated or denominated in foreign currency, at such price or prices, at market price or at a discount or premium to market price in terms of applicable regulations, in such manner and where necessary, in consultation with the Book Running Lead Managers / Merchant Bankers and/or other Advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue of Securities provided that the total amount raised through the issuance of such Securities shall not exceed ₹ 200 crore or its equivalent in one or more currencies, including premium if any as may be decided by the Board, to investors as mentioned above.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market conditions and other relevant factors so as to enable, so as to enable to list on any stock exchanges in India and / or on any of the overseas stock exchanges, wherever required and as may be permissible.”

“RESOLVED FURTHER THAT the Company and/or any agency or body or person authorised by the Board, may issue depository receipts or certificates representing the underlying Equity Shares in the capital of the Company or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchange(s) in or outside India).”

“RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the Depository Receipts and/or Securities shall be the date on which the Board of the Company (Including Committee of the Board) decides to open the



proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with Equity Shares at a later date becomes entitled to apply for the said Equity Shares, as the case may be.

"RESOLVED FURTHER THAT if any issue of the above Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations), the allotment of such Securities, or any combination thereof, as may be decided by the Board, shall be completed within twelve months from the date of passing of the shareholders' resolution for approving the above said issue of Securities or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations, provided that the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on such price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations."

"RESOLVED FURTHER THAT in the event that the Equity Shares are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing ("Relevant date") of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities are entitled to apply for Equity Shares or such other time as may be decided by the Board or permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations as amended from time to time, in relation to the proposed issue of the Securities."

"RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of any other Securities shall be as per the regulations/guidelines prescribed by the SEBI, or any other regulator and the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the offer, subject to the provisions of the Memorandum and Articles of Association of the Company all such Equity Shares ranking paripassu inter se and with the then existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions in that behalf contained in the Articles of Association of the Company.

"RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any government body, authority or regulatory institution, including any conditions as may be prescribed in granting such approval or permissions by such government authority or regulatory institution, the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including but not limited to determination of the terms thereof, the finalization and approval of the preliminary as well as final offer document(s)/ placement document/ offer letter, determining the form, proportion and manner of the issue, including the class of investors to whom the above Securities are to be issued and allotted, number of such Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion/exercise/redemption, rate of interest, redemption period, fixing record date, listings on one or more stock exchanges in India or abroad, entering into arrangements for managing, underwriting, marketing, listing and trading, to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto, execution of various agreements, deeds, instruments and other documents, creation of mortgage/ charge in accordance with the provisions of the Act in respect of any Securities as may be required, , and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the ROC, the merchant bankers, or other authorities or agencies involved in or concerned with the issue of Securities and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board vide this Resolution may be exercised by the Board or such committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval

thereto expressly by the authority of this Resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to engage / appoint the merchant bankers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents etc. with such agencies and to seek the listing of such Securities on one or more stock exchange(s).”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate (to the extent permitted by law) all or any of the powers herein conferred to any Committee of Directors or to the Managing Director or any whole-time Director or directors or any other officer(s) of the Company to give effect to the aforesaid resolutions.”

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

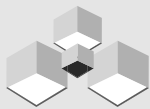
Place: Mumbai
Date: May 24, 2016

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 Saturday 30th July, 2016 to Friday, 5th August, 2016 (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, setting out material facts in respect of items 5 to 10 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 31/03/2016 (₹)	Date of transfer to Central Govt.
2008 -2009	4,57,660.50	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 22nd AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
15. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on July 1, 2016.

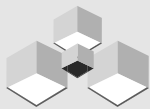
The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on August 2, 2016 at 9.00 a.m. and ends on August 4, 2016 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 July 29, 2016 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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)	<p>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.</p> <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.
- (xxi) Shareholders can also cast their vote using CDSL's mobile app m- Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.



ANNEXURE TO NOTICE

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

Item No 5.

The Articles of Association ("AoA") of the Company was prepared and adopted when the Company was incorporated in 1993 and amended from time to time as required. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the new Act. The Act is now largely in force. With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders. New Articles of Association is available for inspection at the Registered office of the Company between 10 a.m. to 1 p.m. on all working day.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No 6.

Shri G. R. Morarka has been appointed for the period of 5 years in the EGM dated March 22, 2013 with remuneration fixed for the period of three years ended on March 31, 2016. It is now decided to fix his remuneration for the residual period of 2 years for which the appointment is valid viz. from April 1, 2016 to March 31, 2018 on the following terms:

SECTION 1

Remuneration payable when the Company has Profits:

Remuneration by way of salary, perquisites, commission, allowances and other benefits subject to the condition that the total remuneration payable to the Managing Director shall not exceed 5% of the Net Profits of the Company for the financial year and 10% of the Net Profits of the Company payable to all the whole time Directors taken together.

SECTION 2

Remuneration payable when the Company has no profits or inadequate profits:

Minimum Remuneration

Category A

I. Remuneration:

- a) Salary: ₹ 10,00,000/- per month
- b) Perquisites and allowances:
- ii) Other Allowances: Allowances for conveyance, Children Education allowance and such other allowances as per rules of the Company.
- iii) Other Perquisites: Subject to overall ceiling on remuneration mentioned here in below, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may decide from time to time.

- iv) 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 Chauffer driven car or reimbursement of Driver's remuneration on Company's business 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 Managing 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 and

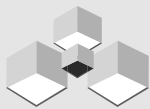
- III. Minimum remuneration:

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 G R Morarka, Managing Director are as under:

- a. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Managing 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.



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

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

Item No. 7

The Board, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s Ramanath Iyer & Co., Cost Accountants (Firm Regn. No.000019) as the Cost Auditors to conduct the audit of the cost records of the Company relating to Sugar (including Industrial Alcohol) and Electricity for the financial year ending 31st March, 2017 at a remuneration of ₹ 1,20,000 p.a.exclusive of travelling, boarding, lodging and out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

None of the Directors, Key Managerial Personnel of the Company and their relatives, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the ordinary resolution for approval by the shareholders.

Item No. 8 and 9

It is proposed to reclassify the present Authorised share capital of 54 crores into 2,25,00,000 (Two Crore Twenty Five Lacs only) Equity Shares of ₹ 10/- each & 1,50,000 (One Lac Fifty Thousand Only) 12% Cumulative Redeemable Preference Shares of ₹ 100/- each (series I), 15,00,000 (Fifteen Lacs Only) Preference Shares of ₹ 100/- each (Series II), 10,00,000 (Ten Lac Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (series III) and 5,00,000 (Five Lac Only) Cumulative Redeemable Preference Shares of ₹ 100/- each (Series IV).The alteration of the Capital clauses of the Memorandum of Association and the Articles of Association of Company are consequential to the above said proposed change in the Authorised Capital of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the ordinary resolution for approval by the shareholders

Item No. 10

The Company intends to raise additional long-term finance by issue of securities in the domestic/international markets and utilise the proceeds for repayment of high cost debt, strengthening of company's financial positions and general corporate purposes.

The proposed resolution at Item No. 10 seeks the enabling authorisation of the Members to the Board of Directors, to raise additional funds through the issue of Securities in the domestic/international markets, including by way Qualified Institutions Placement ("QIP") with the Qualified Institutional Buyer ("QIB"), but not limited to the the provisions of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2009 and/or Depository receipts in accordance with Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and/or any other Securities or warrants with or without securities convertible in to equity shares for an amount not exceeding ₹ 200 crores or its equivalent in one or more currencies, in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board, to the various categories of investors in the domestic/international markets. As per the current guidelines, the pricing of QIP and Depository Receipts will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the Relevant Date. The Relevant Date for the determination of applicable price for the issue of the QIP Securities and/ or Depository Receipts shall be the date of the meeting in which the Board of the Company decide to open the proposed issue or in case of securities which are convertible into or exchangeable with Equity Shares at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be.

It is in the above circumstances that an enabling resolution is being proposed to be passed to give adequate flexibility and discretion to the Board to finalize the terms of the Issues.

Section 62 of the Companies Act, 2013 and the Listing Regulations entered with the Stock Exchanges, provide, inter alia, that where it is proposed to re-classify the share capital of the Company from preference share to equity shares and then by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the Equity Shares, in proportion to the capital paid-up on those shares as of that date unless the members of the Company decide otherwise. The Special Resolution at Item No. 10 seeks the consent and authorisation of the Members to the Board of Directors to make the proposed issue of Securities to others, in consultation with the Merchant Bankers, Legal advisors and other intermediaries, and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules, regulations or guidelines.

None of the Directors, Key Managerial Personnel of the Company and their relatives, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the resolutions for the approval by the shareholders.

**Details of Directors seeking appointment / re-appointment in Annual General Meeting
[Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

Name of the Director	Shri B. J. Maheshwari	Shri Vijay S. Banka
Date of Birth	May 2, 1960	October 28, 1958
Nationality	Indian	Indian
Date of Appointment	May 1, 2009	May 1, 2009
Qualifications	Chartered Accountant & Company Secretary	Chartered Accountant
Experience & Expertise	He has, being CA and CS, enriched himself with expertise in the arenas of taxation – both direct and indirect, corporate law, Listing regulations, SEBI Guidelines, secretarial practice and compliance of law. Expertise: Legal, Taxation, Secretarial And Administrative matters since 1994	He has nearly two decades of rich experience in handling Finance and Strategy. Expertise: Finance & Strategy
Shareholding of Directors in company	Nil	Nil
Directorship held in other public companies excluding foreign and private companies	Dwarikesh Agriculture Research Institute Morarka Finance Limited Dwarikesh Informatics Limited Faridpur Sugars Limited	Morarka Finance Ltd. Faridpur Sugars Ltd.
Chairmanship / Memberships of committees*	Chairmanship: (1) Membership: (2)	Chairmanship: (0) Membership: (4)
Relationship between Directors inter-se	Nil	Nil

* Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether listed or not)

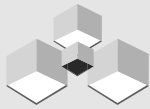
By The Order of the Board,
For **Dwarikesh Sugar Industries Limited**

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

Place: Mumbai
Date: May 24, 2016

Registered Office:

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



DIRECTOR'S REPORT

The Members of the Company,

Your Directors take pleasure in presenting their twenty second Annual Report together with the audited accounts for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

	₹ in lacs Year ended 31.03.2016	₹ in lacs Eighteen months period ended 31.03.2015
Gross profit before depreciation, interest & tax	11,683.04	9,586.58
Less: Depreciation	3,076.46	4,724.64
Finance Costs	5,159.02	7,520.98
Profit / (Loss) before tax and exceptional items	3,447.56	(2,659.04)
Add : Exceptional income (Net of taxes)	491.83	--
Profit / (Loss) before tax	3,939.39	(2,659.04)
Less: Provision for taxes (Net of MAT credit entitlement)	9.55	--
Deferred tax liability / (asset)	33.21	(984.02)
Profit/(Loss) after tax	3,896.63	(1,675.02)
Add: Balance brought forward from previous year	(6,876.46)	(5,201.44)
Amount available for appropriation	(2,979.83)	(6,876.46)
Appropriations:	---	---
Balance carried forward to next year	(2,979.83)	(6,876.46)

2. DIVIDEND

In view of brought forward losses, it is deemed prudent to plough back the profits earned during the year for strengthening the cash flows of the Company. No dividend [(including dividend on Preference Shares of any of the Series (including Arrears)] is hence being recommended for payment.

Fourth Proviso to sub section 1 of section 123 of the Companies Act, 2013 does not permit payment of any dividend unless all brought forward losses including depreciation are set off against profits of the Company for the Current year.

The dividend on Cumulative Redeemable Preference Shares (Series I, II, III & IV) is being accumulated and will be paid subsequently in the year when the company earns adequate profits.

3. YEAR IN RETROSPECT

OPERATIONS:

Distinguishing features of the crushing operations in your company are given below:

- Accounts for the current year are drawn up for 12 months, captures results of small part of crushing season 2014-15, off season of 2015-16 and major part of crushing season 2015-16, whereas the accounts of previous accounting period 2013-15 were drawn up for 18 months (from 1st October, 2013 to 31st March, 2015). The figures are therefore not comparable.

Season 2014-15 vis-à-vis season 2013-14:

Season 2014-15 (completed season)

Particulars	2014-15	2013-14	% Change
Crushing (Lac/Quintals) – total at all three units	233.06	208.72	11.66
Recovery % (Combined)	10.78	10.22	5.48
Production (Lac/Quintals) – total at all three units*	25.12	21.33	17.77

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

Season 2014-15 vis-à-vis season 2013-14

- Crushing higher, by 11.67%.
- Recovery higher, by 5.48%.
- Sugar production higher, by 17.77%.

Season 2015-16 (till 31st March, 2016) vis-à-vis season 2014-15 (till 31st March, 2015):

Particulars	2015-16	2014-15	% Change
Crushing (Lac/Quintals) – total at all three units	200.58	209.00	-4.03
Recovery % (Combined)	11.62	10.57	9.93
Production (Lac/Quintals) – total at all three units*	23.31	22.09	5.52

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

- Crushing lower, by 4.03%.
- Recovery higher, by 9.93%.
- Sugar production higher, by 5.52%.

Crushing season 2015-16 is now consummated. Comparison of full season 2015-16 & full season 2014-15 is as below:**Season 2015-16 (completed season)**

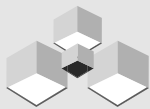
Particulars	2015-16	2014-15	% Change
Crushing (Lac/Quintals) – total at all three units	210.49	233.06	-9.68
Recovery % (Combined)	11.73	10.78	8.81
Production (Lac/Quintals) – total at all three units *	24.71	25.12	-1.63

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

- Sugarcane crushing down, by 9.69%.
- Remarkable increase in recovery, by 8.81%.
- Sugar production marginally lower, by 1.63%.
 - ★ Lower crushing during season 2015-16 was a Pan Uttar Pradesh phenomenon.
 - ★ Lower cane availability on account of lower yields across Uttar Pradesh.
 - ★ Impressive recoveries on account of superior varietal mix, with increasing thrust on early maturing varieties such as Co 0238.
 - ★ Higher recovery also on account extremely favorable climatic conditions.
 - ★ Ongoing efforts to reduce cut - crush time (lead time between harvest & crushing) also played a role in enhancement of recoveries.
 - ★ Highest ever group recovery of 11.73% with recovery at DN plant, an impressive 12.12%.

Performance of cogeneration division: Metrics of power sold:

Unit	Year 2015-16 (01.04.2015 to 31.03.2016)		Period 2013-15 (01.10.2013 to 31.03.2015)	
	Power sold in lac units	Amount in ₹ lacs	Power sold in lac units	Amount in ₹ lacs
DN	249	1,092	441	1,904
DP	567	2,830	1,086	4,910
DD	561	2,797	1,298	5,870
Total	1,377	6,719	2,825	12,684



Performance of Distillery:

During the year 5,701,769 Litres of Spirit (previous period 5,038,103 Litres [Including 212,806 Liters on conversion of 200,155 Liters ethanol and additional moisture thereon]). The rectified spirit was further reprocessed and 5,168,428 Litres Ethanol (previous period 574,205) was produced at Dwarikesh Nagar Unit of the Company. In value terms the sale of Rectified Spirit was ₹ 310.01 lacs (previous period ₹ 1,320.97 lacs) and sale of Ethanol was ₹ 2,025.04 lacs (previous period ₹ 123.23 lacs). Your company migrated to producing more ethanol which resulted in value addition

During the year Bio methanated spent wash plant was commissioned. The capital expenditure plan was executed at an outlay of approximately ₹ 10 crores. The plant will not only address the effluent treatment needs of the distillery but will also assist in uninterrupted functioning of the distillery plant for most part of the year.

4. Sugar industry – year at a glance.

- ★ The year under review was a year of fluctuating fortunes. During first few months of the year there was a sense of deja-vu as the sugar prices, both globally & domestically plunged to extremely unviable levels. While on the one hand international price of raw sugar touched a low of around 10 cents per pound, domestic prices reached a nadir of around ₹ 2,200 per quintal during August, 2015. Sugar industry in India was in a state of disarray with cane arrears figure at an all-time astounding high. Over supply resulting in glut had swept across the world. Many sugar companies across India were in a debt trap and on the cusp of bankruptcy
- ★ Central Government had to perforce intervene and it quickly announced a slew of measures which have helped revival of the industry. For starters, it announced a soft loan of ₹ 6,000 crores to be paid to sugar mills through Banks to be disbursed directly to the farmers towards their cane dues. Central Government agreed to provide interest subvention @ 10% for one year period. Secondly, it announced compulsory export of 3.2 million tons of sugar and to compensate the sugar mills for the losses incurred on exports, agreed to provide a production subsidy ₹ 4.50 per quintal of sugarcane crushed during the season 2015-16. There was an additional covenant of supplying a minimum agreed quantity of ethanol so as to be eligible to claim subsidy. The scheme was revenue neutral for the Government, as it sought to raise cess on sugar sale to build the corpus to settle claims of subsidy
- ★ 10% Ethanol blending program has been taken up by the Central Government in the right earnestness. Bids were invited by oil marketing companies for 2.66 billion litres of ethanol. A one year excise duty benefit has been given to mills supplying ethanol so as to motivate mills to actively participate in the ethanol program. While fructification of 10% ethanol blending may take some time, country has already achieved 5% blending. Central Government is proactively ironing out all transactional bottlenecks by constantly engaging and communicating with all stakeholders including oil marketing companies, various ministries and all agencies, both at the levels of Central Government & State Government.
- ★ State Government of Uttar Pradesh also played a significant role in mitigating the crisis engulfing the industry. It cannibalised and directly disbursed subsidy of ₹ 28.60 per quintal of cane purchased during the season 2014-15. State Government also kept the sugarcane price for the season unchanged at ₹ 280 per quintal for the general variety. It has also announced waiver of post-procurement levies such society commission, purchase tax & entry tax amounting to ₹ 11.90 per quintal. Two tier cane price payment mechanism was introduced, in which first part of ₹ 230 per quintal is to be paid within stipulated 14 days of purchase of cane. Balance cane price is made payable within 90 days of the close of crushing of the respective sugar mill. This payment mechanism besides providing succour to the cash flows of sugar mills has ensured that all the farmers supplying sugarcane are at least paid ₹ 230 per quintal unlike in the past when the burden of arrears was mainly on the farmers supplying sugarcane towards the rear end.
- ★ The aforesaid measures coincided with certain fundamental correction in the demand-supply scenario, both internationally & domestically. For the first time after many years it will be a deficit year globally with deficit stretching between 5 and 7 million tons. Compulsory exports combined with estimated lower production in the country on the back of unfortunate draught in Maharashtra & Karnataka led to a rally in sugar prices. From dreadful low levels of price in August 2015, the prices have now rebounded by nearly 50%. The price rise augurs well for the sugar industry which was facing existential crisis. However for the benefits to percolate on the industry the prices should sustain at reasonable levels.
- ★ Sugar mills in Uttar Pradesh benefited additionally on account of smart improvement in recoveries. The present trend is positive although the economics of the industry is nowhere near superlative. Yet the companies of better pedigree which are low on debt content and which are constantly achieving lofty standards of operating efficiencies may have something to cheer about, although it will take constantly good economics for 2 to 3 years at least to strengthen the financial position. The key of course would be the sugarcane price that the State Government may determine for the crushing season 2016-17.

It will make or mar the fortunes of the industry. Circumspection has given way and the industry is guardedly optimistic

Dwarikesh - Financial scorecard:

Particulars	2015-16 Lac ₹	%	2013-15 (18 months) Lac ₹	%
Net Sales	79,434	100.00	112,839	100.00
EBIDTA	*12,175	15.33	9,587	8.50
EBDTA	*7,016	8.83	2,066	1.83
EBT	3,939	4.96	(2,659)	(2.36)
EAT	3,897	4.91	(1,675)	(1.48)

*Exceptional income of ₹ 492 Lacs is added to EBIDTA and EBDTA

The numbers for the year under review make impressive comparison with the numbers of the previous period.

- EBDITA, both in absolute numbers and in % terms is markedly better than in the previous period. Margin of EBITDA is more than 15% and in absolute numbers more than ₹ 120 crores. In absolute terms the EBIDTA posted in higher than the EBIDTA posted in the previous period of 18 months.
- Your company has earned a healthy cash profit in excess of ₹ 70 crores in comparison to meagre cash profit of ₹ 20.66 crores earned in the previous period.
- Earnings after tax is close to ₹ 39 crores which in % works out nearly 5%. This may be seen in juxtaposition with the loss of ₹ 16.75 crores posted during the previous period.

Your company has posted better results after several years. Standout reasons are not difficult to explore:

- ★ Realignment of fundamentals of sugar industry. After many years of surplus sugar, world over, 2015-16 has been a deficit year, resulting in rally in sugar prices. Sales price realization of sugar, post November, 2015 improved steadily & gradually
- ★ During the year under review your Company received and accounted for a subsidy of ₹ 20 per quintal of cane purchased during the season 2014-15. The subsidy was received from the State Government.
- ★ Your company recorded impressive recoveries during the year, significantly better than in the previous year, thus keeping the raw material & other costs pegged at lower levels
- ★ Your company is relentlessly making efforts to recalibrate its debt profile and reduce its long-term debt burden with a view to keep the interest cost under control
- ★ Though the State Government has announced subsidy of ₹ 23.30 per quintal of cane purchased during the season 2105-16 the same is linked to threshold price of sugar and by-products. The same will be taken cognizance of as and when the same is crystallised.

5. A - CANE & SUGAR POLICY:

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

- 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.
- The Fair & Remunerative Price (FRP) for the crushing season 2015-16 was ₹ 230 per quintal and the same has been retained at ₹ 230 per quintal for 2016-17, both are linked to recovery @ 9.50 %.
- 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@
2015-16	230.00@

* 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 2015-16, the State Government of Uttar Pradesh announced SAP of ₹ 280 per quintal for general variety with concessions/reliefs to the extent of ₹ 23.30 per quintal linked to certain benchmarks.

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 year.

G. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is annexed herewith as Annexure III, forming part of the Board's report.

H. CORPORATE SOCIAL RESPONSIBILITY

The company is incurring losses in last few years & there were losses in last 3 preceding accounting years, hence the provisions of CSR are mandatorily not applicable, however the Company is carrying out CSR activities. The Company has been incurring expenditure on CSR activities covering education, health, medical facilities etc for the common benefits of employees, farmers, villagers from time to time.

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 year.

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 year.

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 & 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	71.55:1
Shri Vijay S Banka	Whole Time Director & CFO	22.51:1
Shri B J Maheshwari	Whole Time Director & CS cum CCO	23.29:1
Shri B K Agarwal	Independent Director	0.34:1
Shri K N Prithviraj	Independent Director	0.25:1
Ms Malathi Mohan	Independent Director	0.16:1

b) Median Remuneration

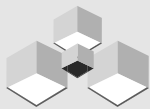
There is increase of 9.89 in median remuneration of employee during the current accounting year of 12 months over the previous accounting period consisting of 18 months, pro-rated for 12 months for calculating the increase.

c) Permanent employees

As at 31st March, 2016, the Company has on its payroll 620 permanent employees excluding seasonal 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.**

Particular	As at 1/4/2015	31/3/2016	Change%
Market Cap (₹ in Crores)	33.77	337.39	999
P E Ratio	NA*	9.43	---
Price of shares ₹	20.70	206.80	999

(Source: NSE prices)

*Since there is loss in accounting year 2013-15.

IPO price: ₹ 65 per share.

Market price as on 1/4/2015 – ₹ 20.70, Decrease ₹ 44.03, (-ve) 68.15 %.

Market price as on 31/3/2016 – ₹ 206.80, increase ₹ 141.80, (+ve) 218.15 %.

- 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 average increase in average Salaries of median employee is 9.89 % & average increase in salaries of Key Managerial personnel's remuneration is 40.38 % over last accounting year (pro-rated for 12 months based on 18 months).

- h) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;** Although performance of the Company over the years has been less than satisfactory, reflected in the losses incurred in the last few years (barring current year), on account of high cost of Sugarcane & low realization of its 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;**

All whole-time Directors including Managing Director are entitled to receive remuneration by way of ex gratia / interim bonus.

- 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; **3 (Shri G R Morarka, Managing Director, Shri Vijay S Banka, Whole Time Director & CFO, Shri B J Maheshwari, Whole Time Director & CS Cum CCO).**
- (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 and annexed herewith as Annexure IV. 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 year.

R. RELATED PARTY TRANSACTIONS :

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed herewith and marked as Annexure II. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the rules thereunder and the Listing Regulations.

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

Pursuant to the requirements of the Companies Act, 2013, Managing Director & Independent directors are not liable to retire by rotation and hence all the Whole Time Directors are liable to retire by rotation. Accordingly Shri B J Maheshwari and Shri Vijay S Banka retire by rotation and has offered themselves 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.

C) Formal Annual Evaluation

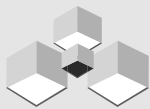
Pursuant to the requirements of section 134(3)(p) of the Companies Act, 2013 read with Regulation 17 of the listing regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & 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 Regulations, 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 Listing Regulations 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.

Policy on Directors nomination and remuneration is available on company's website at www.dwarikesh.com

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 year;
- (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 Regulations 34 of the Listing Regulations of the Stock Exchanges, Management's Discussion and Analysis Report for the year under review is presented in a separate segment which is forming part of the Annual Report.

9. CORPORATE GOVERNANCE

As per Regulations 34 of the Listing Regulations 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, 2013, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings & outgo are furnished in Annexure –I 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 2016-17 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.

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, 2016.

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 members, sugar cane growers, employees, bankers, financial institutions, Central & State Government Agencies for their valuable contribution in the growth of the organisation.

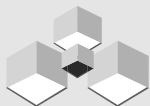
By Order of the Board
For **DWARIKESH SUGAR INDUSTRIES LIMITED**

G. R. MORARKA
MANAGING DIRECTOR

VIJAY S BANKA
WHOLE TIME DIRECTOR & CFO

B J MAHESHWARI
WHOLE TIME DIRECTOR & CS Cum CCO

Place : Mumbai
Dated : May 24, 2016



ANNEXURE - I

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

[Section 134 (3)(m) of the Companies Act , 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014]

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'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

	Current Year 2015-16	Previous period (18 months) 2013-15
1. Electricity		
a) Purchased		
Unit – KWH	711865	864411
Total amount (₹)	8657876	10129542
Rate / Unit (₹)	12.16	11.72
b) Own Generation		
i) Through Diesel Generator		
Unit –KWH	148971	108200
Unit Per Ltr of Diesel	3.32	3.21
Oil cost/Unit (₹)	16.17	14.78
ii) Through Steam Turbine/Generator		
Unit –KWH	220520752	433212964
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		

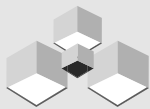
	Bagasse (Qtls.)		Firewood (Qtls.)		Diesel (Ltrs.)	
	2015-16	2013-15	2015-16	2013-15	2015-16	2013-15
Quantity	6905743.5	13108046.71	-	-	44821	-
Total Cost (₹)	Own generation	Own generation	-	-	2408689	-
Rate/Unit (₹)		--	-	-	53.74	-

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCT – SUGAR (Unit Qtls.)

Total Sugar Produced = 26,28,155 Qtl.

	Standards (if any)	Current Year 2015-16	Previous Year 2013-15
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)		0.26 MT/Qtl of Sugar	0.30 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 :-

To increase the production and productivity of cane, 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 our reserved zone; soil map was prepared with the technical guidance of nearest research station for finding the NPK availability 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 in the soil is scarce, to fulfill the requirement of organic matter in the soil, 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/ certified cane seeds of different improved sugarcane varieties like Cos-767, Cos-8432, Cose- 03234, COJ 88, Co 0238, 0118, COJ -83, CoJ- 85, Co 5011 & CoH-160 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 the 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 observed during past 3-4 years in the rainy season, farmers had 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. For future as precautionary measures, we have planned timely spray of fungicide, to stop the occurrence of Pokka boeing and Top rot disease could be controlled.

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 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, 0118 and CoJ 85, Cose-03234 and Co-5011, 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 popularise 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 are being provided free of cost to the cane growers in our command area for spaced row / deep cane planting.

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 9 years this scheme is continuing in our dry belt / rain fed areas, which is about 25% of the total reserved area.

10. MECHENIZATION 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. The working of cane loader found satisfactory.

B BENEFITS DERIVED:-

1. IMPROVEMENT IN VARIETAL BALANCE:-

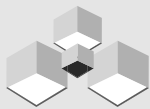
Area under Early and improved varieties has increased. Under early cane varieties it has increased from 48% to 76%. New improved sugarcane varieties like- Co-0238, 0118, 5011, CoJ-83, 85, 88 multiplied fast, now which are on increasing trend, since it helps increase in cane yield as well as sugar recovery. 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 helped in mechanization of cane cultivation as well as cane marketing, which has helped 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 FACILITIES:-

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 135 borings at farmers' fields under this scheme and all are successful by which farmers may be 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 meeting & 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:

- 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.
- In view of labour scarcity in future, the company is making efforts for introduction of mechanization of cane loading at out centres.
- 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.
- 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.

- 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.
- In order to disseminate information, sugar cane information system (Cane Website, IVRS, SMS, QSMS) is being updated regularly.
- 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.
- 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 year.

	₹
C I F VALUE OF IMPORTS	Nil (Nil)
Interest on Foreign Currency Term Loans	4,60,50,549 (5,98,58,697)
EARNINGS IN FOREIGN CURRENCY	Nil
Sale of CERs	(NIL)

IV EXPENDITURE INCURRED ON R&D

	(₹ in Lacs)
a) Capital	Nil
b) Recurring	95.55
c) Total	95.55
d) Total R & D expenditure as percentage of total turnover	0.12%



ANNEXURE - II

FORM NO. AOC-2

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:

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

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	

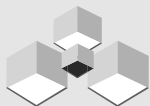
2. Details of material contracts or arrangement or transactions at arm's length basis

(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 till July 31, 2018 at monthly rent of ₹ 129150 & applicable service tax & cess with clause of increasing the same at an interval of 1 year.
(e)	Date(s) of approval by the Board, if any: (latest)	May 24,2016
(f)	Amount paid as advances, if any:	Nil

(a)	Name(s) of the related party and nature of relationship	Morarka Finance Limited
(b)	Nature of contracts/arrangements/transactions	Management consultancy services
(c)	Duration of the contracts arrangements/transactions	--
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	To assist the company in corporate advisory services, arrangement of finance from other banks, NBFCs, financial institutes, etc. at the fees of ₹ 1,00,000 plus applicable service tax & cess per month till March 31, 2017.
(e)	Date(s) of approval by the Board, if any: (latest)	May 24, 2016
(f)	Amount paid as advances, if any:	Nil

(a)	Name(s) of the related party and nature of relationship	Dwarikesh Trading Company Limited
(b)	Nature of contracts/arrangements/transactions	Lease of premises
(c)	Duration of the contracts arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	for company's Delhi based operations, the premises of related party – Dwarikesh Trading Co Ltd is taken on Lease for 99 years from June 1, 2011 at rent of ₹ 2,40,000/- p.a.
(e)	Date(s) of approval by the Board, if any: (latest)	May 24, 2016
(f)	Amount paid as advances, if any:	Nil

(a)	Name(s) of the related party and nature of relationship	Dwarikesh Informatics Limited
(b)	Nature of contracts/arrangements/transactions	Website updates and maintenance
(c)	Duration of the contracts arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Company's website www.dwarikesh.com being maintained and updated with regular updates pertaining to company's operations and other shareholders information and regulatory updates at quarterly charges of ₹ 6,00,000 plus service tax & cess.
(e)	Date(s) of approval by the Board, if any: (latest)	May 24, 2016
(f)	Amount paid as advances, if any:	Nil



ANNEXURE - III

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

1. CIN	L15421UP1993PLC018642
2. Registration Date	November 1, 1993
3. Name of the Company	Dwarikesh Sugar Ind. Ltd
4. Category/Sub-category of the Company	Company having share capital
5. Address of the Registered office & contact details	Dwarikesh Nagar – 246762, Dist. Bijnor, Uttar Pradesh
6. Whether listed company	Yes
7. 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)

SN	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	84.44

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

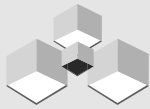
SN	Name & Address of the co.	CIN / GLN	Holding / subsidiary / Associate	% of shares held	Applicable section
1	Faridpur Sugars Limited	U15122UP2010PLC039515	Associate	40 %	2(6)
2	Dwarikesh Informatics Limited	U22211MH2000PLC210491	Associate	40%	2(6)

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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3099344	0	3099344	19.00	3099344	0	3099344	19.00	0
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	4784007	0	4784007	29.32	4784007	0	4784007	29.32	0
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	7883351	0	7883351	48.32	7883351	0	7883351	48.32	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	248000	0	248000	1.52	1.52

Category of Shareholders		No. of Shares held at the beginning of the year [As on March 31, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	b) Banks / FI									
	c) Central Govt	25000	0	25000	0.15	25000	0	25000	0.15	0
	d) State Govt(s)									
	e) Venture Capital Funds									
	f) Insurance Companies	199232	0	199232	1.22	199232	0	199232	1.22	0
	g) FIs									
	h) Foreign Venture Capital Funds									
	i) Others (specify)									
	Sub-total (B)(1):-	224232	0	224232	1.37	472232	0	472232	2.88	1.51
2.	Non-Institutions									
	a) Bodies Corp.	1866976	0	1896973	11.63	1860715	0	1860715	11.40	0.23
	i) Indian									
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3563301	34449	3597750	22.05	2493793	31737	2493793	15.28	
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2419248	0	2419248	14.83	3243797	0	3243797	19.88	5.05
	c) Others (specify)									
	Non Resident Indians	169310	25516	194826	1.19	151341	25516	151341	1.19	
	Overseas Corporate Bodies									
	Foreign Nationals									
	Clearing Members	97893	0	97893	0.60	192436	0	192436	1.18	0.58
	Trusts / LLPs	400	0	400	0.00	6795	0	6795	0.04	0.04
	Foreign Bodies - D R									
	Sub-total (B)(2):-	8147128	59965	8207093	50.30	8147128	59965	8207093	50.30	
	Total Public Shareholding (B)=(B)(1)+(B)(2)	8371360	59965	8431325	51.68	8371360	59965	8431325	51.68	1.3



Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	16254711	59965	16314676	100	16254711	59965	16314676	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	2826659	17.33	0	2826659	17.33	0	0
2	Pranay Gautam Morarka	124971	0.77	0	124971	0.77	0	0
3	Priyanka G Morarka	51236	0.31	0	51236	0.31	0	0
4	S G Morarka	90178	0.55	0	90178	0.55	0	0
5	Dwarikesh Trading Co.Ltd	2624889	16.09	0	2624889	16.09	0	0
6	Morarka Finance Limited	2159118	13.23	0	2159118	13.23	0	0
7	Gautam Morarka-karta – C/o Gautam R Morarka HUF	6300	0.04	0	6300	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
	At the beginning of the year				
	Add purchase Less sale	NO CHANGE			
	At the end of the year				

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	199232	1.22	199232	1.22
2	Mukul Agrawal	--	--	900000	5.52
3	Premier Credit Capital Ltd.	372000	372000	353278	2.17
4	L & T Mutual Fund Trustee Ltd.	--	--	248000	1.52
5	Suvridhi Capital Markets Ltd.	--	--	259374	1.59
6	Krishna Kumar Kumbhat	442199	2.71	609635	3.73
7	Ritu Sonthalia	--	--	126706	0.77
8	Aadhar Securities Pvt. Ltd.	--	--	120000	0.73
9	Gokul Vanijya Pvt. Ltd.	--	--	136889	1.06
10	Sudish Chugh	--	--	118530	0.73

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 01/04/2015)		Shareholding at the end of the year (31/03/2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gautam R. Morarka	2826659	17.33	2826659	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 April 1, 2015				
i) Principal Amount	6242704729	852044	---	6243556773
ii) Interest due but not paid				
iii) Interest accrued but not due				10314657
Total (i+ii+iii)	6242704729	852044	---	6253871430
Change in Indebtedness during the financial year				
* Addition	1140968486		---	1140968486
* Reduction	828357344	1776	---	828359120
Net Change	312611142	(1776)	---	312609366
Indebtedness at the end of the financial year as on 31st March, 2016				
i) Principal Amount	6555315871	850268	---	6556166139
ii) Interest due but not paid				
iii) Interest accrued but not due			---	16492691
Total (i+ii+iii)	6555315871	850268	---	6572658830

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in ₹)

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	20002567	6586611	6802324		33391502
	(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)	20002567	6586611	6802324		33391502
	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	45000	96750	69750	211500
	Commission	0	0	0	
	Others, please specify	0	0	0	
	Total (1a)	45000	96750	69750	211500
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, (Salaries, allowances, Bonus, Leave encashment, Co's contribution to EPF)				
	Total (2)				
	Total (B)=(1a+1b+2)	45000	96750	69750	211500
	Total Managerial Remuneration				
	Overall Ceiling as per the Act*				

* 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 - IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

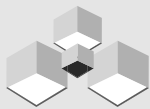
To,
The Member,
DWARIKESH SUGAR INDUSTRIES LIMITED
Dwarikesh Nagar, Bijnore,
Uttar Pradesh

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "DWARIKESH SUGAR INDUSTRIES LIMITED" (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject 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 financial year ended on 31st March, 2016 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 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 and SEBI (Prohibition of Insider Trading) Regulations 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable for the audit period;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable for the audit period;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable for the audit period;
 - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable for the audit period;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable for the audit period;
6. Other Laws applicable to the Company;
 - i. Industrial Disputes Act, 1947.
 - ii. The Payment of Wages Act, 1936.
 - iii. The Minimum Wages Act, 1948.



- iv. The Employee Provident Fund and Miscellaneous Provisions Act, 1952.
- v. The Payment of Bonus Act, 1965.
- vi. The Payment of Gratuity Act, 1972.
- vii. The Contract Labour(Regulation and Abolition) Act, 1970.
- viii. The Maternity Benefits Act, 1961.
- ix. Competition Act, 2002.
- x. The Income Tax Act, 1961.
- xi. Shops and Establishments Act, 1948.
- xii. Legal Metrology Act, 2009.
- xiii. The Finance Act, 1994.
- xiv. Essential Commodities Act, 1955.
- xv. Indian Boilers Act, 1923.
- xvi. Sugar Cess Act, 1982.
- xvii. Food Safety and Standard Act, 2006.

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issue 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.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

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

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

All decision at Board Meetings and Committee Meetings are carried with the consent of majority of director as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

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: 24/05/2016.

For **VKM & Associates**
Practicing Company Secretary

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

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

“ANNEXURE A”

To,

**The Member,
DWARIKESH SUGAR INDUSTRIES LIMITED
Dwarikesh Nagar, Bijnore,
Uttar Pradesh.**

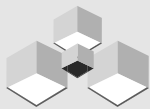
Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai.
Date: 24/05/2016.

For **VKM & Associates**
Practicing Company Secretary

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



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"

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

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, 2016 the constitution of the Board was:

There are 6 Directors in the Company as on 31st March, 2016.

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
Shri G. R. Morarka	Managing Director	4	2	---	2,826,659
Ms. Malathi Mohan	Independent Non-Executive Director	---	---	---	---
Shri B. K. Agarwal	Independent Non-Executive Director	---	---	---	---
Shri K. N. Prithviraj	Independent Non-Executive Director	4	1	---	---
Shri B. J. Maheshwari	Whole Time Director	3	2	1	---
Shri Vijay S. Banka	Whole Time Director	2	2	---	---

*In accordance with SEBI (LODR) Regulations, 2015, 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, Shri B. J. Maheshwari and Shri V. S. Banka retire in the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Pursuant to section 149 (13) of the Companies Act, 2013, all the independent directors namely Shri B. K. Agarwal, Shri K. N. Prithviraj and Ms. Malathi Mohan are appointed for the period of 5 years and are not required to be retire by rotation. The remuneration of Shri G. R. Morarka is proposed for the period of 2 years as his current tenure is over on March 31, 2016.

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 per meeting of Board of Directors of the Company for attending the meeting.

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

Shri 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.

Shri B. J. Maheshwari and Shri 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 Shri Maheshwari & Shri Banka are provided in note no. 17 in Other Notes in 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, 2016 are provided below:

A. Executive Directors:

1. Remuneration to Managing Director

Particulars	Amount (₹)
Salary	96,00,000
Ex Gratia & Interim Bonus	92,50,567
Leave Encashment	Nil
Add: Company's Contribution to P.F. (exempted allowance)	11,52,000
Total	2,00,02,567

2. Remuneration to other Whole time directors

Particulars	Amount (₹)
Salary	1,19,25,468
Other Allowances	1,08,000
Leave Salary	7,59,587
Interim Bonus	10,496
Company's Contribution to P.F. (exempted allowance)	5,85,384
Total	1,33,88,935

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



B. Non-Executive Directors:

(Amount in ₹)

Name of the Director	Sitting fees - (Net of TDS)	Commission Payable	Total Payments paid / Payable in 2015-16
Ms. Malathi Mohan	45,000	---	45,000
Shri B. K. Agarwal	96,750	---	96,750
Shri K. N. Prithviraj	69,750	---	69,750

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, 2016, 4 Board Meetings were held: on; May 28, 2015; August 14, 2015; November 09, 2015 & February 06, 2016. 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 September 19, 2015
Shri G.R. Morarka	4	Yes
Ms. Malathi Mohan	2	N.A.
Shri B. K. Agarwal	4	No
Shri B. J. Maheshwari	4	Yes
Shri Vijay S. Banka	4	Yes
Shri K. N. Prithviraj	3	No

3. COMMITTEES OF BOARD

A. AUDIT COMMITTEE

Pursuant to Regulations 18 of SEBI (LODR) Regulations, 2015 and also pursuant to the provisions of Section 177 of the Companies Act, 2013, the Committee was constituted, initially to 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, Shri B. J. Maheshwari has ceased to be a member of the Audit Committee w.e.f. August 12, 2011 and an Independent Director Shri B. K. Agarwal is inducted in the same meeting. Members of Audit Committee are eminent persons in their field. Shri K. N. Prithviraj acts as Chairman of the Audit Committee. Shri 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, 2016 is as follows:

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

Meeting and Attendance

During the period ended March 31, 2016, 4 Audit Committee Meetings were held May 28, 2015; August 14, 2015; November 09, 2015 & February 06, 2016

Name of the Directors	No of meeting attended
Shri Vijay S. Banka	4
Shri K. N. Prithviraj	3
Shri B. K. Agarwal	4
Ms Malathi Mohan	2

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, 2016 are as under:

1.	Shri B. K. Agarwal	Non-executive Director
2.	Ms. Malathi Mohan	Non-executive Director
3	Shri 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, 2016, 1 Nomination and Remuneration committee meeting was held on February 6, 2016.

Name of the Director	No. of meetings attended
Shri B.K. Agarwal	1
Ms. Malathi Mohan	0
Shri K.N. Prithviraj	1

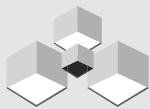
Sitting fees @ ₹ 5,000 is paid to a member for attending meeting of Audit Committee and in an event the meeting is held outside Mumbai, additionally, out of pocket expenses of ₹500 per meeting is to be paid.

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. Shri B. K. Agarwal is Chairman of the committee & Shri B. J. Maheshwari –Company Secretary is designated as a Compliance officer.

The Shareholder's Committee comprise of following directors as on 31st March, 2016.

1.	Shri Vijay S. Banka	Whole Time Director
2.	Shri B. J. Maheshwari	Whole Time Director
3.	Shri 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 are 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, 2016, 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.

Meeting of Independent Directors:

A Meeting of Independent Directors was held during the year on February 6, 2016 to review the performance of Non-Independent Directors and the Board as whole, and the Managing Director of the Company taking into account the views of Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees.

COMPLIANCE OFFICER

The Board has designated Shri 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 Minimisation 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.

F. Codes' and policies' weblink:

Details of various policies and codes required to be framed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are given on the website of the company on weblink: <http://www.dwarikesh.com/news/policies-codes/70.html>. There are no any unclaimed shares.

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
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
2013-15	19 th September, 2015	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
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 Shri G. R. Morarka, Chairman and Managing Director.



22 nd March, 2013	a.	Ratification of enhanced remuneration of Ms. Priyanka G Morarka.
	b.	Power to the board for borrowings upto Rs 1000 crores u/s 180(1) of Companies Act, 2013
	c.	Power to the board to contribute for charitable purposes
21 st March, 2014	a.	Power to the board for borrowings upto Rs 1000 crores u/s 180(1)
	b.	Power to the board to contribute for charitable purposes
19 th September, 2015	a.	Approval of related party transaction with related party – Morarka Finance Limited for taking on rent the office premises
	b.	Re-appointment and fixation of remuneration of Mr B J Maheshwari as a Whole Time Director & CS cum CCO
	c.	Re-appointment and fixation of remuneration of Mr Vijay S Banka as a Whole Time Director & CFO
	d.	Approval for alteration of the capital clause of Memorandum of Association
	e.	Approval for alteration of the capital clause of Articles of Association
	f.	Approval for issue of cumulative redeemable preference shares

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'). 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 2015-16.

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

INSIDER TRADING

The Company has adopted Code of Internal Procedures and conduct' framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, inter alia, to prevent insider trading in the shares of the Company. The Company Secretary is responsible for the implementation of the code. All Board of Directors, designated employees and connected persons have affirmed compliance with the code.

DISCLOSURES

The Company does not have any related party transactions except the ones disclosed in note no. 17 in Other Notes 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 Regulation 33, 47 of the Listing Regulations 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 Regulation 47 of the Listing Regulations, 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.

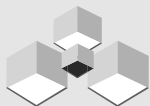
GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	22 nd Annual General Meeting	
Date, Time and Venue	Friday, 5 th August, 2016 at 10 a.m. at Dwarikesh Nagar – 246 762 District : Bijnor, Uttar Pradesh	
Financial Calendar Particulars (April - March) (tentative and subject to change)	Date of Approval/publication	
First Quarter Results	On or before 14 th August, 2016	
Second Quarter Results	On or before 14 th November, 2016	
Third Quarter Results	On or before 14 th February, 2017	
Last Quarter Results	On or before 30 th May, 2017	
Dates of Book Closure	July 30 th , 2016 to August 5 th , 2016 (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	"DWARKESH"
International Securities Identification Number (ISIN)	INE 366A 01033	

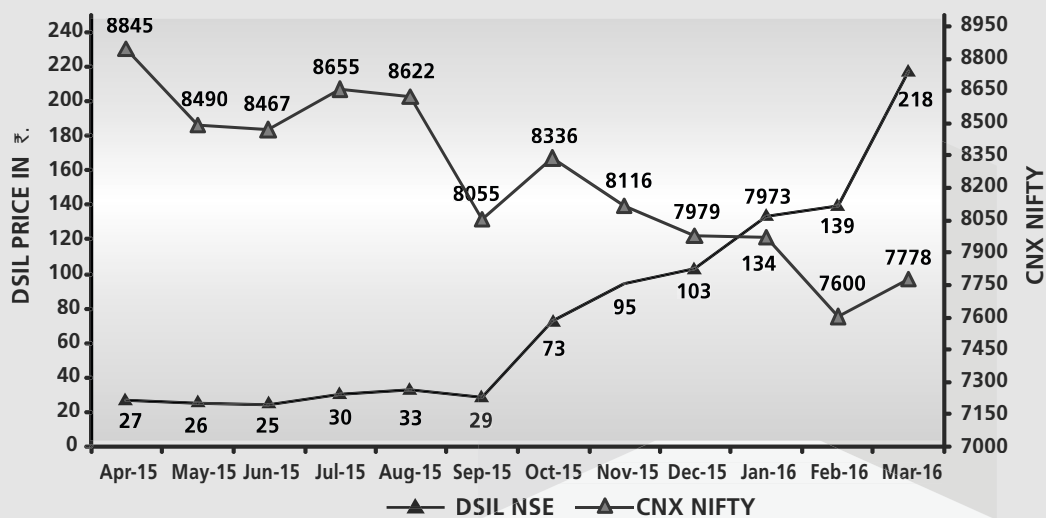
Payment of Listing Fees: Annual listing fee for the year 2016-17 (as applicable) has been paid by the Company to BSE & NSE.

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:

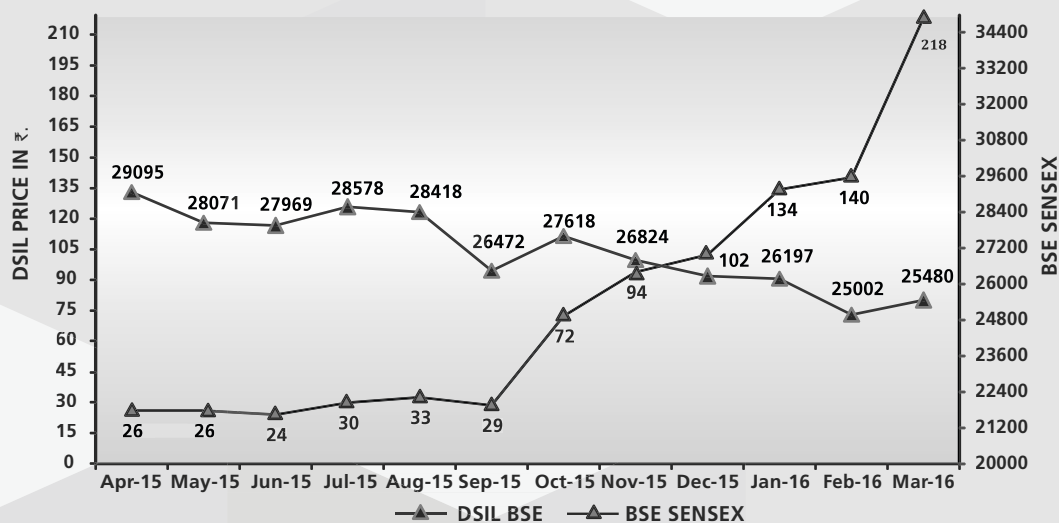
MONTH	NSE			BSE		
	HIGH ₹	LOW ₹	TOTAL VOLUME QUANTITY NOS.	HIGH ₹	LOW ₹	TOTAL VOLUME QUANTITY NOS.
Apr-15	26.5	19.85	235928	26.00	19.70	71974
May-15	25.5	20.35	171031	25.90	20.40	68691
Jun-15	24.5	20.1	127866	24.10	20.40	57825
Jul-15	30.4	21.1	273106	29.80	21.50	150326
Aug-15	33.05	21.6	243894	33.00	21.35	945518
Sep-15	28.7	23.15	149219	28.50	23.00	42626
Oct-15	72.75	27.8	2567151	72.35	27.60	1105186
Nov-15	94.6	61	2346798	94.30	61.00	870123
Dec-15	103.1	72	1150608	102.25	70.40	402874
Jan-16	133.75	95.25	1911359	134.35	97.50	598346
Feb-16	139.3	92.5	1099827	140.00	92.00	387883
Mar-16	217.9	99.9	8129381	218.40	103.50	2148544



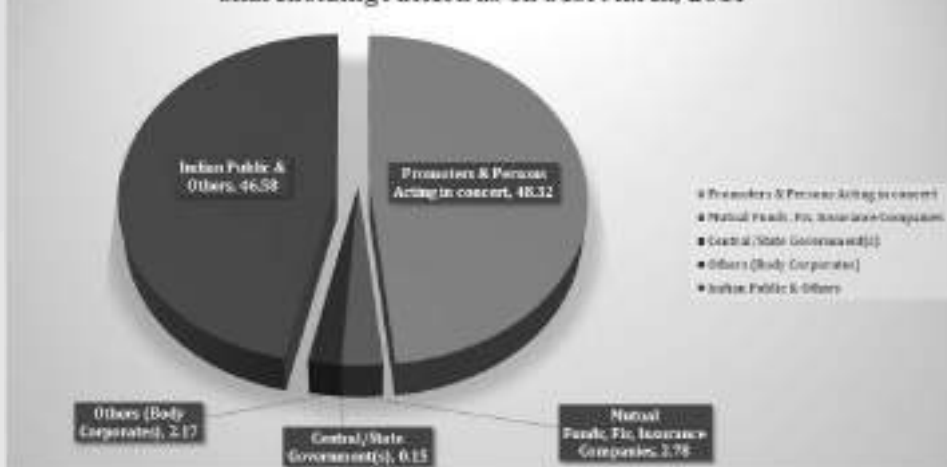
DSIL SHARE PRICES IN NSE & CNX NIFTY



DSIL SHARE PRICES IN BSE & BSE SENSEX



Shareholding Pattern as on 31st March, 2016



Shareholding pattern of the Company as on 31st March, 2016.

Sr. No.	Particulars	Percentage
1	Promoters & Persons Acting in concert	48.32
2	Mutual Funds, Fis, Insurance Companies	2.78
3	Central/State Government(s)	0.15
4	Others (Body Corporates)	2.17
5	Indian Public & Others	46.58
	Total	100

Distribution of Shareholding as on 31st March, 2016.

Sr. No.	No. of Equity Shares Held in the range of	No. of Shareholders	Percentage	No. of Shares	Total Percentage
1	1 – 500	7367	86.285	880930	5.400
2	501 – 1000	431	5.048	348849	2.138
3	1001 – 2000	330	3.865	488087	2.992
4	2001 – 3000	123	1.441	310242	1.902
5	3001 - 4000	60	0.703	211316	1.295
6	4001 – 5000	43	0.504	206841	1.268
7	5001-10000	83	0.972	593641	3.629
8	10,001 & above	101	1.183	13274770	81.367
	Total	8538	100	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 ₹ 540,549,427/- 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, 2016, 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, 2016, 99.65% 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 Shri 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	---
2015-2016	NIL	---

Bonus Issues of fully Paid-up Equity Shares

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

Non-Mandatory Requirements:**Discretionary Requirements under Regulation 27 of the SEBI (Listing Obligation & Disclosure Requirements (LODR) Regulations, 2015:**

The status of compliance with discretionary recommendations of the Regulation 27 of the SEBI (LODR), Regulations is provided below:

Chairman's Office: The designation of Shri G R Morarka which was earlier Chairman and Managing Director is now changed to Managing Director.

Separate posts of Chairman and CEO: Shri G R Morarka is holding the position Managing Director & CEO. The Company does not have any permanent Chairman.

Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

Modified Opinion in Auditors Report: The Company's financial statement for the year ended March 31, 2016 are unqualified.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

Location of Plants:**Sugar Mills:**

- (1) Dwarikesh Nagar – 246 762, Village: Bundki & Rajupura, Dist: Bijnor, Uttar Pradesh.
- (2) Dwarikesh Puram – 246 722, Village: Bahadarpur, Dist: Bijnor, Uttar Pradesh.
- (3) Dwarikesh Dham – 243 503, Village: Bhagwanpur Fulwa, Bakarganj, Dist: Bareilly, Uttar Pradesh.

Distillery:

- (1) Dwarikesh Nagar – 246 762, Village: Bundki & Rajupura, Dist: Bijnor, Uttar Pradesh.

Co-generation:

- (1) Dwarikesh Nagar – 246 762, Village: Bundki & Rajupura, Dist: Bijnor, Uttar Pradesh.
- (2) Dwarikesh Puram – 246 722, Village: Bahadarpur, Dist: Bijnor, Uttar Pradesh.
- (3) Dwarikesh Dham – 243 503, Village: Bhagwanpur Fulwa, Bakarganj, Dist: Bareilly, Uttar Pradesh.

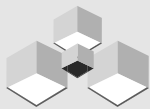
Subsidiary:

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

Place: Mumbai.
Dated: May 24, 2016.

On behalf of the Board of Directors

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



CEO AND CFO CERTIFICATION

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, 2016 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.

Vijay S. Banka
Chief Financial Officer

Place : Mumbai.

Date : May 24, 2016.

G. R. Morarka
CEO & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To The Members of
Dwarikesh Sugar Industries Limited.**

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

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

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

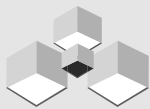
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**KAMAL KISHORE
Partner
Membership No. 078017**

Place: New Delhi.

Dated: May 24, 2016.



INDEPENDENT AUDITORS' REPORT

To The Members of **Dwarikesh Sugar Industries Limited,**

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

Opinion

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

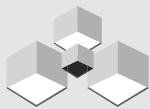
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29 B to the standalone financial statements;
 - ii. Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Kamal Kishore
Partner
Membership No: 078017

Place : New Delhi.
Date: May 24, 2016.



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWARIKESH SUGAR INDUSTRIES LIMITED DATED MAY 24, 2016.

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification, discrepancies has duly been adjusted in the financials.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties are held in the name of the company.
- (ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the registered maintained under section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) As per the information and explanation given to us and on the basis of our examination of the records, the company has complied with provision of section 185 and 186 of the Act, with respect to the loans and investment made.
- (v) In our opinion and according to explanation given to us, As the company has not accepted deposits as per directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other provisions of the companies Act and rules framed there under.
- (vi) We have broadly reviewed the books of account relating to materials, labor and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, Value added tax, cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-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	18,831,735	Jan-05 to Dec-05, Apr-06 to Dec-06, Apr-06 to Dec-07, Jan-07 to Feb-07, Mar-07, Jun-07 to Nov-07, Jun-07 to Aug-08, Nov-07 to Aug-08, Jan-08 to Dec-08, Jan-07 to Oct-07, Oct-10 to Mar-11, Apr-10 to Sep-10, June-07 to Nov -07	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty	121,211	Jun-05 to Mar-06	CESTAT, Delhi
Finance Act, 1994	Service Tax and Penalty	2,657,124	Jul-05 to Jan-08	CESTAT, Mumbai
Finance Act, 1994	Service Tax duty and penalty	16,149,123	Jun-07 to Jan-09	CESTAT, Delhi
Finance Act, 1994	Service tax	2,866,157	Jan-14 to Aug-14, Apr-09 to Dec-13	CESTAT, Allahabad
Finance Act, 1994	Service Tax	9,689,998	Dec-09 to Aug-14, Sep-12 to Dec-13	Commissioner (Appeals), Meerut
Uttar Pradesh Tax On Entry of Goods into Local Areas Act, 2007	Entry tax on Iron Steel Purchases	85,000	2013-14	Additional Commissioner (appeal), Bijnor (U.P.)

- (viii) 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 repayments of its dues to Governments, banks and financial institution. The Company does not have any debenture.
- (ix) According to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer or further public offer during the financial year, and the terms loans raised by the Company have been applied for the purpose for which they are were obtained. Where such end use has been stipulated by the lender(s).
- (x) In our opinion and on the basis of information and explanations given to us, no cases of fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) As the Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, as applicable and the details have been disclosed in these financial statements as required by the applicable accounting standards.
- (xiv) As the Company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under review, the requirement of section 42 of the Companies Act, 2013 are not applicable.
- (xv) In our opinion and on the basis of information and explanations given to us, the Company has not entered into non-cash transactions with directors and persons connected with him. Hence, the provisions of section 192 of Companies Act, 2013 are not applicable.
- (xvi) In our opinion and on the basis of information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Kamal Kishore
Partner
Membership No: 078017

Place: New Delhi.
Date: May 24, 2016.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWARIKESH SUGAR INDUSTRIES LIMITED DATED MAY 24, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Dwarikesh Sugar Industries Limited ("the Company")** as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Kamal Kishore
Partner
Membership No: 078017

Place: New Delhi

Date: May 24, 2016



BALANCE SHEET

AS AT 31ST MARCH, 2016

(Amount in ₹)

	Note No.	As at 31/03/2016	As at 31/03/2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	1	474,146,760	474,146,760
(b) Reserves and surplus	2	695,998,122	564,432,260
		1,170,144,882	1,038,579,020
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	2,370,610,327	1,887,478,995
(b) Other long term liabilities	4	43,778,241	43,148,370
(c) Long term provisions	5	123,193,118	106,235,466
		2,537,581,686	2,036,862,831
(3) Current Liabilities			
(a) Short-term borrowings	6	3,542,040,912	3,528,174,202
(b) Trade payables	7	1,426,319,898	2,010,404,999
(c) Other current liabilities	8		
Current maturities of long term debts		643,514,900	827,903,576
Others		658,273,449	523,554,355
(d) Short-term provisions	9	34,455,857	22,000,872
		6,304,605,016	6,912,038,004
		10,012,331,584	9,987,479,855
TOTAL			
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		3,563,759,860	3,985,718,038
(ii) Intangible assets		---	---
(iii) Capital work-in-progress		2,390,178	405,041
(iv) Intangible assets under development		450,000	---
		3,566,600,038	3,986,123,079
(b) Non-current investments	11	2,000,000	2,400,000
(c) Deferred Tax assets (net)	12	170,715,769	200,066,514
(d) Long term loans and advances	13	94,275,201	96,355,890
(e) Other non-current assets	14	6,259,766	6,088,251
		3,839,850,774	4,291,033,734
(2) Current assets			
(a) Current investments	15	400,000	---
(b) Inventories	16	5,365,616,175	4,910,722,446
(c) Trade receivables	17	642,556,272	427,975,524
(d) Cash and bank balances	18	48,224,577	8,207,666
(e) Short-term loans and advances	19	50,787,346	31,399,805
(f) Other current assets	20	64,896,440	318,140,680
		6,172,480,810	5,696,446,121
		10,012,331,584	9,987,479,855
TOTAL			

See accompanying notes to financial statements

As per our report of even date

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

Chartered Accountants
Firm Regn. No. 000756N

Kamal Kishore

Partner
Membership No. 078017

Place: New Delhi.
Date: 24th May, 2016.

For and on behalf of Dwarikesh Sugar Industries Limited

G. R. Morarka
Managing Director
DIN: 00002078

Vijay S. Banka

Whole Time Director & Chief Financial Officer
DIN: 00963355

Place: Mumbai.
Date: 24th May, 2016.

B. J. Maheshwari

Whole Time Director & Company Secretary
cum Chief Compliance Officer
DIN: 00002075

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	Note No.	Year ended 31/03/2016	Eighteen months period ended 31/03/2015
REVENUE:			
I. Revenue from operations (Gross)	21	8,315,104,580	11,687,440,079
Less: Excise duty		371,691,706	403,559,720
Revenue from operations (Net)		7,943,412,874	11,283,880,359
II. Other income	22	86,212,642	103,410,408
III. Total Revenue (I +II)		8,029,625,516	11,387,290,767
EXPENSES:			
IV. Cost of materials consumed	23	6,171,718,550	11,997,765,688
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(285,632,818)	(2,822,845,443)
Employee benefit expenses	25	496,767,519	714,367,574
Finance cost	26	515,902,314	752,097,675
Depreciation and amortization expenses	27	565,742,983	472,463,759
Less: Appropriation from General Reserve		258,096,981	---
Other expenses	28	478,468,209	539,345,592
V. Total Expenses		7,684,869,776	11,653,194,845
VI. Profit/(Loss) before exceptional item and tax (III - V)		344,755,740	(265,904,078)
VII. Exceptional Item			
Remission of cane commission liability relating to earlier year (net of tax) (Refer note.7 of note no.29 B)		49,183,132	---
VIII. Profit/(Loss) before tax (VI+VII)		393,938,872	(265,904,078)
IX. Tax expense:			
(1) Current tax			
Current period		14,499,843	---
Less: MAT credit entitlement		(13,544,925)	---
(2) Deferred tax		3,321,111	(98,402,376)
X. Net Profit/(Loss) for the period after tax (VIII - IX)		389,662,843	(167,501,702)
XI. Earning per equity share (Nominal value ₹ 10 per share)			
(1) Basic		22.02	(13.19)
(2) Diluted		22.02	(13.19)

See accompanying notes to financial statements

As per our report of even date

For **S.S.Kothari Mehta & Co.**
Chartered Accountants
Firm Regn. No. 000756N

Kamal Kishore
Partner
Membership No. 078017

Place: New Delhi.
Date: 24th May, 2016.

For and on behalf of Dwarikesh Sugar Industries Limited

G. R. Morarka
Managing Director
DIN: 00002078

Vijay S. Banka
Whole Time Director & Chief Financial Officer
DIN: 00963355

Place: Mumbai.
Date: 24th May, 2016.

B. J. Maheshwari
Whole Time Director & Company Secretary
cum Chief Compliance Officer
DIN: 00002075



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	Year ended March 31, 2016	Eighteen months period ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	393,938,872	(265,904,078)
Adjustments for :		
Depreciation/Obsolescence	307,646,002	472,463,759
Loss on sale of fixed assets	818,113	(172,743)
Finance cost	515,902,314	752,097,675
Interest income	(209,757)	(2,779,986)
Dividend income	(200,000)	(200,000)
Tax impact on remission of cane commission liability	26,029,634	---
Provision for wealth tax	---	505,608
Operating profit before working capital changes	1,243,925,178	956,010,235
Adjustments for changes in Working Capital :		
(Increase)/Decrease in Inventories	(454,893,729)	(2,991,174,130)
(Increase)/Decrease in Trade Receivables	(214,580,748)	(407,926,490)
(Increase)/Decrease in Other Receivables	219,385,870	(323,641,154)
Increase/(Decrease) in Trade Payables	(584,093,606)	1,029,442,917
Increase/(Decrease) in Other Payables	157,833,300	231,059,277
Cash generated from operations	367,576,265	(1,506,229,345)
Direct taxes paid	(196,145)	(538,340)
Net cash from operating activities	367,380,120	(1,506,767,685)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(132,358,096)	(49,300,442)
Interest received	209,757	2,779,986
Dividend income	200,000	200,000
Sale of fixed assets	1,700,044	2,457,241
Net cash from investing activities	(130,248,295)	(43,863,215)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

	Year ended March 31, 2016	Eighteen months period ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,127,100,000	1,567,300,000
Repayment of long term borrowings	(828,357,344)	(1,250,200,563)
Increase/(Decrease) in short term borrowings including cash credit	13,866,710	2,004,485,824
Finance cost paid	(509,724,280)	(783,832,767)
Net cash from financing activities	(197,114,914)	1,537,752,494
Net increase in cash and bank balances (A + B + C)	40,016,911	(12,878,406)
Opening balance of cash and bank balances	8,207,666	21,086,072
Closing balance of cash and bank balances	48,224,577	8,207,666
Notes:		
1. Closing Cash and bank balances Comprise:		
a. Cash & Cash Equivalents		
i) Current accounts	40,426,541	1,343,524
ii) Cash on hand	4,434,477	4,810,806
b. Other bank balances		
i) Earmarked balance for unpaid dividend	457,661	462,081
ii) Earmarked balance in current account	2,905,898	1,591,255
(as per Uttar Pradesh State Molasses Control Rules, 1974)		
Total	48,224,577	8,207,666

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

As per our report of even date

For and on behalf of Dwarikesh Sugar Industries Limited

For **S.S.Kothari Mehta & Co.**
Chartered Accountants
Firm Regn. No. 000756N**G. R. Morarka**
Managing Director
DIN: 00002078**B. J. Maheshwari**
Whole Time Director & Company Secretary
cum Chief Compliance Officer
DIN: 00002075**Kamal Kishore**
Partner
Membership No. 078017**Vijay S. Banka**
Whole Time Director & Chief Financial Officer
DIN: 00963355Place: New Delhi.
Date: 24th May, 2016.Place: Mumbai.
Date: 24th May, 2016.



NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

Note No.	(Amount in ₹)	
	As at 31/03/2016	As at 31/03/2015
1	SHARE CAPITAL	
	AUTHORISED:	
	1,75,00,000 (previous period 1,75,00,000) equity shares of ₹ 10 each	175,000,000
	12% 1,50,000 (previous period 1,50,000) cumulative redeemable preference shares of ₹ 100 each (Series I)	15,000,000
	8% 15,00,000 (previous period 15,00,000) cumulative redeemable preference shares of ₹ 100 each (Series II)	150,000,000
	8% 10,00,000 (previous period 10,00,000) cumulative redeemable preference shares of ₹ 100 each (Series III)	100,000,000
	8% 10,00,000 (previous period 10,00,000) cumulative redeemable preference shares of ₹ 100 each (Series IV)	100,000,000
	540,000,000	540,000,000
	ISSUED:	
	1,63,14,676 (previous period 1,63,14,676) equity shares of ₹ 10 each paid up	163,146,760
	12% 1,10,000 (previous period 1,10,000) cumulative redeemable preference shares of ₹ 100 each paid up (Series I)	11,000,000
	8% 15,00,000 (previous period 15,00,000) cumulative redeemable preference shares of ₹ 100 each paid up (Series II)	150,000,000
	8% 10,00,000 (previous period 10,00,000) cumulative redeemable preference shares of ₹ 100 each (Series III)	100,000,000
	8% 5,00,000 (previous period 5,00,000) cumulative redeemable preference shares of ₹ 100 each (Series IV)	50,000,000
	474,146,760	474,146,760
	SUBSCRIBED AND FULLY PAID UP:	
	1,63,14,676 (previous period 1,63,14,676) equity shares of ₹ 10 each paid up	163,146,760
	12% 1,10,000 (previous period 1,10,000) cumulative redeemable preference shares of ₹ 100 each paid up (Series I)	11,000,000
	8% 15,00,000 (previous period 15,00,000) cumulative redeemable preference shares of ₹ 100 each paid up (Series II)	150,000,000
	8% 10,00,000 (previous period 10,00,000) cumulative redeemable preference shares of ₹ 100 each (Series III)	100,000,000
	8% 5,00,000 (previous period 5,00,000) cumulative redeemable preference shares of ₹ 100 each (Series IV)	50,000,000
	474,146,760	474,146,760
	Total Share Capital	474,146,760

NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

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

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	No of shares	Amount in ₹	No of shares	Amount in ₹
AUTHORISED:				
a) Equity Shares:-				
At the beginning of the period	17,500,000	175,000,000	17,500,000	175,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	17,500,000	175,000,000	17,500,000	175,000,000
b) Preference Shares:-				
12% cumulative redeemable preference shares of ₹ 100 each (Series I)				
At the beginning of the period	150,000	15,000,000	150,000	15,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	150,000	15,000,000	150,000	15,000,000
8% cumulative redeemable preference shares of ₹ 100 each (Series II)				
At the beginning of the period	1,500,000	150,000,000	1,500,000	150,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,500,000	150,000,000	1,500,000	150,000,000
8% cumulative redeemable preference shares of ₹ 100 each (Series III)				
At the beginning of the period	1,000,000	100,000,000	1,000,000	100,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,000,000	100,000,000	1,000,000	100,000,000
8% cumulative redeemable preference shares of ₹ 100 each (Series IV)				
At the beginning of the period	1,000,000	100,000,000	1,000,000	100,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,000,000	100,000,000	1,000,000	100,000,000
ISSUED:				
a) Equity Shares:-				
At the beginning of the period	16,314,676	163,146,760	16,314,676	163,146,760
Change during the period	---	---	---	---
Outstanding at the end of the period	16,314,676	163,146,760	16,314,676	163,146,760
b) Preference Shares:-				
12% cumulative redeemable preference shares of ₹ 100 each (Series I)				
At the beginning of the period	110,000	11,000,000	110,000	11,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	110,000	11,000,000	110,000	11,000,000
8% cumulative redeemable preference shares of ₹ 100 each (Series II)				
At the beginning of the period	1,500,000	150,000,000	1,500,000	150,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,500,000	150,000,000	1,500,000	150,000,000



NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

	As at 31/03/2016		As at 31/03/2015	
	No of shares	Amount in ₹	No of shares	Amount in ₹
8% cumulative redeemable preference shares of ₹ 100 each (Series III)				
At the beginning of the period	1,000,000	100,000,000	1,000,000	100,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,000,000	100,000,000	1,000,000	100,000,000
8% cumulative redeemable preference shares of ₹ 100 each (Series IV)				
At the beginning of the period	500,000	50,000,000	1,000,000	100,000,000
Change during the period	---	---	(500,000)	(50,000,000)
Outstanding at the end of the period	500,000	50,000,000	500,000	50,000,000
SUBSCRIBED AND FULLY PAID UP:				
a) Equity Shares:-				
At the beginning of the period	16,314,676	163,146,760	16,314,676	163,146,760
Change during the period	---	---	---	---
Outstanding at the end of the period	16,314,676	163,146,760	16,314,676	163,146,760
b) Preference Shares:-				
12% cumulative redeemable preference shares of ₹ 100 each (Series I)				
At the beginning of the period	110,000	11,000,000	110,000	11,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	110,000	11,000,000	110,000	11,000,000
8% cumulative redeemable preference shares of ₹ 100 each (Series II)				
At the beginning of the period	1,500,000	150,000,000	1,500,000	150,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,500,000	150,000,000	1,500,000	150,000,000
8% cumulative redeemable preference shares of ₹ 100 each (Series III)				
At the beginning of the period	1,000,000	100,000,000	1,000,000	100,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	1,000,000	100,000,000	1,000,000	100,000,000
8% cumulative redeemable preference shares of ₹ 100 each (Series IV)				
At the beginning of the period	500,000	50,000,000	500,000	50,000,000
Change during the period	---	---	---	---
Outstanding at the end of the period	500,000	50,000,000	500,000	50,000,000

NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

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

	As at 31/03/2016		As at 31/03/2015	
	No of shares	% holding	No of shares	% holding
a) Equity Shares:-				
Dwarikesh Trading Company Limited	2,624,889	16.09%	2,624,889	16.09%
Morarka Finance Limited	2,159,118	13.23%	2,159,118	13.23%
Param Capital Research Private Limited	---	---	815,077	5.00%
Mukul Mahavirprasad Agrawal	900,000	5.52%	---	---
Gautam R Morarka	2,826,659	17.33%	2,826,659	17.33%
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.				
b) Preference Shares:-				
12% Cumulative Redeemable Preference Shares (Series I)				
Dwarikesh Trading Company Limited	105,500	95.91%	105,500	95.91%
8% Cumulative Redeemable Preference Shares (Series II)				
Bimla Devi Poddar	600,000	40.00%	600,000	40.00%
Krishna Neotia	200,000	13.33%	200,000	13.33%
Madhu Neotia	---	---	300,000	20.00%
Harshvardhan Neotia	---	---	200,000	13.34%
Harshvardhan Neotia, Karta of Suresh Kumar Vinod Kumar (HUF)	100,000	6.67%	---	---
Harshvardhan Neotia, Karta of Vinod Kumar Harshvardhan (HUF)	400,000	26.67%	---	---
Likhani Commercial Company Limited	200,000	13.33%	200,000	13.33%
8% Cumulative Redeemable Preference Shares (Series III)				
Bimla Devi Poddar	750,000	75.00%	750,000	75.00%
Madhu Neotia	---	---	250,000	25.00%
Harshvardhan Neotia, Karta of Vinod Kumar Harshvardhan (HUF)	250,000	25.00%	---	---
8% Cumulative Redeemable Preference Shares (Series IV)				
Harshvardhan Neotia	---	---	500,000	100.00%
Harshvardhan Neotia, Karta of Suresh Kumar Vinod Kumar (HUF)	500,000	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.



NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

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 shareholders meeting held on 16/08/2014 wherein the consent is obtained from the concerned shareholders.

8% cumulative redeemable preference shares (Series II):

1,500,000, 8% cumulative redeemable preference shares of ₹ 100 each were issued in August, 2007. These preference shares were to be redeemed at par in August 2015 which has now been extended to August, 2020 by virtue of consent obtained from the concerned shareholders.

8% cumulative redeemable preference shares (Series III):

1,000,000, 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):

500,000, 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.	(Amount in ₹)	
	As at 31/03/2016	As at 31/03/2015
2 RESERVES AND SURPLUS		
a) Capital reserve		
Opening balance	5,986,500	5,986,500
Changes during the period	---	---
Closing balance	5,986,500	5,986,500
b) Capital redemption reserve		
Opening balance	75,200,000	75,200,000
Changes during the period	---	---
Closing balance	75,200,000	75,200,000
c) Securities premium reserve		
Opening balance	900,038,192	900,038,192
Changes during the period	---	---
Closing balance	900,038,192	900,038,192
d) Other reserves		
General reserve		
Opening balance	270,854,154	270,854,154
Appropriation relating to fixed assets *	(258,096,981)	---
Closing balance	12,757,173	270,854,154
e) Deficit in Statement of Profit and Loss		
Opening balance	(687,646,586)	(520,144,884)
Add: profit/(loss) during the period	389,662,843	(167,501,702)
Less: appropriations	---	---
Closing balance of Deficit in Statement of Profit and Loss	(297,983,743)	(687,646,586)
Total Reserves & Surplus	695,998,122	564,432,260

*Appropriation due to the transitional adjustments to carrying value of tangible assets whose revised useful life has expired. (Refer note no. 10 to the Financial Statements)

NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

Note No.		(Amount in ₹)	
		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
3	LONG-TERM BORROWINGS (Refer note.1 of note no.29 B) SECURED Term loans From banks From others From companies	2,044,957,127 25,653,200 300,000,000	1,461,348,595 126,130,400 300,000,000
	Total Secured Long term borrowings	2,370,610,327	1,887,478,995
4	OTHER LONG TERM LIABILITIES a) Trade payables b) Capital Supplier payable c) Other payables Security/Retention money	215,074 31,583,057 11,980,110	223,579 31,583,057 11,341,734
	Total Other Long Term Liabilities	43,778,241	43,148,370
5	LONG-TERM PROVISIONS Provision for employee benefits Gratuity Leave encashment	93,813,177 29,379,941	79,443,884 26,791,582
	Total Long Term Provisions	123,193,118	106,235,466
6	SHORT-TERM BORROWINGS (Refer note.1 of note no.29 B) a) Secured Cash credit from banks	3,541,190,644 3,541,190,644	3,527,322,158 3,527,322,158
	b) Unsecured Loan & advances from related parties (Refer note.17 of note no.29 B) due to director inter corporate deposits {including interest accrued thereon ₹ Nil (previous period ₹ Nil)}	653,794 196,474	653,794 198,250
	Total Short Term Borrowings	3,542,040,912	3,528,174,202
7	TRADE PAYABLES a) Micro, small and medium enterprises* b) Others	2,549,533 1,423,770,365	2,615,307 2,007,789,692
	Total Trade Payables	1,426,319,898	2,010,404,999

* 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.



NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

(Amount in ₹)

Note No.	As at 31/03/2016	As at 31/03/2015
8 OTHER CURRENT LIABILITIES		
a) Current maturities of long term debts (Refer note.1 of note no.29 B)		
Term loans		
From banks	543,037,700	727,426,376
From others	100,477,200	100,477,200
Total Current maturities of long term debts	643,514,900	827,903,576
b) Interest accrued but not due on borrowings	16,492,691	10,314,657
c) Advance from customer and others	108,277,472	88,778,574
d) Unpaid dividend*	457,661	462,081
e) Other payables		
Statutory dues payable (Including TDS, Purchase tax, PF and Excise duty)	24,976,782	11,974,851
Salary & wages payable	49,870,425	35,434,483
Remuneration-due to directors	10,446,826	1,052,606
Excise duty payable on stock	365,391,131	204,487,504
Forward premium principal payable	---	9,003,836
Security/Retention money payable	12,692,915	14,511,105
Others {Including amount payable to related parties of ₹ 11,97,528 (previous period ₹ 11,40,388)}	69,667,546	147,534,658
Total Others	658,273,449	523,554,355
Total Other Current Liabilities	1,301,788,349	1,351,457,931
* 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 SHORT TERM PROVISIONS		
a) Provision for employee benefits		
Gratuity	9,901,100	11,614,586
Leave encashment	10,098,301	10,386,286
b) Other provisions		
Provision for taxes {net of advance tax of ₹ 43,387 (previous period ₹ Nil)}	14,456,456	---
Total Short Term Provisions	34,455,857	22,000,872

NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

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Note No.		GROSS CARRYING VALUE			DEPRECIATION / AMORTISATION			NET CARRYING VALUE			
		As at 01/04/2015 ₹	Added during the period ₹	Disposals ₹	As at 31/03/2016 ₹	Up to 01/04/2015 ₹	For the period ₹	Disposals ₹	Up to 31/03/2016 ₹	As at 31/03/2015 ₹	As at 31/03/2016 ₹
10	FIXED ASSETS										
i	Tangible Assets										
	Freehold land	77,224,710	---	---	77,224,710	---	---	---	---	77,224,710	77,224,710
	Buildings	(77,224,710)	---	---	(77,224,710)	---	---	---	---	(77,224,710)	(77,224,710)
		1,101,864,254	21,504,750	3,048,579	1,120,320,425	283,476,667	1,177,379	437,985,073	818,387,587	682,335,352	
		(1,088,190,427)	(13,673,827)	---	(1,101,864,254)	(240,286,157)	---	(283,476,667)	(847,904,270)	(818,387,587)	
	Plant and Equipment	5,647,955,844	108,903,133	17,617,362	5,739,241,615	2,596,193,982	8,806,422	2,977,904,716	3,051,761,862	2,761,336,899	
		(5,624,129,737)	(23,844,771)	(18,664)	(5,647,955,844)	(2,182,294,173)	(2,368)	(2,596,193,982)	(3,441,835,564)	(3,051,761,862)	
	Furniture and Fixtures	38,440,418	1,379,030	281,028	39,538,420	25,554,723	248,655	27,192,986	12,885,695	12,345,434	
		(38,172,414)	(1,073,982)	(805,978)	(38,440,418)	(23,139,095)	(360,898)	(25,554,723)	(15,033,319)	(12,885,695)	
	Vehicles	39,091,332	11,326,510	5,296,292	45,121,550	20,192,060	3,323,111	20,487,783	18,899,272	24,633,767	
		(34,504,516)	(9,911,803)	(5,324,987)	(39,091,332)	(18,881,289)	(3,486,266)	(20,192,060)	(15,623,227)	(18,899,272)	
	Office equipment	14,378,407	251,811	94,502	14,535,716	7,819,495	24,676	8,652,018	6,558,912	5,883,698	
		(13,334,951)	(1,088,406)	(44,950)	(14,378,407)	(6,547,924)	(12,885)	(7,819,495)	(6,787,027)	(6,558,912)	
	Others (Computers)	35,074,497	2,410,217	8,000	37,476,714	35,074,497	8,000	37,476,714	---	---	
		(34,556,129)	(2,266,015)	(1,747,647)	(35,074,497)	(34,556,129)	(1,747,647)	(35,074,497)	---	---	
	Total (i)	6,954,029,462	145,775,451	26,345,763	7,073,459,150	2,968,311,424	554,976,109	3,509,699,290	3,985,718,038	3,563,759,860	
ii)	Intangible Assets										
	Computer Softwares (Bought out)	9,872,859	527,511	---	10,400,370	9,872,859	527,511	10,400,370	---	---	
		(5,673,485)	(4,199,374)	---	(9,872,859)	(5,673,485)	(4,199,374)	(9,872,859)	---	---	
	Total (ii)	9,872,859	527,511	---	10,400,370	9,872,859	527,511	10,400,370	---	---	
	Grand Total (i + ii)	6,963,902,321	146,302,962	26,345,763	7,083,859,520	2,978,184,283	555,503,620	3,520,099,660	3,985,718,038	3,563,759,860	
	Previous Year	(6,915,786,369)	(56,058,178)	(7,942,226)	(6,963,902,321)	(2,511,378,252)	(472,416,095)	(2,978,184,283)	(4,404,408,117)	(3,985,718,038)	
1.	Acquisition through business combination, other adjustments and impairment/valuation are not applicable as no such transactions occurred during the year and in the corresponding previous period.										
2.	Due to the enactment of the Companies Act, 2013 (the Act) and its applicability to the Company for accounting period commencing on 1 April 2015, the Company has re-worked depreciation with reference to the estimated economic lives of fixed assets in the manner prescribed by Schedule II to the Act. In case of assets whose useful life is completed at the beginning of the year, the carrying value, net of residual value, as at 1 April 2015 amounting to ₹ 25,80,96,981 has been appropriated from the General Reserve and in other cases the carrying value has been depreciated over the remaining revised useful life of the assets and recognised in the Statement of Profit and Loss. There is no material impact of the depreciation charged for the year as compared to the depreciation rates charged during the previous year as per the schedule XIV of the Companies Act, 1956.										

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



NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

Note No.	(Amount in ₹)	
	As at 31/03/2016	As at 31/03/2015
11 NON-CURRENT INVESTMENTS		
Other investments-Associate companies		
Unquoted investments (valued at cost except for permanent diminution in value)		
a) Investment in equity shares		
(previous period 20,000) equity shares of ₹ 10 each fully paid up in 'Dwarikesh Informatics Limited'	---	200,000
(previous period 20,000) equity shares of ₹ 10 each fully paid up in 'Faridpur Sugars Limited'	---	200,000
b) Investments in preference shares		
20,000 (previous period 20,000) 10% preference shares of ₹ 100 each fully paid up in 'Dwarikesh Informatics Limited'	2,000,000	2,000,000
Total Non-Current Investments	2,000,000	2,400,000
Aggregate amount of unquoted investments	2,000,000	2,400,000
Aggregate provision for diminution in the value of investments	---	---

	As at 31/03/2016		As at 31/03/2015	
	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		826,529,235		957,073,717
b) Disallowances under section 43B of the Income Tax Act, 1961	182,262,424		117,562,139	
c) Unabsorbed depreciation and business loss	814,982,580		1,039,578,092	
Total	997,245,004	826,529,235	1,157,140,231	957,073,717
Net Deferred Tax Asset /(Liability)*		170,715,769		200,066,514

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.

* Difference in deferred tax liability at the end of both the periods includes ₹ 2,60,29,634 being deferred tax liability netted off against exceptional item.

NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

Note No.	(Amount in ₹)	
	As at 31/03/2016	As at 31/03/2015
13	<u>LONG TERM LOANS & ADVANCES</u>	
	unsecured, considered good	
a)	Capital advances	4,131,052
b)	Security deposits	2,078,575
c)	Others	
	MAT credit entitlement	73,283,602
	Advance taxes and Tax deducted at source including Wealth tax {net of provisions of ₹ 15,03,801 (previous period ₹ 15,03,801)}	252,451
	Advances recoverable in cash or in kind or for value to be received	
	Considered good	14,529,521
	Considered doubtful	---
	Less: provision for bad and doubtful advances	---
	Total Long Term Loans & Advances	96,355,890
14	<u>OTHER NON-CURRENT ASSETS</u>	
	Unsecured, considered good	
(a)	Trade receivables*	
	Considered good	3,378,609
	Considered doubtful	---
	Less: provision for bad and doubtful debts	---
	3,378,609	3,378,609
(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 ₹ 7,64,528 (previous period ₹ 5,90,054)}	2,264,528
ii)	Others	616,629
	Total Non-Current Assets	6,088,251
	* Since the matter is in litigation, management considers the same as non current.	
15	<u>CURRENT INVESTMENTS</u>	
	Other investments-Associate companies	
	Unquoted investments (valued at lower of cost and fair value)	
	Investment in equity shares	
	20,000 (previous period Nil) equity shares of ₹ 10 each fully paid up in 'Dwarikesh Informatics Limited'	200,000
	20,000 (previous period Nil) equity shares of ₹ 10 each fully paid up in 'Faridpur Sugars Limited'	200,000
	Total Current Investments	400,000
	Aggregate amount of unquoted investments	400,000
	Aggregate provision for diminution in the value of investments	---

- As at Balance Sheet date the investments that are intended to be held for not more than one year are reclassified as in order to comply with the requirements of Schedule III of the Companies Act, 2013.
- Company is having investment in associate companies namely 'Dwarikesh Informatics Limited' and 'Faridpur Sugars Limited' and the accounts of these companies are required to be consolidated as per the section 129 (3) of the Companies Act, 2013. In view of the intention of the management to dispose the same in part or in full in the near future, the investment in these associates companies is considered temporary, and therefore, the consolidation of accounts with above mentioned companies is not required as enunciated in Accounting Standard AS-21 'Consolidated Financial Statement' specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Company (Accounts) Rules, 2014.



NOTES TO FINANCIAL STATEMENTS

AS AT 31ST MARCH, 2016

(Amount in ₹)

Note No.		As at 31/03/2016	As at 31/03/2015
16	<u>INVENTORIES</u> (As taken, valued and certified by the Management) Valued at or below cost: (Refer note.6 of note no.29 A)		
	a) Raw materials	3,824,642	6,475,931
	b) Work-in-progress (Refer note.5 A (b) (ii) of note no.29 B)	29,690,177	35,898,928
	c) Finished goods (Refer note.5 A (b) (i) of note no.29 B)	5,179,290,347	4,726,545,151
	d) Stores and spares	146,125,405	134,478,678
	e) Chemicals	2,611,205	3,552,539
	f) Packing material	4,074,399	3,771,219
	Total Inventories	5,365,616,175	4,910,722,446
17	<u>TRADE RECEIVABLES</u> unsecured, considered good		
	a) Outstanding for more than six months from the due date	---	---
	b) Others		
	Considered good	642,556,272	427,975,524
	{Includes unbilled revenue of ₹ 9,36,11,324 (previous period ₹ 13,60,01,174)}		
	Total Trade Receivable	642,556,272	427,975,524
18	<u>CASH & BANK BALANCES</u>		
	a) Cash & Cash Equivalents		
	Balance with scheduled banks		
	Current accounts	40,426,541	1,343,524
	Cash on hand	4,434,477	4,810,806
		44,861,018	6,154,330
	b) Other bank balances		
	i) Earmarked balance for unpaid dividend	457,661	462,081
	ii) Earmarked balance in current account (as per Uttar Pradesh State Molasses Control Rules, 1974)	2,905,898	1,591,255
	Total Cash & Bank Balances	48,224,577	8,207,666
19	<u>SHORT TERM LOANS & ADVANCES</u> unsecured, considered good		
	Others		
	Security Deposit	---	500,000
	Balances with government authorities	34,705,906	16,774,861
	Advances recoverable in cash or in kind or for value to be received	16,081,440	14,124,944
	Total Short Term Loans & Advances	50,787,346	31,399,805
20	<u>OTHER CURRENT ASSETS</u>		
	a) Interest subvention receivable	4,681,018	---
	b) Interest receivable and others	78,325	117,000
	c) Claim for reimbursement of subsidy	---	179,965,764
	d) Claim for reimbursement of cane commission	60,137,097	138,057,916
	Total Other Current Assets	64,896,440	318,140,680

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

Note No.	Year ended 31/03/2016	Eighteen months ended 31/03/2015
21 REVENUE FROM OPERATIONS		
(Refer note.5 A (a) of note no.29 B)		
a) Sale of products*	8,310,204,441	11,682,985,792
b) Other operating revenues	4,900,139	4,454,287
	8,315,104,580	11,687,440,079
Gross Revenue From Operations		
c) Less: excise duty on sale of products	371,691,706	403,559,720
Total Net Revenue From Operations	7,943,412,874	11,283,880,359
* Includes unbilled revenue of ₹ 9,36,11,324 (previous period ₹ 13,60,01,174) against sale of power.		
22 OTHER INCOME		
a) Interest income		
on current deposits	15,896	2,563,215
on non current deposits with banks	193,861	216,771
b) Dividend income from non current investment	200,000	200,000
c) Other non operating income*	85,802,885	100,430,422
Total Other Income	86,212,642	103,410,408
* Includes ₹ 7,94,73,000 (previous period ₹ 7,68,64,500) being the amount received towards sale of REC.		
23 COST OF MATERIALS CONSUMED		
a) Raw material consumed		
Sugar cane*		
Opening stock	6,475,931	---
Add: purchases	6,025,154,731	11,705,913,020
Less: closing stock	3,824,642	6,475,931
	6,027,806,020	11,699,437,089
b) Other materials consumed		
i) Chemicals		
Opening stock	3,552,539	3,586,568
Add: purchases	49,051,406	99,334,394
Less: closing stock	2,611,205	3,552,539
	49,992,740	99,368,423
ii) Packing Material consumed		
Opening stock	3,771,219	1,611,907
Add: purchases	94,222,970	201,119,488
Less: closing stock	4,074,399	3,771,219
	93,919,790	198,960,176
Total Cost Of Materials Consumed	6,171,718,550	11,997,765,688

* For sugar season 2014-15, the Government of Uttar Pradesh announced certain financial assistance including ₹ 28.60 per quintal of cane linked to average threshold selling price of sugar and its by products during 1st October, 2014 to 31st May, 2015. Out of the above, part assistance @ ₹ 8.60 was accounted earlier on accrual basis but balance financial assistance @ ₹ 20.00 per quintal of cane for the entire season 2014-15 was accounted after notification by the Government on 26th August, 2015 and has been reduced from the cost of material consumed. This includes an amount of ₹ 4,185.25 lacs (@ ₹ 20.00 per quintal of cane purchased up to 31st March, 2015) .



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

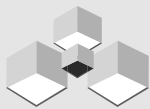
Note No.		Year ended 31/03/2016	Eighteen months ended 31/03/2015
24	<u>(INCREASE)/DECREASE IN STOCKS</u>		
	(Refer note.5.A (b) of note no.29 B)		
	Closing stock		
	Finished goods	5,179,290,347	4,726,545,151
	Work in progress	29,690,177	35,898,928
		<u>5,208,980,524</u>	<u>4,762,444,079</u>
	Opening stock		
	Finished goods	4,726,545,151	1,792,262,838
	Work in progress	35,898,928	378,273
		<u>4,762,444,079</u>	<u>1,792,641,111</u>
	NET (INCREASE)/DECREASE IN STOCK	(446,536,445)	(2,969,802,968)
	Excise duty on account of increase/(decrease) on stock of finished goods	160,903,627	146,957,525
	Total (Increase)/Decrease In Stocks	<u>(285,632,818)</u>	<u>(2,822,845,443)</u>
25	<u>EMPLOYEE BENEFIT EXPENSES</u>		
	a) Salary and wages		
	Salary and wages	406,947,334	600,041,752
	Bonus	18,072,248	1,846,120
	Leave encashment	9,884,588	17,434,438
	Gratuity (Refer note.6 b (ii) of note no.29 B)	18,186,160	30,483,806
		<u>453,090,330</u>	<u>649,806,116</u>
	b) Contribution to provident and other funds		
	Provident fund	35,383,025	52,065,182
	c) Staff welfare expenses	8,294,164	12,496,276
	Total Employee Benefit Expenses	<u>496,767,519</u>	<u>714,367,574</u>
26	<u>FINANCE COST</u>		
	a) Interest expense		
	i) Interest on fixed loans :		
	Term loans	150,102,938	264,208,498
	Others (including paid to directors ₹ 65,558 (previous period ₹ 97,979))	46,308,873	62,777,081
		<u>196,411,811</u>	<u>326,985,579</u>
	ii) Interest on cash credit	254,793,771	309,093,180
	b) Other borrowing costs	12,282,578	20,851,036
	c) (Gain) / loss on foreign exchange transactions	52,414,154	95,167,880
	Total Finance Cost	<u>515,902,314</u>	<u>752,097,675</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2016

Note No.	(Amount in ₹)	
	Year ended 31/03/2016	Eighteen months ended 31/03/2015
27	<u>DEPRECIATION AND AMORTIZATION EXPENSES</u>	
a) Depreciation		
Depreciation of tangible assets	554,976,109	468,216,721
Obsolescence	10,239,363	47,664
	<u>565,215,472</u>	<u>468,264,385</u>
b) Amortization of intangible assets	527,511	4,199,374
Total Depreciation and Amortization Expenses	<u>565,742,983</u>	<u>472,463,759</u>
28	<u>OTHER EXPENSES</u>	
Power and fuel		
Power	10,035,568	15,019,029
{Net of ₹ 54,00,063 power banked with UPPCL (previous period ₹ 56,92,750)}		
Fuel	2,872,431	2,633,379
Other manufacturing expenses	67,182,859	98,625,730
Repairs to buildings	10,457,481	22,213,125
Repairs to machinery		
Consumption of stores & spare parts	94,071,652	129,721,302
Plant & machinery	28,774,776	43,821,229
Rent	6,475,698	7,535,252
Insurance	6,371,692	10,684,070
Rates and taxes*	6,286,743	6,162,643
Travelling & conveyance	12,274,078	19,956,954
Postage, telephone & telex	2,297,177	3,219,808
Printing & stationery	3,063,194	4,934,058
Sugar sales promotion expenses	28,220,180	34,670,492
Freight and forwarding (net of recovery from customers)	28,107,803	41,953,159
Donations & charity	808,260	45,500
Repairs & maintenance - others	6,140,273	8,340,023
Loss on sale of fixed assets	818,113	(172,743)
Payment to the auditors		
Audit fees	1,651,500	1,950,000
Taxation matters	200,000	300,000
Other Law Matters	35,125	40,000
Reimbursement of expenses	157,256	287,686
Export Facilitation Charges	80,776,875	---
Miscellaneous expenses	81,389,475	87,404,896
Total Other Expenses	<u>478,468,209</u>	<u>539,345,592</u>

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



NOTES ANNEXED TO & FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

NOTE "29 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. ACCOUNTING CONVENTION

The Financial statements of the Company are prepared under the historical cost convention using accrual method of accounting and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Company (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 unless stated otherwise hereinafter. Accounting Policies not specifically referred to, are consistent with Generally Accepted Accounting Principles in India.

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**A. Depreciation on Tangible Assets**

Depreciation on tangible assets is provided on straight line method over the useful life of assets estimated by the Management. Depreciation for assets purchased/ sold during the period is charged proportionately. The management estimates the useful life for fixed assets as follows:

Factory Buildings (1)	28.50 years
Non Factory Building (1)	58.25 years
Plant and Machinery other than Sugar Rollers(1)	18 to 20 years
Plant and Machinery – Rollers (1)	1 year
Office equipment (1)	13.50 years
Furniture and Fixture (1)	15 years
Vehicles (1)	10 years

(1) Based on technical evaluation, the management believes that useful life as given above represents the period over which management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

Computers (including accessories and peripherals) and Temporary Structures are depreciated fully in the year of addition. All assets costing ₹ 5,000 or below are depreciated in one year period.

Depreciation and amortization methods, useful life and residual values are reviewed periodically, including at the end of each financial year.

B. Amortisation of Intangible Assets:

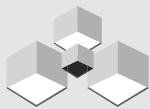
Intangible assets are amortized over their estimated useful life on straight line basis, commencing from the date, the asset is available to the Company for its use. Computers software are depreciated fully in the year of addition.

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.

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.

Renewable Energy Certificates (REC's)

Entitlement to Renewable Energy Certificates (REC) owing to generation of power are recognised to the extent sold and treated as capital receipt.

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 OCCURRING 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.

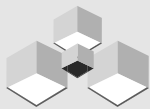
MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations 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.

"29 B" – OTHER NOTES

1. SECURITIES FOR BORROWINGS:

Value in ₹

Abbreviations:				
DN - Dwarikesh Nagar Unit			PNB - Punjab National Bank	
DP - Dwarikesh Puram Unit			IDBI - IDBI Bank Limited	
DD - Dwarikesh Dham Unit			SUPGB - Sarva U.P.Gramin Bank	
ROI - Rate of interest			DCB- District Co-Operative Bank (Zila Sahkari Bank)	
O/S - Amount outstanding			SDF-Sugar Development Fund	
Qtly. - Quarterly				
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 - Nil (80,00,000)	---	---	Fully repaid	- Fully repaid
PNB Sanctioned - 90,00,00,000 O/S - Nil (9,51,22,989)	---	---	Fully repaid	- Fully repaid
PNB # Sanctioned - 94,00,00,000 O/S - 4,97,18,763 (24,86,38,763)	4,97,18,763 (19,89,20,000)	---	Pari-passu Charge on fixed assets: -1 st on DD -2 nd on DN -3 rd on DP	-ROI-12.60% -Final installment of ₹ 4,97,18,763 payable in April,2016.
PNB # Sanctioned-56,00,00,000 O/S -2,96,20,681 (12,00,00,000)	2,96,20,681 (9,03,79,319)	---	Pari-passu Charge on fixed assets: -1 st on DP 24 MW Co-gen assets -2 nd on DN -3 rd on DD	-ROI-12.60% -Final installment of ₹ 2,96,20,681 payable in April, 2016
PNB Sanctioned - 50,00,00,000 O/S - 5,00,00,000 (15,00,00,000)	5,00,00,000 (10,00,00,000)	---	Pari-passu Charge on fixed assets: -1 st on DN -2 nd on DP -2 nd on DD	-ROI-12.60% -2qly installments of ₹ 2,50,00,000 each payable in April, 2016 and onwards.
PNB Sanctioned- 1,00,00,00,000 O/S - 10,00,00,001 (29,99,99,982)	10,00,00,001 (20,00,00,000)	---	Pari-passu Charge on fixed assets: -1 st on DN, DP and DD	-ROI-12.60% -2qly installment of ₹ 5,00,00,000 payable in June, 2016 and onwards.
PNB Sanctioned - 65,00,00,000 O/S - 65,00,00,000 (65,00,00,000)	10,83,33,334 (---)	54,16,66,666 (65,00,00,000)	Pari-passu Charge on fixed assets: -1 st on DN, DP and DD	-ROI-12.60% -12 qly installments of ₹ 5,41,66,667 each payable in December, 2016 and onwards.
PNB [SEFASU 2014] Sanctioned – 61,08,00,000 O/S - 57,68,66,666 (61,08,00,000)	20,36,00,004 (3,39,33,334)	37,32,66,662 (57,68,66,666)	Pari-passu Charge on fixed assets: - 3rd ^t on DN, DP and DD	-ROI-12.00% [total subvention from the Govt. of India] -34 monthly installments of ₹ 1, 69, 66,667 each payable in April, 2016 and onwards.



PNB Sanctioned -7,20,00,000 O/S - 7,20,00,000 (---)	---	7,20,00,000 (---)	Pari-passu Charge on fixed assets: -1 st on DN	ROI-12.60% -20 qly installments of ₹ 36,00,000 each payable from December, 2017 onwards.
PNB Sanctioned -105,00,00,000 O/S - 1,05,00,00,000 (---)	---	1,05,00,00,000 (---)	Pari-passu Charge on fixed assets: -1 st on DN, DP and DD	ROI-12.60% [subvention @ 10% on ₹ 56,28,69,600 for the first year from the Govt. of India] -20 qly installments of ₹ 5,25,00,000 each payable from September, 2017 onwards.
PNB [car loan] Sanctioned - 65,00,000 O/S - 49,87,494 (62,13,237)	12,09,408 (10,70,734)	37,78,086 (51,42,503)	Hypothecation of car	-ROI-10.65% -EMI of ₹ 1,40,200 each [including interest] payable in April, 2016 and onwards.
PNB [car loan] Sanctioned - 51,00,000 O/S - 48,01,222 (---)	5,55,509 (---)	42,45,713 (---)	Hypothecation of car	-ROI-10.40% -EMI of ₹ 85,724 each [including interest] payable in April, 2015 and onwards.
Total term loans from Banks O/S - 2,58,79,94,827 (2,18,87,74,971)	54,30,37,700 (72,74,26,376)	2,04,49,57,127 (1,46,13,48,595)		
SDF Sanctioned -27,50,00,000 O/S-7,69,59,600 (12,82,66,000)	5,13,06,400 (5,13,06,400)	2,56,53,200 (7,69,59,600)	Pari-passu Charge on fixed assets: -1 st on DP	-ROI- 4% -3 half yearly Installments of ₹ 2,56,53,200 each payable in May, 2016 and onwards.
SDF Sanctioned- 26,50,00,000 O/S -4,91,70,800 (9,83,41,600)	4,91,70,800 (4,91,70,800)	---	Pari-passu Charge on fixed assets: -1 st on DD	-ROI- 4% -2 half yearly Installments of ₹ 2,45,85,400 each payable in May, 2016 and onwards.
Total term Loans from others O/S -12,61,30,400 (22,66,07,600)	10,04,77,200 (10,04,77,200)	2,56,53,200 (12,61,30,400)		
From Companies O/S - 30,00,00,000 (30,00,00,000)	---	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 - 3,01,41,25,227 (2,71,53,82,571)	64,35,14,900 (82,79,03,576)	2,37,06,10,327 (1,88,74,78,995)		

ii) Short Term Borrowings:				
a. Cash Credit				
PNB Sanctioned- 2,60,00,00,000	2,29,20,14,042 (2,44,19,84,444)	---	-1 st pari-passu charge by way of pledge of stock of sugar and by way of hypothecation of stock of molasses, industrial alcohol, chemicals, stores & spares. - 2 nd Pari-passu charge on fixed assets of all three units of the company	-ROI- 12.10%
SUPGB Sanctioned- 10,00,00,000	9,95,82,331 (9,96,08,163)	---		-ROI- 11.85%
DCB Sanctioned- 1,15,00,00,000	1,14,95,94,271 (98,57,29,551)	---		-ROI- 11.25%
Total cash credit	3,54,11,90,644 (3,52,73,22,158)	---		
b. Loans & advances from related parties	8,50,268 (8,52,044)	---	Unsecured	-ROI- 10% - Payable on demand
Total short term borrowings	3,54,20,40,912 (3,52,81,74,202)	---		

Term Loans from PNB and Cash credit from all the banks aggregating to ₹ 6,12,91,85,471 (previous period ₹ 5,71,60,97,129) are personally guaranteed by the Managing Director of the company out of which the company has given Counter guarantees of ₹ 5,00,23,84,249 (previous period ₹ 3,82,33,54,341) to him to secure all these personal guarantees excluding PNB term loan outstanding of ₹ 1,12,68,01,222 (previous period ₹ 1,26,70,13,237) and part CC outstanding of ₹ Nil of DCB (previous period ₹ 62,57,29,551).

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

2. Contingent liabilities not provided for

Particulars	As at 31 st March 16 ₹	As at 31 st March 15 ₹
(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 ₹ 2,45,31,119 (previous period ₹ 2,40,72,147)].	7,47,98,484	5,45,34,998
(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 ₹ 3,73,494 (previous period ₹ 3,76,453)].	85,000	Nil
(d) Guarantees issued by the bankers on behalf of the Company.	1,45,03,925	69,68,525

3. Estimated amount of contracts remaining to be executed on capital account, net of advance of ₹ 41,31,052 (previous period ₹ 2,05,11,055) and not provided for is ₹ 37,09,872 (previous period ₹ 10,53,344). Other Commitments ₹ Nil (previous period Nil).

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

Particulars	As at 31 st March 16 ₹	As at 31 st March 15 ₹
12% 1,10,000 (previous period 1,10,000) cumulative redeemable preference shares (Series I)	85,80,000 ₹ 78 per share	72,60,000 ₹ 66 per share
8% 15,00,000 (previous period 15,00,000) cumulative redeemable preference shares (Series II)	7,80,00,000 ₹ 52 per share	6,60,00,000 ₹ 44 per share
8% 10,00,000 (previous period 10,00,000) cumulative redeemable preference shares (Series III)	2,80,00,000 ₹ 28 per share	2,00,00,000 ₹ 20 per share
8% 5,00,000 (previous period 5,00,000) cumulative redeemable preference shares (Series IV)	1,20,00,000 ₹ 24 per share	80,00,000 ₹ 16 per share

Pursuant to sub section (2) of section 47 of the Companies Act, 2013, all series of preference shareholders are now vested with voting rights since dividends are in arrears for more than 2 years.

5.(A) Particulars of Revenue from operations & Inventory

a) Revenue from operations:

Class of Goods	Amount (₹)
i) Sugar	7,02,10,73,359 (9,74,30,50,171)
ii) Molasses	34,93,85,495 (46,54,45,908)
iii) Power	67,18,79,647 (1,26,84,41,756)
iv) Industrial Alcohol	
-Spirit	3,10,00,500 (13,20,96,508)
-Ethanol	20,25,04,231 (1,23,22,801)
v) Miscellaneous sale	3,43,61,209 (6,16,28,648)



i) Other operating Revenue	49,00,139 (44,54,287)
Total Revenue from operations	8,31,51,04,580 (11,68,74,40,079)

b) Inventories

i) Finished Goods

Class of goods		Opening Stock	Closing Stock
		Amount (₹)	
i)	Sugar	4,47,67,39,615 (1,78,84,33,082)	4,98,92,34,405 (4,47,67,39,615)
ii)	Molasses	21,34,32,075 (4,23,829)	16,13,98,235 (21,34,32,075)
iii)	Industrial Alcohol		
	- Spirit	2,80,36,098 (27,618)	33,57,785 (2,80,36,098)
	-Ethanol	83,37,363 (33,78,309)	2,52,99,922 (83,37,363)

ii) Work-in-progress

Class of goods		Opening Stock	Closing Stock
		Amount (₹)	
i)	Sugar	3,21,72,240 (3,13,576)	2,49,98,675 (3,21,72,240)
ii)	Molasses	36,52,402 (28,909)	46,42,034 (36,52,402)
iii)	Industrial Alcohol	74,286 (35,788)	49,468 (74,286)

(B) Raw Material & Chemicals Consumed

	Particulars	%	Amount (₹)
a)	Sugar Cane		6,02,78,06,020 (11,69,94,37,089)
b)	Chemicals		4,99,92,740 (9,93,68,423)
	Indigenous	100 (100)	6,07,77,98,760 (11,79,88,05,512)
	Imported	Nil (Nil)	Nil (Nil)
	Total	100 (100)	6,07,77,98,760 (11,79,88,05,512)
c)	C I F VALUE OF IMPORTS		Nil (Nil)
d)	EXPENDITURE IN FOREIGN CURRENCY(on accrual basis) Interest on Foreign Currency Term Loans		4,60,50,549 (5,98,58,697)
e)	EARNINGS IN FOREIGN CURRENCY		Nil (Nil)

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

6. 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 ₹ 3,53,83,025 (previous period ₹ 5,20,65,182).

ii) Defined Benefits Plans:

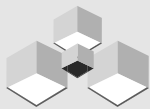
Liability for Gratuity is determined on actuarial basis using projected unit credit method. The details are as under:

	As at 31 st March 16 ₹	As at 31 st March 15 ₹
Change in defined benefit obligation:		
Opening defined benefit obligation	9,10,58,470	6,50,60,864
Current service cost	88,75,310	96,92,361
Interest cost	75,30,119	92,86,197
Actuarial loss/ (gain)	17,80,731	1,15,05,248
Past service cost	---	---
Benefit paid	(55,30,353)	(44,86,200)
Closing defined benefit obligation	10,37,14,277	9,10,58,470
Change in fair value of assets :		
Contribution by employer	55,30,353	44,86,200
Benefit paid	(55,30,353)	(44,86,200)
Change in fair value of plan assets	---	---
Expense recognized in Statement of Profit & Loss		
Current service cost	88,75,310	96,92,361
Interest cost	75,30,119	92,86,197
Net actuarial losses / (gain)	17,80,731	1,15,05,248
Past service cost	---	---
Expense recognized in Statement of Profit & Loss	1,81,86,160	3,04,83,806
Financial Assumptions at the valuation date		
Discount rate	7.85%	8.00%
Expected rate of return on assets (p.a.)	---	---
Salary escalation	6.00%	6.00%

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

Particulars	Period Ended				
	31-March-16	31-March-15	30-Sep-13	30-Sep-12	30-Sep-11
	(Amount in ₹)				
Defined Benefit Obligation	10,37,14,277	9,10,58,470	6,50,60,864	5,86,08,985	4,73,69,283
Plan Assets	---	---	---	---	---
Surplus/(Deficit)	(10,37,14,277)	(9,10,58,470)	(6,50,60,864)	(5,86,08,985)	(4,73,69,283)
Exp. Adj. on Plan Liabilities	5,58,871	32,48,848	26,74,548	17,63,251	41,07,428
Exp. Adj. on Plan Assets	---	---	---	---	---

- During the year the State Government of Uttar Pradesh has granted part remission of the commission payable to Cane Societies on cane purchased during the crushing season 2012-13. The remission was granted to improve the viability of sugar industry in Uttar Pradesh. Hence an amount of ₹ 4,91,83,132 (net of taxes) is shown as an exceptional in the Statement of Profit and Loss.
- During the year, the company has sold Renewal Energy Certificates (RECs) for a consideration of ₹ 7,94,73,000 and incurred ₹ 1,78,61,217 as expenditure on such sale. The Company has not incurred any cost to earn the RECs. These RECs have been generated due to environmental concerns and allotted to the company as per Regulation on Renewal Energy Certificate, notified by Central Electricity Regulatory Commission. Recent judgements of the various hon'ble courts have held that such credits are not an off shoot of business but an off shoot of environmental concerns and hence, the net gain from such sale has been held as capital receipt and not an income forming part of the operations of the company. The same is also supported by legal opinion



obtained by the Company. Accordingly net earnings on such sale amounting to ₹ 6,16,11,783 is treated as capital receipt for computation of the income tax (including MAT computation) and the Company has accordingly revised its income tax returns of the earlier years.

9. Trade Receivable/Payables and Loans and Advances balances are subject to confirmation and reconciliation.
10. 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 current period.
11. 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.
12. Derivative instruments and foreign currency exposures:
 - (a) During the year Rupee term loans of ₹ 4,100 lacs (previous period ₹ 15,000 lacs) were converted into foreign currency loan of USD 64,85,289.46 (previous period USD 2,44,40,305.80) out of which ₹ 4,100 lacs equivalent to USD 64,85,289.46 (previous period ₹ 10,000 lacs equivalent to USD 1,65,70,008.30) was reinstated as Rupees term loan during the year/period itself. The above loans are hedged by forward contracts and there is no foreign currency exposure outstanding as at the Balance Sheet date.
 - (b) Particulars of un-hedged foreign currency exposures as at the Balance Sheet date are ₹ Nil (Previous period ₹ Nil).
13. 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.
14. 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 01.10.2013 to 31.03.2015(18 months) whereas the current period figures are for the period from 01.04.2015 to 31.03.2016 (12 months).

15. Segment information for the year ended 31st March, 2016

(i) Information about Primary Business segment

(Amount in ₹)

Particulars	Sugar	Co-Generation	Distillery	Adjustment	Total
Revenue					
External Revenue	7,055,693,299 (9,886,790,902)	671,879,647 (1,268,441,756)	215,839,928 (128,647,701)		7,943,412,874 (11,283,880,359)
Internal Revenue	92,352,898 (108,244,789)	387,215,747 (659,865,581)	--- ---	(479,568,645) (-76,81,10,370)	--- ---
Total Revenue	7,148,046,197	1,059,095,394	215,839,928	(479,568,645)	7,943,412,874
Results					
Segment Results	(32,908,737) (-1,00,74,29,461)	818,611,356 (1,461,821,928)	74,955,435 (31,801,130)		860,658,054 (486,193,597)
Less: Unallocated Expenditure (net of income)					515,902,314 (752,097,675)
Interest					
Profit/(Loss) before exceptional item and tax					344,755,740 (-26,59,04,078)
Exceptional Item					49,183,132 (Nil)
Profit/(Loss) before tax					393,938,872 (-26,59,04,078)
Tax expense					4,276,029 (-9,84,02,376)
Net Profit/(Loss) for the period after tax					389,662,843 (-16,75,01,702)
Other Information					
Segment Assets	8,338,929,263 (8,386,694,597)	1,281,689,613 (1,216,223,064)	214,475,709 (163,579,584)		9,835,094,585 (9,766,497,245)
Segment Liabilities	2,282,647,255 (2,703,834,657)	852,339 (802,650)	2,520,969 (706,755)		2,286,020,563 (2,705,344,062)
Capital Expenditure	65,097,792 (54,527,010)	209,100 (1,480,611)	80,996,070 (50,557)		146,302,962 (56,058,178)
Depreciation/Obsolescence	236,212,146 (359,904,499)	61,556,295 (100,308,595)	9,877,561 (12,250,665)		307,646,002 (472,463,759)

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.

16. Earning per share:

(Amount in ₹)

	Year ended	Eighteen months period ended
	31/03/2016	31/03/2015
Profit after tax	389,662,843	(167,501,702)
Less: Preference dividend including corporate dividend tax	30,474,646	47,690,202
Profit attributable to Equity Share holders	359,188,197	(215,191,904)
Number of equity shares outstanding during the period (weighted average)	16,314,676	16,314,676
Nominal value of equity shares (₹)	10	10
Earning per share (₹) Basic	22.02	(13.19)
Earning per share (₹) Diluted	22.02	(13.19)



17 Related party disclosures as required by Accounting Standard AS-18 for the year ended 31st March, 2016

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 (Associate Company)
 - 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	1,776	70,263		
		Interest Paid	(1,225)	(72,039)		
		Rent Paid	7,144			
		Rent Paid (Car)	(10,724)			
		Rent Received	Nil			
		Advance Rent	(3,37,500)			
			2,40,000			
			(3,60,000)			
				40,000		
				(40,000)		
2	Dwarikesh Informatics Ltd.	Services Purchased	27,35,440	11,97,528		22,00,000
		Dividend Received	(40,44,960)	(11,40,388)		(22,00,000)
			2,00,000			
			(2,00,000)			
3	Dwarikesh Agriculture Research Institute (Formerly Dwarikesh Sugarcane Research Institute)	Interest Paid	12,656	1,26,211		
			(18,914)	(1,26,211)		
4	Faridpur Sugars Limited		Nil	Nil		2,00,000
			(Nil)	(Nil)		(2,00,000)
5	Morarka Finance Limited	Rent Paid	17,65,120	Nil		
		Management Consultancy Paid	(24,58,626)	(Nil)		
			1,14,500			
			(Nil)			
6	Shri G.R.Morarka	Interest Paid	65,558	6,53,794		
		Remuneration	(97,979)	(6,53,794)		
		Ex-gratia/Interim Bonus	1,07,52,000			
			(1,61,28,000)			
			92,50,567			
			(Nil)			

Sl. No.	Name of Related Party	Nature of Transaction	Volume of Transaction (₹)	Amount due to (₹)	Amount due from (₹)	Investment (₹)
7	Shri B.J. Maheshwari	Remuneration	63,28,608 (77,83,521)			
		Ex-gratia/Interim Bonus	5,248 (2,81,491)			
		Leave Encashment	4,68,468 (Nil)			
8	Shri Vijay S. Banka	Remuneration	62,90,244 (80,19,972)			
		Ex-gratia/Interim Bonus	5,248 (2,58,325)			
		Leave Encashment	2,91,119 (Nil)			
9	Ms. Priyanka G. Morarka	Remuneration	9,00,000 (13,50,000)			
		Ex-gratia/Interim Bonus	5,248 (90,124)			
		Leave Encashment	21,175 (44,275)			

As per our report of even date

For S.S.Kothari Mehta & Co.

Chartered Accountants
Firm Regn. No. 000756N

Kamal Kishore

Partner
Membership No. 078017

Place: New Delhi.

Date: May 24, 2016.

For and on behalf of Dwarikesh Sugar Industries Limited

G. R. Morarka

Managing Director
DIN: 00002078

B. J. Maheshwari

Whole Time Director & Company Secretary
cum Chief Compliance Officer
DIN: 00002075

Vijay S. Banka

Whole Time Director & Chief Financial Officer
DIN: 00963355

Place: Mumbai

Date: May 24, 2016



FORM AOC-1

Pursuant to the first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014.

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES

PART –A : SUBSIDIARIES – NONE

PART –B : ASSOCIATES

Particulars	Dwarikesh Informatics Limited	Faridpur Sugars Limited
Latest audited balance sheet date	March 31, 2016	March 31, 2016
Share of associate held by group on the year end		
Nos.	20000	10000
Amount of investments in associates	200000	100000
Extent of holding	40%	40%
Description of how there is significance influence	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power
Reason why associate is not consolidated	Ownership of less than 50% of voting power and no control over the board	Ownership of less than 50% of voting power and no control over the board
Networth attributable to shareholding as per latest audited balance sheet		
Profit / (loss) of the year	₹ 3,27,707	₹ (9,284)
1. Considered in consolidation	0%	0%
2. Not Considered in consolidation	100%	100%

Notes:

- (1) For the purpose of preparation of consolidation financial statements, the group has considered audited financial statement.
- (2) Significant influence has been determined as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (3) Share of audited Networth based on share holding of Dwarikesh Informatics Limited as on March 31, 2016 of 40 % is ₹1,31,083.
- (4) Share of audited Networth based on share holding of Faridpur Sugars Limited as on March 31, 2016 of 40 % is ₹ (3,714).

Key Financial Data										
	₹ in lakhs									
	2005-2006 (Oct 05- Sept06)	2006-2007 (Oct 06- Sept07)	2007-2008 (Oct 07- Sept08)	2008-2009 (Oct 08- Sept09)	2009-2010 (Oct 09- Sept10)	2010-2011 (Oct 10- Sept11)	2011-2012 (Oct 11- Sept12)	2012-2013 (Oct 12- Sept13)	2013- 2015 (Oct 13-March 15)	2015-2016 (April 15-March 16)
Sales	24,821	24,402	29,386	48,461	57,728	61,655	72,595	96,282	1,17,643	83,151
Revenue from operation										
Other Income	144	119	40	155	190	35	216	1,310	266	862
Increase/Decrease () in stock	-954	6,929	7,005	-9,318	6,132	-1,829	9,941	-4,511	28,228	2,856
Total Income	24,011	31,450	36,431	39,297	64,051	59,861	82,752	93,082	1,46,137	86,869
<i>Manufacturing and operating expenses (cost of material used)</i>	16,091	25,440	26,089	20,499	50,735	43,134	63,790	74,247	1,19,978	61,717
Excise Duty	1,355	1,708	2,121	2,274	2,221	2,342	2,735	3,521	4,035	3,717
Exception item/ Deferred revenue expenditure	30	30	30	30	30	0	0	0	0	-492
Staff expenses	1,206	1,597	2,412	2,858	3,218	3,543	3,805	4,030	7,144	4,968
<i>Selling & administration expenses (other expenses*)</i>	767	784	822	1,038	1,346	3,359	2,811	4,101	5,393	4,785
Total Expenditure	19,449	29,559	31,474	26,699	57,551	52,378	73,141	85,899	1,36,550	74,695
Profit before interest, depreciation and tax (PBIDT)	4,562	1,890	4,957	12,598	6,500	7,483	9,611	7,183	9,587	12,174
Depreciation and amortization expenses	1,221	1,331	2,943	3,295	3,206	3,272	3,289	3,319	4,725	3,076
Profit before interest and tax (PBIT)	3,341	559	2,014	9,302	3,294	4,212	6,322	3,864	4,862	9,098
Interest	650	1,846	4,947	6,164	4,631	5,978	7,886	7,056	7,521	5,159
Profit before tax (PBT)	2,691	-1,287	-2,933	3,138	-1,336	-1,766	-1,564	-3,192	-2,659	3,939
Taxes	607	-658	-455	630	-431	-450	-433	-1,256	-984	42
Profit after Tax (PAT)	2,084	-628	-2,478	2,508	-906	-1,316	-1,131	-1,936	-1,675	3,897
Cash accruals	3,645	2	27	6,103	1,651	1,506	1,725	117	2,066	7,006
Equity Share Capital	1,556	1,556	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631
Preference Share Capital	110	1,610	1,610	1,610	1,610	1,610	1,610	3,110	3,110	3,110
Share Application money pending allotment							1,000	0	0	0
Equity Share Warrant		120	60	0	0		0	0	0	0
Reserves & Surplus	13,679	12,441	10,638	12,608	11,702	10,386	9,255	7,319	5,644	6,960
<i>Secured loan funds excluding cash credit limits/</i>	10,946	34,704	39,311	38,459	32,305	39,308	33,169	23,983	27,154	30,141
secured loan including repayable within 1 year*										
Unsecured loan funds	423	763	5,459	44	5,617	239	11	9	9	9
Net block of fixed assets	28,220	56,206	58,655	55,544	52,531	50,032	46,999	44,044	39,861	35,666
Non Current Investment	33	22	22	22	27	24	24	24	24	20
Deferred tax liability	1,569	1,413	945	1,701	1,261	683	249	0	0	0
Deferred tax Assets								1,017	2,001	1,707
Current assets	6,022	17,261	22,911	12,820	18,300	14,058	26,967	19,837	56,964	61,725
Non Current Assets/Long term loans & advances & other non current assets						1,208	1,231	1,125	1,024	1,005
Current Liabilities / current liabilities excluding short term borrowing & current maturity of loan term debts	4,708	12,578	7,727	5,928	9,306	3,301	7,813	13,529	25,560	21,190
Non Current Liabilities/Other long term liabilities & long term provisions						1,046	1,159	1,237	1,494	1,670
Current Liabilities including cash credit limit	6,111	20,972	21,995	12,361	16,732	10,419	27,137	28,758	60,833	56,602
Capital raising expenditure to the extent not written off	120	90	60	30	0	0	0	0	0	0

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



FINANCIAL ICONS

	2005-2006 (Oct 05- Sept 06)	2006-2007 (Oct 06- Sept 07)	2007-2008 (Oct 07- Sept 08)	2008-2009 (Oct 08- Sept 09)	2009-2010 (Oct 09- Sept 10)	2010-2011 (Oct 10- Sept 11)	2011-2012 (Oct 11- Sept 12)	2012-2013 (Oct 12- Sept 13)	2013- 2015 (Oct 13-March 15)	2015-2016 (April 15-March 16)
OPERATING RATIOS										
Manufacturing & operating expenses/Total income	67.02%	80.89%	71.61%	52.16%	79.21%	72.06%	77.09%	79.77%	82.10%	71.05%
Cost of material consumed/Total income*										
Excise duty / Total income	5.64%	5.43%	5.82%	5.79%	3.47%	3.91%	3.30%	3.78%	2.76%	4.28%
Staff expenses / Total income	5.02%	5.08%	6.62%	7.27%	5.02%	5.92%	4.60%	4.33%	4.89%	5.72%
Selling & administration expenses / Total income	3.19%	2.49%	2.26%	2.64%	2.10%	5.61%	3.40%	4.41%	3.69%	5.51%
Other expenses / Total income*										
PBIDT / Total income	19.00%	6.01%	13.61%	32.06%	10.15%	12.50%	11.61%	7.72%	6.56%	14.01%
PBIT / Total income	13.91%	1.78%	5.53%	23.67%	5.14%	7.04%	7.64%	4.15%	3.33%	10.47%
PBT / Total income	11.21%	-4.09%	-8.05%	7.99%	-2.09%	-2.95%	-1.89%	-3.43%	-1.82%	4.53%
PAT / Total income	8.68%	-2.00%	-6.80%	6.38%	-1.41%	-2.20%	-1.37%	-2.08%	-1.15%	4.49%

BALANCE SHEET RATIO

Debt Equity Ratio	0.71	2.21	2.82	2.43	2.16	2.88	2.65	1.99	2.61	2.58
(Secured loan excluding cash credit / share holder's funds)										
Inventory Turnover Ratio (Turnover / closing stock of inventory)	8.23	2.45	1.68	5.95	4.04	4.94	3.20	5.37	2.47	1.60
Fixed Assets Turnover Ratio (Total income / net block of fixed assets)	0.85	0.56	0.62	0.71	1.22	1.20	1.76	2.11	3.67	2.44
Fixed Assets Coverage Ratio (FACR) (Net block of fixed assets/ Secured loan excluding cash credit)	2.58	1.62	1.49	1.44	1.60	1.26	1.41	1.83	1.47	1.18

PER SHARE DATA

Earnings per share (EPS) (₹)	13.90	(4.20)	(15.31)	14.20	(6.50)	(9.02)	(7.88)	(13.53)	-13.19	22.02
Cash earnings per share (CEPS) (₹)	24.38	(0.22)	(0.63)	35.90	9.17	8.28	9.62	(0.95)	15.77	41.08
Dividend (₹per Equity Share)	6.00	0.00	0.00	1.50	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Payout %	60%	0%	0%	15%	0%	0%	0%	0%	0.00	0.00
Book Value (₹)	97.89	89.93	75.21	87.28	81.73	73.66	66.73	54.86	44.60	52.66

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

VALUE-ADDED STATEMENT

₹ in lakhs

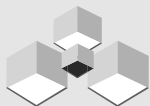
Corporate Output (Total Income)	24,011	31,450	36,431	39,297	64,051	59,861	82,752	93,082	146,137	86,869
Less: Manufacturing & Operating expenses/ cost of material consumed*	16,091	25,440	26,089	20,499	50,735	43,134	63,790	74,247	119,978	61,717
Less: Exceptional Item/ deferred revenue expenditure	30	30	30	30	30	0	0	0	0	(492)
Less: Selling & Administrative expenses/ Other Expenses*	767	784	822	1,038	1,346	3,359	2,811	4,101	5,393	4,785
Gross Value Added	7,123	5,196	9,490	17,730	11,940	13,368	16,151	14,734	20,766	20,859
Less: Depreciation	1,221	1,331	2,943	3,295	3,206	3,272	3,289	3,319	4,725	3,076
Net Value Added	5,902	3,865	6,547	14,435	8,734	10,096	12,862	11,415	16,041	17,783
Allocation of Net Value Added										
to personnel	1,206	1,597	2,412	2,858	3,218	3,543	3,805	4,030	7,144	4,968
to Exchequer (Excise)	1,355	1,708	2,121	2,274	2,221	2,342	2,735	3,521	4,036	3,717
to Exchequer (Direct Taxes)	266	72	14	360	249	0	0	0	0	145

to Mat Credit entitlement				(487)	(239)	128	0	0	0	(136)
to deferred tax	341	(731)	(469)	757	(441)	(578)	(433)	(1,256)	(984)	33
to Stake holders (Interest)	650	1,846	4,947	6,164	4,631	5,978	7,886	7,056	7,521	5,159
to Investors (Dividend)	1,080	36	1	598	0	0	0	0	0	0
to Company (Retained earnings)	1,004	(664)	(2,479)	1,910	(906)	(1,316)	(1,131)	(1,936)	(1,675)	3,897
	5,902	3,865	6,547	14,435	8,734	10,096	12,862	11,415	16,041	17,783

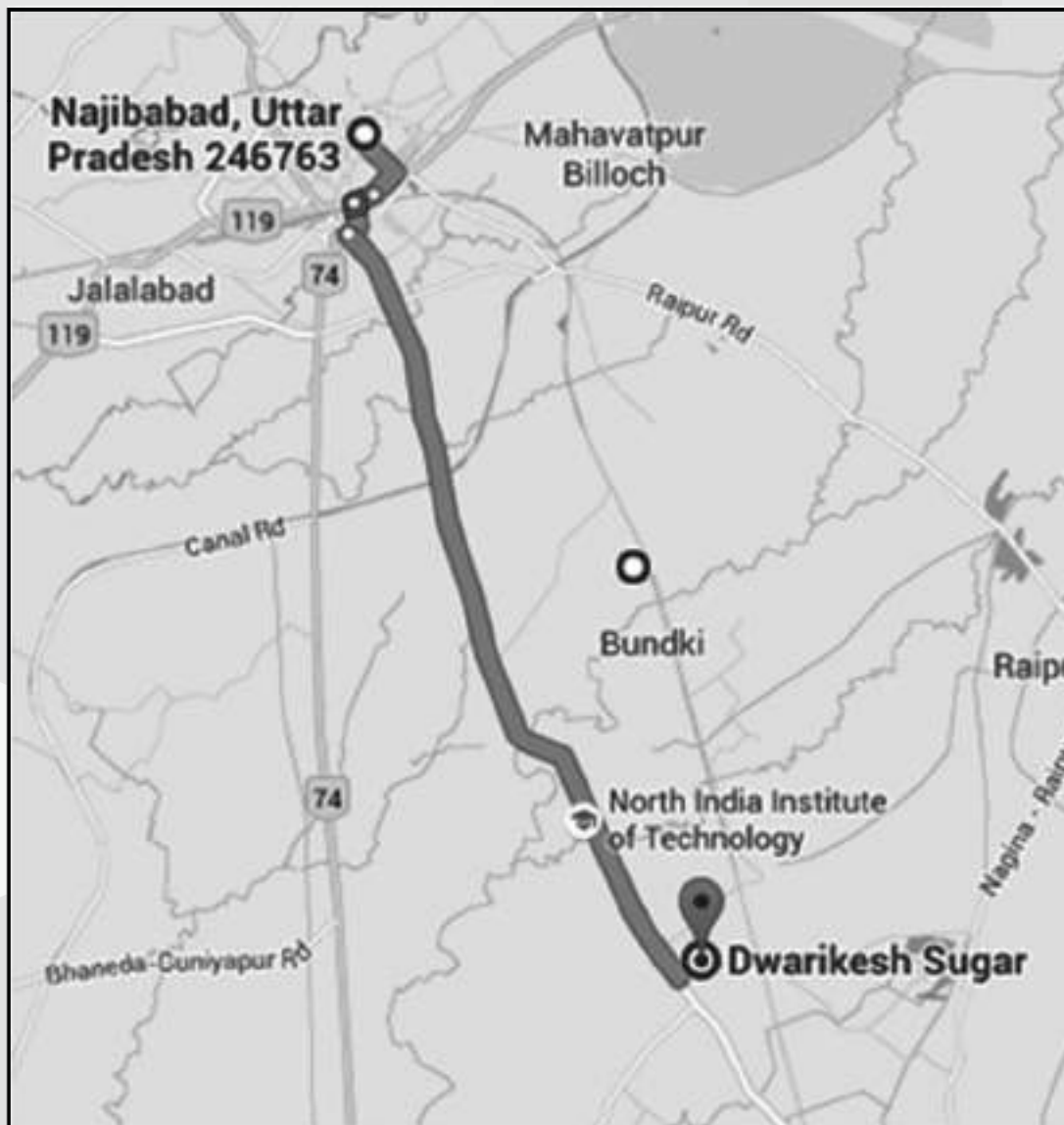
*regrouped /reclassified as per schedule VI since 2010-11

KEY STATISTICS											
PARTICULARS/Sugar Season	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011*	2011-2012	2012-2013	2013-2014	2014-2015	2015-16/2014-15
No of days crushed											
- DN	156	169	142	119	140	141	155	159	141	156	146
- DP	100	166	127	106	134	132	147	148	131	139	127
- DD			99	66	114	113	145	143	111	113	98
Sugar cane Crushed in Qtls.											
- DN	7,205,405	8,377,011	7,219,113	5,064,737	6,615,074	6,882,340	7,662,759	7,730,481	6,754,422	8,288,859	7,821,407
- DP	3,393,773	8,895,373	7,129,891	4,575,622	6,483,011	5,870,034	7,888,321	8,390,189	7,263,772	8,152,637	7,280,891
- DD			5,042,169	3,006,582	5,855,079	6,105,708	8,157,356	8,139,741	6,853,451	6,864,859	5,946,903
Recovery % - DN	10.10	10.58	10.64	10.31	10.31	10.30	10.16	10.32	10.47	11.11	12.12
Recovery % - DP	10.20	10.07	10.33	9.93	9.77	9.47	9.73	10.00	10.52	10.98	11.77
Recovery % - DD			10.27	8.61	8.77	8.55	9.09	9.15	9.65	10.14	11.16
Total losses % -DN	2.060	2.04	1.92	1.84	1.89	1.85	1.82	1.83	1.79	1.70	1.82
Total losses % -DP	2.305	2.21	1.97	1.97	1.96	1.93	1.76	1.81	1.66	1.61	1.62
Total losses % -DD			2.14	2.14	2.04	2.07	1.90	1.92	1.68	1.72	1.74
Sugar Cane Bagged in Qtls. - DN	727,362	886,127	768,075	522,037	683,165	710,349	778,198	797,890	707,397	920,511	948,800
Sugar Cane Bagged in Qtls. - DP	345,850	895,500	736,265	454,380	634,460	557,845	767,410	838,650	764,090	895,261	856,652
Sugar Cane Bagged in Qtls. - DD			517,759	258,461	514,082	522,085	741,195	744,505	661,266	695,766	665,433

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



AGM VENUE ROUTE MAP





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 **22nd ANNUAL GENERAL MEETING** of the Company held on Friday, 5th August, 2016 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)		E-mail Id	
Registered address		Folio No/ *Client Id	
		*DP Id	

I/We, being the member(s) of _____ shares of Dwarikesh Sugar Industries Limited, hereby appoint:

_____ of _____ having e-mail id or failing him _____ or failing him
 _____ of _____ having e-mail id or failing him _____ or failing him
 _____ 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 22nd Annual General Meeting of the Company, to be held on Friday ,5th August 2016 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, 2016		
2. Appointment of Mr B J Maheshwari (DIN 00002075); who retires by rotation.		
3. Re-appointment of Mr Vijay S Banka (DIN 00963355); who retires by rotation.		
4. Approval of appointment of Statutory Auditors		
5. Adoption of new Articles of Association		
6. Approval for remuneration of Shri G R Morarka for two years		
7. Approval / Ratification for cost auditors remuneration		
8. Approval for re classification of share capital of the company		
9. Approval for amendment of capital clause		
10. Approval for preferential allotment of securities		

Signed this _____ day of _____ 2016

Signature of first proxy holder

Signature of second proxy holder

Affix a
15 paise
Revenue
Stamp

Signature of shareholder

Signature of third proxy holder

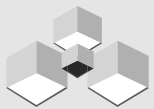
Notes:

- (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





If undelivered, please return to:



Dwarikesh Sugar Industries Limited

Corporate Office: 511, Maker Chambers V, 221, Nariman Point, Mumbai - 400021.