Dhampur Sugar Mills Limited
Annual Report 2018-19

dhampur

DIL MEIN MITHAAS!

How Dhampur Sugar has created a **ground shift** in its business strategy to enhance stakeholder value

Contents

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically, 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects' believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

DIL MEIN MITHAAS!

There are two big messages that we wish to communicate about our performance in 2018-19.

One, the Company built on a cash profit of ₹215.76 crore in 2017-18 with a cash profit of ₹324.63 crore in 2018-19.

Two, the performance came in the backdrop of the government's landmark Biofuel Policy that promises to transform destinies for integrated sugar manufacturers.

The result is that the performance of the Company during the year under review represents the bottom-end of a long J-curve that is expected to transform the Company's performance.

10 things you need to know about the exciting world of Dhampur Sugar Mills Limited

1 Our vision

Innovate and Optimise for the benefit of all stakeholders.

Our mission

Making a positive contribution to the environment we operate in.

Professionalism

Integrity: Trusted partnership
Commitment: Be Responsive
Accountability: Take ownership

Passion to excel

Determination: Lead change and walk the extra mile
Value Adding Team Work: Build strength through a shared vision
Learning & Innovation: Innovate through learning

Respect

Diversity & Inclusiveness: Provide equal opportunity
Value time: Punctuality in all areas
Humanity: Be sensitive and generate energy

Act responsibly

Business Ethics: Apply ethical principles
Corporate Citizenship: Fulfil social, economic & legal Responsibilities
Corporate Governance: Drive fairness, accountability, responsibility and transparency

2 Legacy

Dhampur Sugar is one of the most prominent players in India's organized sugar business. The Company was founded by Lala Ram Narain in 1933 with a cane crushing capacity of 300 tonnes per day. Today the Company is one of the nation's oldest integrated sugar companies comprising power generation and also ethanol manufacturing capacities. The Company has five manufacturing facilities in Uttar Pradesh in Dhampur, Asmoli, Meerganj, Rajpura and Mansurpur.

3 Diversified

Dhampur Sugar is one of the largest integrated sugar mills in the country. Besides sugar, which is the Company's key product, it is also engaged in the manufacture of ethanol and power generation using by-products. This diverse basket of products helps the Company de-risk from business cyclicality while maximising returns.

4 Scale

The Company's integrated facilities are equipped with a cane crushing capacity of 45,500 tonnes per day. Dhampur Sugar's distillery segment possesses a capacity of 400 Kilo litres per day and the power co-generation segment has a capacity of 220.50 megawatts. The ratio of power generation and ethanol manufacturing vis-a-vis sugar capacity is among the highest in the country.

5 Focus

- Maintaining core competence in sugar manufacture in the most efficient way and the manufacture of allied products through the optimum utilization of by-products.
- Recruiting and retaining skilled and experienced human capital
- Building our business around sound governance
- Building the community in the areas of our presence.

6 Ratings

The Company's long-term and medium-term ratings stands at A(-) with outlook stable as assigned by CARE.

7 Listing

The Company's shares are listed and actively traded on the BSE and NSE. The market capitalisation of the Company was ₹1,547.16 crore on BSE and ₹1,546.50 crore on NSE as on March 31, 2019.

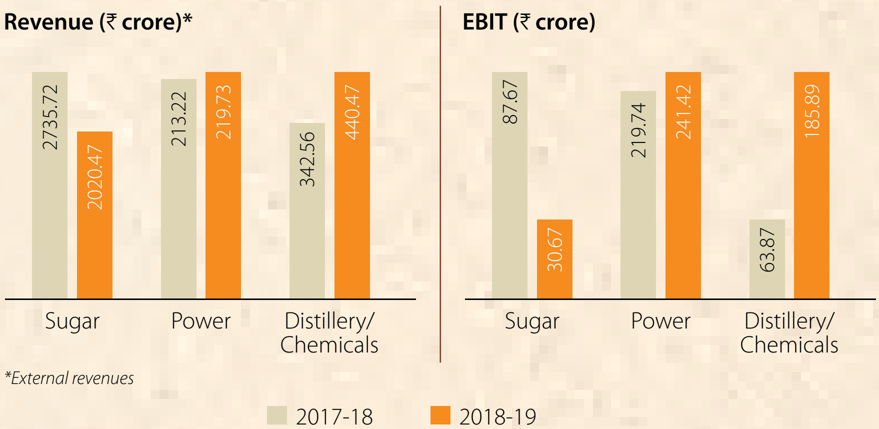
8 Product portfolio

Sugar	Power	Chemicals	Bio-fertiliser
Refined sugar	Power generation	Ethanol	Bio-compost
White sugar		Ethyl acetate	Liquid
Retail sugar		Extra neutral alcohol	Bio-fertilisers
Raw sugar		Other allied products	

9 Capacities

Capacity	Consolidated	Dhampur	Asmoli	Rajpura	Mansurpur	Meerganj
Sugar crushing (TCD)	45,500	15,000	9,000	8,500	8,000	5,000
Sugar refinery (TPD)	1,700		900		800	
Renewable energy (including biogas-based power, MW)	220.5 (surplus: ~125 MW)	• 65 • 8MW (slop boiler-based power)	• Bio mass – 40 • Bio gas – 4 • 3.5MW (slop boiler-based power)	48	33	19
Liquid bio fertiliser (KLPD)	1			1		
Distillery (KLPD)	400	250	150	Molasses supplied to Dhampur and Asmoli distilleries		
Organic manure- 'Power Booster' (tonnes/year)	20,000	15,000	5,000			

10 Segmental share



*External revenues

Our milestones

1933

- Sugar mill established at Dhampur

1987

- Leased a sick sugar unit at Mansurpur (1,800 TCD)

1995

- Distillery in Dhampur with 100 KLPD

2004

- Expanded Mansurpur sugar crushing capacity to 6,000 TCD
- Increased Dhampur distillery capacity to 140 KLPD

2006

- Raised US$53.7million through GDR

2007

- Installed multi-fuel high pressure boilers (105kg/ cm^2 and 170 tonnes/hour) at Dhampur and Asmoli
- Greenfield sugar unit at Rajpura (7,500 TCD)
- Installed co-generation plants - Dhampur (65 MW), Asmoli (40 MW), Mansurpur (28 MW) and Rajpura (12 MW)
- Distillery in Asmoli (100 KLPD)

2008

- Expanded sugar crushing capacities - Dhampur to 15,000 TCD, Asmoli to 9,000 TCD and Mansurpur to 8,000 TCD
- New sugar refinery at Asmoli (900 TCD))
- Increased Dhampur distillery capacity to 170 KLPD

2011

- Increased co-generation capacity at Mansurpur to 33 MW

2012

- Installed bagasse dryers at Dhampur

2013

- Merged JK Sugar Mills (now called Meerganj unit) with 5,000 TCD sugar and 19 MW power capacities
- Increased Dhampur distillery capacity to 200 KLPD

2014

- Expanded Rajpura sugar crushing capacity to 8,500 TCD
- Co-generation plant at Rajpura (48 MW) and methane-based power generation at Asmoli (4 MW)

2015

- Commissioned spent wash fire boilers

2018

- Commissioned incinerator slop boiler with 11.5 MW turbines (zero liquid discharge compliant distilleries)

2019

- Distillery capacity expanded by 100 KLPD

Our performance over the years

Revenues
(₹ crore)

Definition
Revenue is the income generated by a business from its main operations before the deduction of costs and expenses.

Why is this measured?
It is an index that showcases a company's ability to maximise revenues, providing an effective base for expense amortisation.

What does it mean?
Aggregate sales moderated by 13.16% to ₹2972.49 crore in 2018-19 due to lower sugar sales and realisations.

Value impact
This resulted in profit contribution from the Company's largest revenue engine being lower than usual.

EBITDA
(₹ crore)

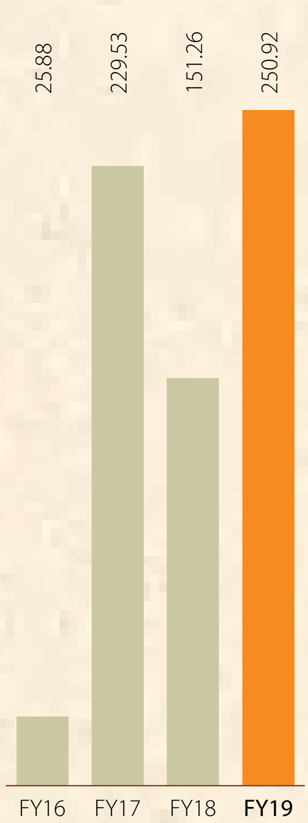
Definition
Earnings before the deduction of interest, depreciation, extraordinary items and tax.

Why is this measured?
It is an index that showcases the Company's ability to optimise business operating costs and provides a base for comparison with sectoral peers.

What does it mean?
Provides a robust platform for the Company to build on.

Value impact
The Company reported a 26% increase in its EBITDA in 2018-19 – an outcome of painstaking efforts of its team in improving operational efficiency.

Net profit
(₹ crore)



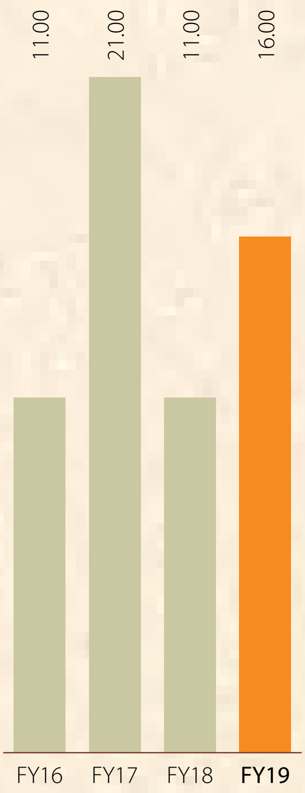
Definition
Profit earned during the year after deducting all expenses and provisions.

Why is this measured?
It highlights the strength of the business model in generating value for shareholders.

What does it mean?
Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain momentum.

Value impact
The Company reported a 66% increase in its net profit in 2018-19, reflecting the robustness and resilience of the business model in growing shareholder value despite external challenges.

EBIDTA margin
(%)



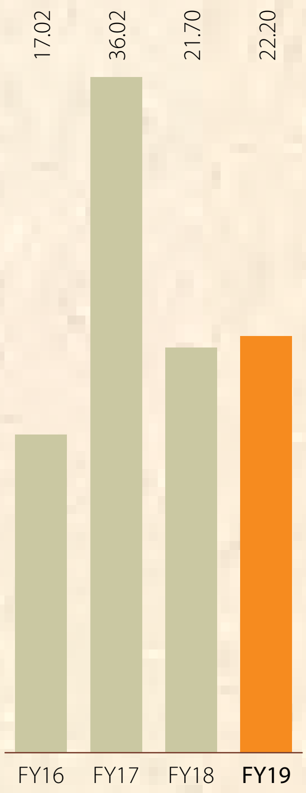
Definition
EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency.

Why is this measured?
The EBIDTA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

What does it mean?
Demonstrates buffer in the business which, when multiplied by scale, enhances surpluses.

Value impact
The Company reported a 500 bps increase in EBIDTA margin during 2018-19.

RoCE
(%)



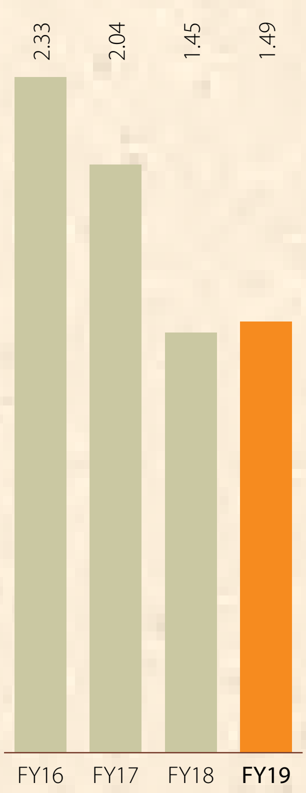
Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why is this measured?
RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

What does it mean?
Enhanced RoCE can potentially drive valuations and perception.

Value impact
The Company reported a 50 bps increase in RoCE during 2018-19.

Gearing
(x)



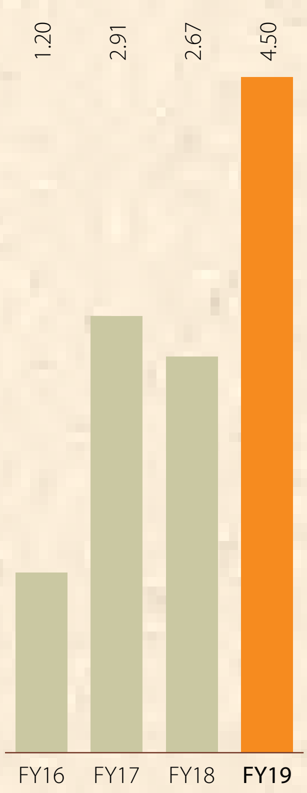
Definition
This is derived through the ratio of debt to net worth.

Why is this measured?
This is one of the defining measures of a company's solvency.

What does it mean?
Adds value in the hands of the shareholders by keeping the equity side constant and boosts flexibility by progressively moderating debt costs.

Value impact
The Company's gearing stood at 1.49 in 2018-19 compared to 1.45 in 2017-18. This ratio should ideally be read in conjunction with net debt/operating profit.

Interest cover
(x)



Definition
This is derived through the division of EBIT by interest outflow.

Why is this measured?
Interest cover indicates the Company's comfort in servicing interest – the higher the better.

What does it mean?
A company's ability to meet its interest obligation, an aspect of its solvency, is one of the most important factors guaranteeing returns to shareholders.

Value impact
The Company strengthened its interest cover from 2.67 in 2017-18 to 4.50 in 2018-19.

Our performance indicators

Key financial ratios

Ratio	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Raw material costs/Total turnover (%)	78	77	66	77	70
Overheads/Total turnover (%)	25	22	22	16	19
PBDIT/Total turnover (%)	8	11	21	11	16
Interest/Total turnover (%)	8	7	6	4	3
Interest cover (times)	1.01	1.55	3.21	2.67	4.50
PBDT/Total turnover	0	4	14	8	13
Net profit/Total turnover (%)	-1	1	9	4	8
Cash profit/Total turnover	0	4	14	6	20
Capital output ratio [Turnover/Average capital employed] (%)	176	177	203	229	178

Balance Sheet ratios

Ratio	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Overall debt gearing	3.80	2.33	2.04	1.45	1.49
Debt-equity ratio	1.69	1.07	0.69	0.49	0.55
Inventory turnover (days)	248	204	207	122	206
Current ratio	0.85	0.84	1.00	0.96	1.17
Quick ratio	0.22	0.18	0.21	0.22	0.30
Asset turnover [Total revenues/Total assets]	0.59	0.71	0.77	1.09	0.76

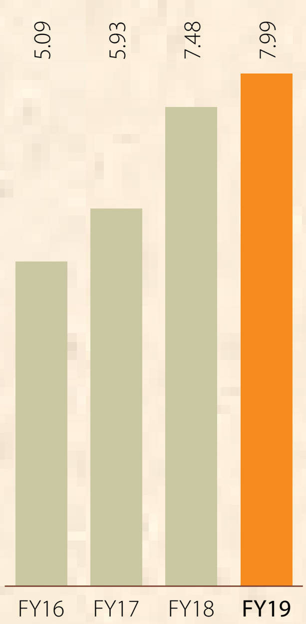
Growth

Ratio	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Growth in turnover (%)	-2	26	16	25	-13
Growth in PBDIT (%)	12	63	119	-29	26
Growth in PAT (%)	-84	302	815	-34	66
Growth in cash profit (%)	-93	16,426	145	-30	50

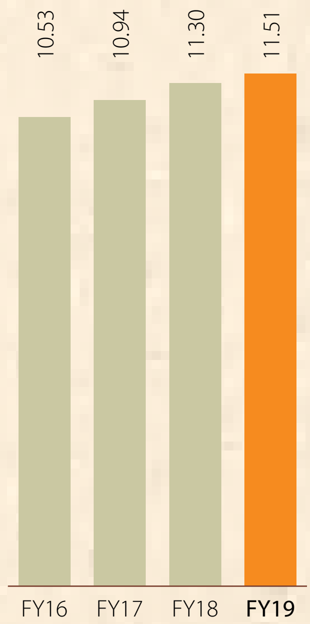
Production growth

Sugar cane crushed
(lakh tonnes)

Sugar produced
(lakh tonnes)

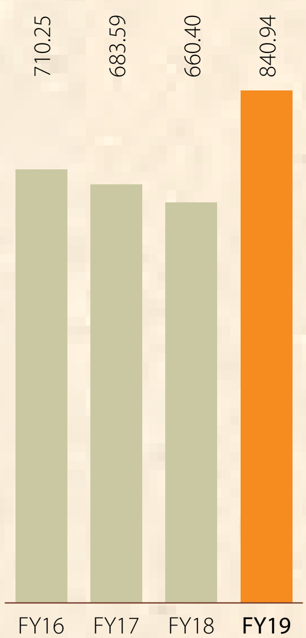


Sugar recovery
(%)

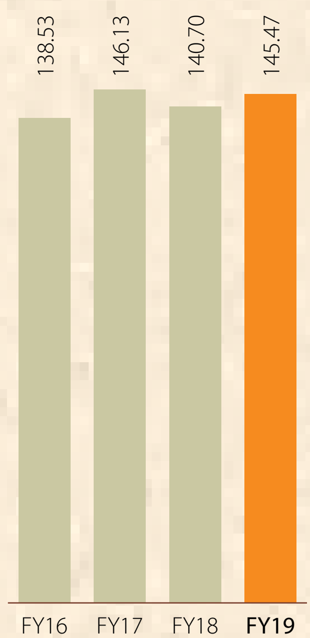


Power generated
(crore units)

Ethanol/RS/RNA produced (lakh BL)



Chemical produced
(lakh tonnes)



MANAGING DIRECTORS' REVIEW

The present reality represents the start of Dhampur Sugar's multi-year growth journey towards enhanced profitability and business sustainability.

Dear shareholders,

I have no hesitation in stating that a moment like the one we experienced in India's sugar industry comes but once in decades.

Overview

The story that we wish to communicate is not as much about the Company as much it is about the industry. The story is not as much about our record performance as it is about a sectoral ground-shift that could transform prospects for integrated sugar companies across the foreseeable future.

This ground shift could translate into a completely new picture for the industry. If I had to concise the trickle-down impact of policy decisions taken by the government on companies like ours into a single sentence that would provide a picture of where we are going, then the sentence would be: 'We also make sugar'.

Three game-changers

For long, the sugar industry was dismissed as cyclical for good reasons. The industry passed through periods of growth and under-performance and, on most occasions, these reasons were influenced not as much by the climate, soil and crop quality as they were by human-induced political decisions.

I am pleased to report that we may be seeing the first signs of arbitrary intervention and decision-making coming to an end. During the last financial year, the government made three decisive interventions.

One, the government announced a Biofuel Policy recognising the long-term benefits of connecting farm productivity to industrial productisation and countering vehicle pollution. The government empowered integrated sugar manufacturers to manufacture ethanol from molasses through the B-Heavy route, coupled with higher realisations on buyback. Besides, the government made it possible for ethanol to be manufactured directly from cane juice without the need to manufacture sugar at all.

Our principal strategy will be to increase the number of crushing days in a season to at least 200, generate a large quantum of molasses to be processed into downstream products (B-Heavy or C-Heavy) and increase the quantum of co-generated power.

Two, the government announced a minimum selling price for sugar, which immediately transformed the trading sentiment for the commodity.

Three, the government introduced an export policy for sugar.

Freedom to be what we want to be

The game-changer is the decision of the government to permit the manufacture of ethanol from molasses through the B-Heavy route, widening flexibility for sugar companies, helping increase realisations and providing larger quantities for buyback (through nationalised oil marketing companies).

This is a decisive game-changer because for the first ever time sugar companies have the option to reduce the quantum of sugar output during a glut and shift to the manufacture of an alternative product, fetching attractive realisations and strengthening the Company's overall economics.

In the past, sugar companies were compelled to ride through a downturn.

THREE GAME-CHANGERS

1

The Biofuel Policy
The government empowered integrated sugar manufacturers to manufacture ethanol from molasses through the B-Heavy route

2

Minimum selling price
The government announced a minimum retail selling price for sugar, strengthening realisations

3

Export policy for sugar
The government announced an export policy for sugar with the objective to reduce the national sugar inventory

From this point onwards, sugar companies will retain the option of transforming their fundamental character – the sugar company of the past that remained strictly a sugar company during a downturn could now be empowered to transform into a distillery company (principally) during a sugar trough, riding the upside of alternative product realisations.

This escape route represents a swing capacity that will make it possible for a company to be principally a sugar company during good sugar markets or largely a distillery company during favourable ethanol markets. This freedom or 'license' represents possibly the biggest reform in the Indian sugar industry in recent memory.

Smoothening the curves

The biggest challenge for the sugar sector was the sharp profitability curve that defined its personality. When years were good, profits were unusually high; when the tide turned, virtually every company reported sharp losses. The result was that the sector evoked little confidence and negligible investments went into it across the last decade. Most companies are still working with capacities that were commissioned a decade ago and the only decisive investment that most companies were courageous enough to make were either in a defensive segment like co-generation or cane development.

I would be forthright enough to state that perhaps those days appear to have come to an end, especially for well-managed integrated sugar companies. These companies will be empowered to shift from one product to another based on their respective ground realities so that the overarching corporate profitability remains protected (or enhanced)

As an extension, I am confident enough to state that the business of companies like these (Dhampur Sugar one of them) would now become more sustainable. The curves would smoothen; scale economies would enhance; Balance Sheets would become smaller; credit-rating would improve; investor confidence would return; enhanced value would be created.

Record numbers

The favourable outlook that one is referring to is not something that could happen in the distant future; it has already begun to transpire.

During the year under review, Dhampur Sugar reported profitable growth: even as revenues declined 13%, profit after tax strengthened 66%. The Company reported a cash profit of ₹324.63 crore, which was 50.56% higher than the previous high in the Company's existence.

Some of the numbers below the surface indicate that a churn has already begun: sugar contributed only 6.69% of the Company's profit after tax during the year under review; the distillery business emerged as the principal profit driver, accounting for 40.54% of the Company's bottom line.

It would be facile to believe that this pattern will repeat year-on-year and herein lies the efficacy of the government's policy. There will be periods when sugar realisations are strong, incentivising a shift away from ethanol (B-Heavy) towards increased sugar manufacture. During these years, the proportion of profits generated by the sugar business could be considerably higher than the distillery operations.

Our strategic approach

At Dhampur Sugar, it would be tempting to immediately commission a new plant or add fresh capacity to our existing units, now that the overall sugar business has become viable.

We intend to do no such thing.

Our principal strategy will be to increase the number of crushing days in a season from 180 to at least 200, generate a large quantum of molasses to be processed into downstream products (B-Heavy or C-Heavy) and increase the quantum of co-generated power.

We believe that the additional crushing days will make it possible for us to reduce our break-even point in the business by the virtue of being able to amortise our fixed costs more effectively. We also believe that a larger sugar base will help generate a sizeable throughput of by-products that will make it possible for us to produce more ethanol and co-generate more power, unless we select to consciously manufacture less sugar and more ethanol – or vice versa – based on market realisations.

Conclusion

The combination of positive economics across all the three businesses – an unusual occurrence in the country's sugar sector represents the start of a multi-year growth journey towards enhanced profitability and business sustainability.

Gaurav and Gautam Goel
Managing Directors
Dhampur Sugar Mills Limited

Our performance ambition

At Dhampur Sugar, our performance ambition is to create a multi-product agri-driven enterprise respected for its pioneering capability.

Overall goal

The Company intends to significantly grow each of its businesses from this point onwards – through the quality of business and the quantum of business generated.

Probable goal contributors

FMCG-isation: The Company intends to progressively FMCG-ise its sugar business by maximizing the proportion of packaged and refined sugar, generating superior realisations. The Company is already present in this segment and will scale this business to the maximum extent of its sugar output with a corresponding decline in its exposure to the commodity end of the business.

Speciality end: The Company intends to explore and grow its rich experience in the chemicals business derived out of its distillery to graduate to speciality chemicals. These speciality chemicals will address specific downstream applications in relatively under-crowded spaces and enjoy realisations higher than chemicals.

Non-cyclical: The Company intends to make progressive investments in co-generation, which will provide steady annuity revenues based on power purchase agreements with the Uttar Pradesh state government.

Intended investments

Infrastructure: The Company will not be required to make substantial investments in its cane crushing infrastructure. The Company's 45,500 TCD capacity is considered adequate. The focus will lie in enhancing its utilisation through maximized crushing per day and crushing across at least 200 days in a sugar season when recoveries remain attractive enough for sugar operations to be viable.

Integration: The Company will continue to balance its various integrated capacities – cane crushing, distillery and co-generation – in line with the increased inflow of cane from command areas. The balancing will result in the increased utilization of byproducts generated for the next round of operations, enhancing organizational value.

Innovation: The Company will continue to make investments in new products that can be derived from available resources, strengthening the product mix and overall value generated from each stick of cane.

Measuring our performance ambition

Profitable growth

- **Total income:** De-grew 13% in 2018-19
- **EBIDTA:** Grew 26% in 2018-19

Consistent value creation

- **Return on average invested capital:** Grew to 22.20% in 2018-19
- **Market capitalisation:** Grew from ₹214.50 crore as on March 31, 2015 to ₹1,546.50 crore as on March 31, 2019

Financial mechanics

- **Free cash:** Grew 50.46% to ₹324.63 crore in 2018-19
- **Average cost of debt:** 5%, 2018-19
- **Debt-equity ratio:** 0.55 as on March 31, 2019

Our five-pronged strategy

1 **Cane development:** The Company is one of the leading integrated sugar companies in India. To continue to lead from the front, it will continue to educate farmers on best farming practices, high-yielding seeds, responsible pesticide use etc. The Company's philosophy of making timely payment to farmers and incentivising them to increase the area under sugarcane will enhance raw material availability. The Company will continue promoting the early maturing variety, strengthening recovery, output and cost efficiency.

2 **Innovation:** The Company targets zero waste discharge by employing the latest technologies. Dhampur Sugar will sustain product and process innovation and enhance revenues from its distillery business (superior margins for sustained business development).

3 **Sweating assets:** The Company operated its capacity at optimal utilization levels across its sugar and distillery segments. Dhampur Sugar's mid-term focus shall be on increasing capacity utilization to capitalize on prospective demand growth.

4 **Prudent financial management:** The Company repaid long-term debt of ₹121.37 crore during the year under review. It expects to reduce leverage through prudent financial management and utilize prospective cash flows for debt moderation and improving shareholder value.

5 **Agility with product mix:** The Company expects to be agile in its responsiveness to evolving industry trends related to demand/costs through flexible manufacturing processes.

Operational review

41%

Distillery segment contribution in EBIT, 2018-19

Q: Were you pleased with the Company's working during the year under review?

A: The Company reported its best-ever numbers, higher than what it had reported at the crest of the previous sectoral rebound a few years ago. The fact that this record performance was achieved with ₹3.07 per kg increase in average sugar realisations, indicates the extent of value latent within the Company, the robustness of the business pyramid, the complementary product mix and effective de-risking. We are optimistic that this significant improvement was achieved at the early end of the business cycle, indicating considerably better days ahead.

The Company capitalised on four months of additional capacity allocated to ethanol (B-Heavy). Besides, the sizable ethanol capacity translated into increased realisations and surplus. The result: distillery operations accounted for 13.11% of the Company's revenues but 41% of the EBIT; sugar accounted for 63% of revenues but 7% of EBIT; co-generation revenues accounted for 16% of revenues but 53% of EBIT. This clearly indicates that the Company's ethanol operations proved to be the game-changer.

Q: What other reasons contributed to the turnaround?

A: One of the things that may go unnoticed is the quiet work that we invested behind the scenes when the sugar industry passed through a trough. This quiet work largely revolved around painstaking cane development in our command areas. This engagement required us to work extensively with thousands of farmers – showcasing to them the established success of new cane varieties (CO 238), checking each of their fields for soil characteristics, providing them the right seeds, hand-holding them through the process of planting and nurturing a new cane variety right to the time of harvest.

These initiatives generated a handsome upside as soon as sugar realisations rebounded.

The cane yields in our command areas increased from 400-500 quintals per hectare to 800-1000 quintals per hectare, an increase that promises us with bountiful cane across the foreseeable future that could keep our plants running for at least 200 days a season from this point onwards. Besides, our recovery of 11.30% in 2017-18 strengthened to 11.51% in 2018-19, generating an incremental output of 1.46 lakh quintals during the year under review. We believe that the patient work that we did during the challenging downtrend has now provided us with a robust foundation to build our next round of growth.

Q: What were the reasons for the sharpness of this rebound?

A: The rebound was generated through a combination of aggressive and defensive strategies implemented across the years. Our aggressive strategy comprised proactive investments in debottlenecking sugar and expanding distillery capacity; our defensive approach was encapsulated in investments in increased co-generation capacity.

The result is a mix of revenue types – our sugar business generates cyclical revenues with sharp variations based on market cycles; our distillery will generate growing revenues with attractive margins; our co-generation business will generate reasonable annuity revenues. We believe that this complement will generate sizable revenues and profits for our company across the foreseeable future.

The ground shift

Q: What ground-shift is likely to sustain the sector's prospects?

A: The turnaround of our distillery business has proved to be the effective game-changer. Until the announcement of the Biofuel Policy in 2018, each of our businesses – sugar, distillery and co-generation – operated virtually as silos except for the fact that the byproduct of one business represented the raw material of the other. Following the announcement of the policy, we are now at an inflection point: whenever we are faced with a large sugar output and consequent decline in realisations, we will be able to moderate the quantum of sugar produced and increase the production of remunerative ethanol through the B-Heavy route. For decades, we were compelled to live with low realisations during periods of over-production with no escape route. Following the introduction of this far-achieving policy, we will be able to respond with speed to market dynamics, change our product mix and protect our corporate profitability – a game-changer.

Q: What will this flexibility achieve for the Company?

A: This flexibility will transform our business model.

One, the manufacture and supply of ethanol (B-Heavy) addresses a demand that is considerably larger than supply, resulting in the possibility of zero inventory on the one hand and attractive realisations on the other, strengthening our cash flows.

Two, we believe that this one decision will alter the entire ecosystem of sugar companies, resulting in increased surplus and cash flows that make it possible to liquidate cane arrears, strengthen cane access and grow scale.

Three, the government incentivised the production of ethanol (C-Heavy and B-Heavy) through higher realisations that widened the delta for manufacturers. The government went one step further by providing ethanol (B-Heavy) manufacturers additional sugar sales quota for that month, strengthening cash flows further.

Four, ethanol (B-Heavy) manufacturers strengthened their cash flows from the distillery and sugar businesses, helping them right-size their Balance Sheets.

Q: How is the Company taking its distillery business ahead?

A: One of the things that we wish to impress upon our shareholders is that Dhampur Sugar was possibly the first sugar company in Uttar Pradesh to capitalise on the Biofuel Policy and embark on the manufacture of ethanol through the B-Heavy route. This responsiveness has provided us flexibility: if sugar realisations decline, we would be in a position to move with speed to the manufacture of ethanol, attracting better remuneration; if sugar realisations strengthen and the delta exceeds that of ethanol, we would focus on the manufacture of sugar.

We believe that this flexibility will make it possible for us to circumvent the challenges of an evolving marketplace and shift from one product to another, protecting our desired overall profitability. Until 2017-18, ethanol (C-Heavy) accounted for majority of our distillery product mix; during 2018-19, the B-Heavy variety accounted for 23% of our product mix, which is expected to increase further.

Besides, we increased distillery capacity from 300 KLPD to 400 KLPD in 2018-19; we took licenses and clearances to raise this capacity whenever opportunities arise.

Q: How was this expansion financed?

A: The ₹62 crore expansion was funded through a subsidised loan that is to be repaid across five years, by which time we believe that we would have recovered our investment.

The government's role

Q: What is creditable about the government's commitment to the sugar industry?

A: The most remarkable feature of the State government's various interventions to support the country's sugar ecosystem was its decision to not announce increased cane prices for the 2018-19 sugar season. This decision must be appraised in the context of the 2019 elections when it would have been politically expedient to announce an increase, but economically disastrous. We believe that any increase in cane prices would have increased planting, depressed sugar realisations, threatened mill profitability and, in turn, affected the capability of mills to remunerate farmers for cane purchases. The government recognised that the entire ecosystem needed to be strengthened as opposed to the conventional practice of merely increasing cane prices.

Q: One would have presumed that the decision to not increase cane prices would have reduced planting.

A: That did not transpire for some good reasons. Over the last decade, thanks to a combination of increased cane prices paid to farmers and substantially increased cane yields, cane has emerged as possibly the most remunerative cash crop in the Indian agricultural ecosystem. During the year under review, even as cane prices were not raised, cane yields increased, so most farmers earned higher incomes than before. Normally, the decision to not increase cane prices would have affected cane acreage and output in the subsequent season. The reverse transpired; cane acreage and output are expected to increase in the 2019-20 sugar season as well.

Q: Normally an increase in cane acreage and output would have depressed sugar realisations and threatened mill profitability.

A: We are seeing the convergence of some unusual realities: no increase in cane prices and yet no decline in output; projected increase in cane/sugar output and no decline in sugar realisations; no possibility of a major decline in the country's sugar inventory and yet a positive sector outlook. It would be safe to say that we have not seen this combination in living memory. This has essentially transpired on account of the government's announcement of an increased minimum selling price for sugar, virtually creating a 'floor' in market realisations. Besides manufacturers can now create swing processes between sugar and ethanol, reducing or increasing the quantum of each in line with market realisations and overall corporate profitability. This swing capacity represents an unprecedented 'escape route' from one product to another, enhancing corporate profitability.

As a result, we believe that sugar companies will gradually evolve into multi-product companies with a moderating influence of sugar on revenues, profits, brand and personality.

Q: The government also announced an increase in the minimum selling price for sugar. How was this development received?

A: The announcement that the government would buy sugar at MSP had a salutary impact on the trading sentiment for sugar across the country. The signal went out that the government was walking its talk when it came to the revival of the sugar industry. Following the announcement, sugar realisations climbed from a 2018-19 low of ₹26 per kg to ₹32.5 per kg, which was higher than the MSP. This indicates that the government's objective was achieved – what would, in the past, have been paid out as subsidy was now paid for by the market through an encouraging announcement that proved to be a sentiment changer. The result was a win-win for farmers, millers and the government.

Q: How will this transpire in Dhampur Sugar's case?

A: The big message that I wish to communicate is that the future belongs only to integrated sugar manufacturers. One sees integrated Uttar Pradesh companies performing better than the national average – the output of sugar would be lower in the 2019-20 sugar season largely on account of lower output in Maharashtra due to drought. We believe that from this point onwards, cane output will be range-bound in Uttar Pradesh, resulting in a stable supply of resources for competent millers across the foreseeable future.

Dhampur Sugar is attractively placed to capitalise. The Company will gradually evolve from being predominantly an agri company into an energy enterprise. The Company's manufacture of ethanol and power will position it as a green and clean company. To be more specific, the Company (and effectively the integrated sector) will serve as a visible proxy of clean air, influenced largely by the dynamics of a free market.

What Dhampur Sugar was	What the reinvented Dhampur Sugar will be
High debt on the books	Relatively lower debt on the books
Moderate sugar weightage in the business model	Relatively low sugar weightage in the business model
Moderate the distillery's role in the Company's profitability	High distillery role in the Company's profitability
High working capital intensity in operations	Declining working capital intensity in operations
Distillery and co-generation treated as by-products	Sugar progressively emerging as a byproduct
Cash-intensive investment in sugar operations	Liability-light intensive investment in sugar operations
Low flexibility in moving from one product to another	High flexibility in moving from sugar to ethanol
Low dependence on refined sugar sales	High exposure to refined sugar revenues
Reliance on industry experience and knowledge	Growing exposure to modern management practices

OUR STRATEGIC VISION

How we intend to transform from a commodity sugar manufacturer into a packaged brand

At Dhampur Sugar, we are excited about the possibilities residing in our sugar business. The operative term for our re-drawn vision for this business is encapsulated in the word 'FMCG-isation'.

Overview

There are two principal strategies driving our intent in this business line.

One, the Company does not expect to make any significant capital expenditure in cane crushing capacity across the foreseeable future. Instead, the Company will seek to maximise the sweating of its sugar manufacturing capacities by crushing longer through the sugar season. It will seek to debottleneck existing capacities for minimal capital investments, helping generate a quicker payback and increased return on employed capital.

Two, we believe that most of the problems related to the sugar industry are linked to commoditisation. At Dhampur Sugar, we believe that the time has come to graduate from the marketing of loose sugar to packaged sugar in line with the growing preference for hygienic food consumption.

Dhampur Sugar is attractively placed in this regard. In a space that is relatively nascent, the Company already possesses decades of experience in marketing packaged and refined sugar. In 2001, the Company launched Dhampure and pleased to report that our brand is among the most respected sugar brands in the country.

Across the next few years, Dhampur Sugar expects to increase the proportion of packaged and refined sugar to 80% of its overall sugar throughput. Besides, this throughput is expected to derive an incremental realisation of ₹3-4 per kg, which could prove useful in transforming sugar from a low-margin business into a handsome profit contributor.

The operative term for our re-drawn vision for this business is encapsulated in the word 'FMCG-isation'.

2

PRINCIPAL DHAMPUR SUGAR STRATEGIES

1. No significant projected capex in cane crushing capacity

2. Focus on maximising sugar capacity utilisation

OUR STRATEGIC VISION

How we intend to transform from an ethanol manufacturer into a speciality chemicals company

Dhampur Sugar has been a prominent ethanol manufacturer for the last two-and-a-half decades. The Company pioneered downstream processing of molasses to manufacture chemicals and ethanol in the early Nineties. As the downstream demand of these products increased, Dhampur Sugar successfully scaled capacity and became a dependable supplier of these products.

Overview

The Indian government recognised that one of the most effective ways of moderating pollution was through an increase in the blending of ethanol with petrol. While this was a step in the right direction, it was, in hindsight, a slow step: even as a country like Brazil has increased the ethanol blend in gasoline to the extent of 25%, India is still at an experimental blending stage of 7.2%. Considering that 15 of the 20 most polluted cities in the world are Indian, the time has come for the government to accelerate the pace of this reform.

Ethanol catalyst

We believe that this reform will encourage a number of sugar manufacturers to commission downstream ethanol manufacturing capacities. The Company is secured of its raw material (molasses) requirements to the extent of 60%; the rest will be outsourced from sugar factories that do not possess downstream ethanol manufacturing capacities.

Hedge

The incremental capacity commissioned by the Company will make it possible to moderate the quantum of sugar and increase the quantum of B-Heavy, an effective hedge in weak sugar markets. Besides, the Company invested in swing capacity – the ability to move from the manufacture of C-Heavy (conventional ethanol) to B-Heavy (derived from molasses but with superior characteristics) within a day and capitalise on quicker receivables from customers.

Dhampur Sugar was perhaps among the first Indian sugar companies to announce an expansion in its distillery capacity – from 300 KLPD to 400 KLPD.

How we intend to engage in responsible capital allocation to build long-term business sustainability

The Company reported a record performance during 2018-19 – a cash profit that was the highest in the Company's existence and 50.46% higher than in the previous year.

Overview

The result of this commitment to invest in the business – good market cycles and challenging ones – is the Company's attractive positioning where an increase in every rupee per kg of sugar realisation is positioned to translate into an estimated increase in pre-tax profit of around ₹80 crore.

The Company expects to build a sizable war chest if this scenario persists for the next few years, which could translate into responsible business-building in the foreseeable future.

Reduce debt on the books

The Company expects to utilise a significant part of its cash flow to repay the outstanding debt on its books. The Company had ₹691.07 crore of long-term debt as on March 31, 2019; the Company expects to be virtually debt-free (long-term) across the next four years.

During the course of the last financial year, the Company mobilised ₹266.22 crore in loans from the Uttar Pradesh government at a cost of 5% for a period five years. This infusion moderated the Company's average cost of aggregate debt on our books from 8.7% to 7% by the end of 2018-19.

The Company intends to repay around ₹140 crore debt every year from this point onwards. The extension into the manufacture of ethanol (B-Heavy) marked by quicker receivables, compared to the gradual liquidation of the sugar inventory over 18 months, helped reduce working capital (and related resources) deployed in the business.

The net impact of these initiatives could strengthen our credit-rating, paving the way for a progressively lower cost of funds should we select to mobilise.

Asset-light sugar business growth

The Company expects to freeze additional cane crushing and sugar manufacturing capacity. Meanwhile, the Company expects to invest in aggressive cane development that increases the proportion of cane across its command area. The Company intends to mine its command areas deeper, generate more cane and stretch its cane-crushing tenure from an average 140 days of the sugar season (2011-12) to more than 200 days per season in the foreseeable future. We believe that this increase will make it possible for the Company to widen its sugar revenue without a corresponding increase in manufacturing assets, strengthening the return on gross block.

Only after this potential has been completely consumed will the Company contemplate an expansion in its cane crushing capacity, provided this additional capacity has been completely secured by additional cane from proximate command areas.

Investing in branding and packaging loose sugar

The Company will deploy a small part of its sizable war-chest in reinventing two of its conventional businesses. The sugar business will be progressively transformed from loose commodity to refined, packaged and branded sales. We possess more than two decades of refined sugar manufacturing experience; our Dhampure brand is respected for its consistent quality and a committed institutional cum retail clientele. The refined sugar presently accounts for 40% of our sugar manufacture and enjoys a realisation approximately ₹2 per kg higher than the prevailing commodity average.

Investing in additional distillery capacity

The Company expects to invest in additional distillery capacity – from 400 KLPD to a higher level wherever the need arises as a stepping stone towards transforming into a speciality chemicals company. We believe that the Company's revenue and profit will be largely driven from this point by our chemicals business, warranting a progressively larger investment from our cash flows.

Investing in renewable energy capacity

The Company will selectively invest in power co-generation. These capacity investments will be proportionately linked to the increase in cane crushing and corresponding generation of bagasse (resource consumed in co-generation). We believe that this business will report steady annuity revenues, cash flows and an attractive tax hedge.

Our strategic roadmap

> Reduce debt on the books

> Asset-light sugar business growth

> Invest in branding and packaging loose sugar

> Invest in additional distillery capacity

> Debottleneck capacities

> Invest in renewable energy capacity

OUR STRATEGIC VISION

How we are transforming legacy practices into a culture of business excellence

For decades, much of Dhampur Sugar's business was managed through experience and responses to external realities.

Overview

The Company approached the subject of modernisation through a focus on data analytics, increased process tool capability, job role definition and employee feedback.

Data analytics

During the year under review, the Company implemented this credible discipline in pockets, the benefits of which were validated and communicated to generate a buy-in. The PMS is expected to enhance transparency and decision-making based on credible evidence, strengthening the organisational culture.

Increased process tool capability

The Company introduced the Total Productive Maintenance (TPM), a tool directed at manufacturing excellence sequentially across its manufacturing facilities (Dhampur, Asmoli, Mansurpur and Rajpura) with the objective to replace legacy practices. The Company reported appreciable improvements in practices, comprising safety, hygiene and compliance. The result was that documentation strengthened, frequency of plant downtime declined and downtime tenures reduced, reinforcing process discipline across diverse functions and strengthening business sustainability.

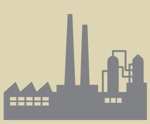
Job role definition

The Company defined job roles and individual capabilities across the manufacturing facilities, making it possible to achieve a closer alignment between the two or relocate mismatches. This restructuring is expected to enhance human productivity.

Employee feedback

The Company embarked on structured employee feedback collection and analysis that translated into a deeper understanding of ground realities. In turn, this analysis inspired the rollout of focused improvement projects, translating into defined upsides – the basis of enhanced growth and profitability.

Desired outcome of the TPM journey



20% Increase in plant efficiency

x

20% Increased capacity utilisation in 3 years

=

30% Increased profitability

Rewriting the organisational mindset

Data analytics
More informed decision making

Increased process tool capability
Reinforced process discipline across functions

Job role definition
Matched job roles with individual capabilities

Employee feedback
Focused improvement projects based on structured employee feedback


Soil development
Ratoon management
Providing fertilisers
Farming techniques
Seed development
Varietal development
Our cane development activities

Dhampur Sugar has not just undertaken cane development activities but has engaged a larger number of farmers which has helped us in the development of farms, enhance productivity and help transform farmer destinies.

Seed development

Our Cane Seed Development bank motivates farmers to develop their own nursery in 10x10 metre area with a target of sowing 40 quintals of seeds, sufficient to provide seeds for one hectare of land. We provide coragen to farmers for preventing the top borer pest from damaging crops (150 ml coragen in 400 litres of water for trenching in one acre of land).

Varietal development

Dhampur Sugar was among the pioneers in promoting early maturing varieties across its command area in Uttar Pradesh. Today, approximately 99% of the area is covered with early maturing varieties i.e. CO-0238, which has a high recovery and better productivity.

Soil development

The Company commissioned demonstration plots across the last three years. Farmers earlier grew cane at a distance of 75 cm but the Company advised them to grow at a distance of 120 cm to increase productivity. Some farmers doubled their incomes. Besides, the Company has a sugar mill farm, the largest certified organic farm in India where we grow seeds and conduct varietal testing.

Ratoon management

The Company conducted various demonstrations for half and one acre plots for fertiliser usage and demonstrated various techniques for ratoon management.

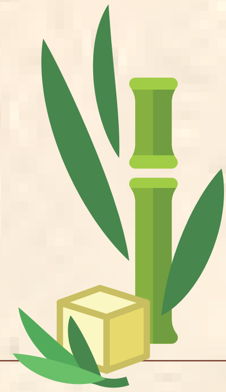
Providing fertiliser

The Company provided farmers with free pressmud to farmers who undertook distant planting. Through our Asmoli and Dhampur units, we provided farmers with organic manure prepared through spent wash.

Farming techniques

We promoted distant farming and pioneered harvesters, which were successfully used in Maharashtra in Uttar Pradesh. The equipment harvests around 1,000-1,500 quintals per day and reduces the cut-to-crush tenure by 4-5 hours. We covered approximately 500 farmers in 2018-19.

How we have transformed over the years



ADAPTING TO ERRATIC SECTORAL PROFITABILITY

Dhampur Sugar was required to make investments even as profits became erratic

- The Company reported losses in two out of ten years before 2018-19
- The Company was required to make investments to balance capacities
- The Company moderated investments (chunky to smaller)
- The Company selected projects with shorter payback (1-3 years)

THERE IS A GREATER PREMIUM ON CORPORATE GOVERNANCE

Dhampur Sugar recognised the need to adapt and re-orient with speed

- The Company emphasized its long-term commitment to the business
- The Company created the next leadership with extensive delegation
- The Company moved to systems and process-orientation
- The Company implemented TPM to graduate to the next level

MODERATED DEBT THROUGH BALANCE SHEET RESIZING

Dhampur Sugar had long-term debt of ₹496.55 crore as on March 31, 2018

- In 2018-19, the Company retired ₹121.37 crore of debt
- The Company mobilized ₹266.22 crore of concessional debt (5%)
- Interest cover strengthened from 2.67 to 4.50
- The Company intends to be debt-free (net) by 2024

DHAMPUR SUGAR BROADBASED ITS BUSINESS RISK

Dhampur Sugar was once just a sugar company

- The Company commissioned a distillery in 1991
- All five Dhampur Sugar units extended to byproduct processing (byproducts are captively consumed)
- The Company entered the ethanol (B Heavy) business in 2018-19, enhancing flexibility
- The Company increased distillery capacity 33% in 2018-19

INCREASED FARMER PROFITABILITY THROUGH SUPERIOR CANE USE

Farmers in Dhampur Sugar's command areas reported modest yields

- Yields averaged around 400-500 quintals per hectare
- Dhampur Sugar was among the first to propagate the CO 0238 cane variety
- This enhanced farmer yields to 800-1000 quintals per hectare
- Increased cane has created a multi-year growth foundation

INCREASED PROFITABILITY THROUGH HIGHER RECOVERIES

Dhampur Sugar's legacy recoveries ranged between 9.75% and 10.25%

- There was a perspective that this could not be improved
- Dhampur Sugar's team addressed this challenge
- It moderated the cut-to-crush cycle; it focused on operational efficiencies
- The 2018-19 all-plants recovery of 11.51% was one of the highest in UP

INCREASED INTEGRATION THROUGH SYNERGIES

For long, our objective was to maximise crushing

- We commissioned our first distillery in 1991 (120 KLPD)
- We invested in co-generation capacity for captive consumption and power export
- We enhanced our distillery capacity to 400 KLPD and ramped our co-generation capacity
- Nearly 37% of our revenue and 93% of our profit was derived from our non-sugar business in 2018-19

REINFORCING OUR BALANCE SHEET STRENGTH

The Company had an aggregate debt of ₹746.95 crore in 2015-16

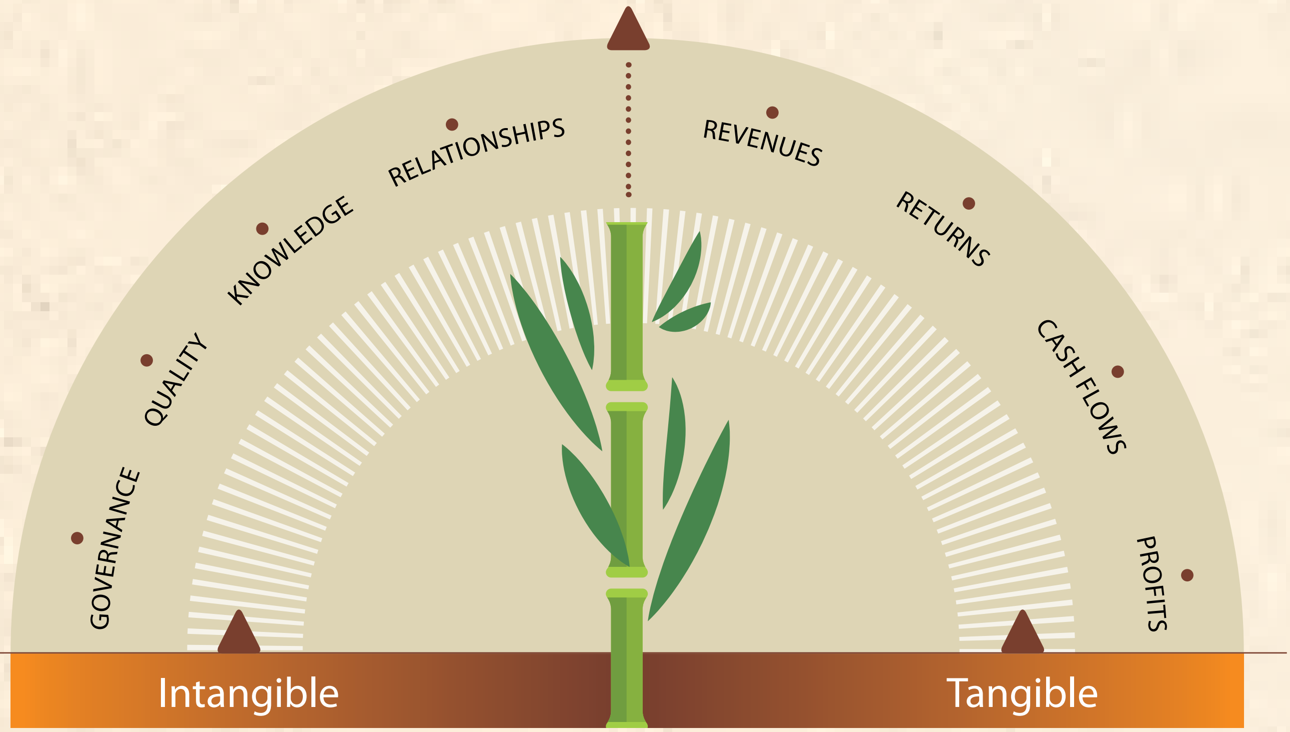
- We invested our surplus in enhancing capacity and moderating debt
- We repaid ₹198.66 crore of debt a year (average) over five years
- We mobilised concessional government debt (distillery and working capital)
- We finished 2018-19 with a debt-equity ratio of 0.55, lower than in the past

FOCUS ON FARMER AND COMMUNITY DEVELOPMENT

The Company is engaged in widening the circle of prosperity

- We spent ₹6.91 crore in CSR across the past five years
- We undertook farmer education programs
- We provided subsidized seeds and fertilisers to farmers
- We enjoy a relationship with more than 1.90 lakh farmers today

Our integrated value-creation report



There is a growing importance of the Integrated Value-Creation Report as a communication discipline.

This Integrated Value-Creation Report overcomes the shortcomings of the conventional communication approach through a comprehensive reporting framework that reconciles 'hard' and 'soft' initiatives into an integrated format.

Integrated reporting combines different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) into a coherent whole that explains an organization's holistic ability to create, enhance and sustain value.

The primary purpose of integrated reporting is to explain to providers of financial capital how an organisation enhances value over time. The impact of the integrated report extends beyond financial stakeholders; it enhances understanding across all stakeholders, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organization's ability to enhance value across time.

Integrated Reporting highlights how green and ethical values drive long-term growth. This shift from the 'hard' to 'soft' (non-financial data) helps screen a company more comprehensively, addressing the needs of the investor fraternity/government agencies.

Our business model: Long-term clarity and consistency

At Dhampur Sugar, we have demonstrated that sustainable success in a dynamic sector is derived from the ability to stay one step ahead

THE CONTEXT OF OUR SECTOR

Income growth
India is one of the most exciting consumer-driven countries today. The country's GDP grew 6.8% in 2018-19, making it one of the fastest growing major economies; besides, personal incomes strengthened from ₹88,533 in 2014-15 to an estimated ₹1,26,406 in 2018-19. A growth in incomes and aspirations drives India's consumption-driven success story.

FMCG-driven
The rising consumption of beverages and fast food items is expected to catalyse the demand for sugar segment. The per capita beverage consumption in India is lower than US and other developed countries, providing room for growth.

Government interventions
The thrust of the government on ethanol production through the new Bio-fuel Policy is revolutionising the sector as the excess sugar can be diverted into ethanol production

Preference for value-addition
The increasing demand for value-added products is giving rise to packaged products.

THE CLARITY AND CONSISTENCY WE BRING TO OUR BUSINESS

Focus
Create markets through new product differentiation

Constructive dissatisfaction
Need to make the good better

Excellence
A culture of excellence in everything we do (manufacturing, research and finance)

Competition
Compete on quality, consistency and innovation, not price

Relationships
Focus on emerging as an extension of the farmer's personality

Competitive
A conviction that the most competitive company endures

HOW THIS CLARITY HAS TRANSLATED INTO A STRONG FOUNDATION

Tangibles

Products: Dhampur Sugar started business with the production of sugar and then forayed in the manufacturing of ethanol and power.

Locations: The Company's manufacturing facilities are located across five locations in Uttar Pradesh. The locations are proximate to raw material; the cane command area enjoys fertile rich soil, helping the Company source better cane.

Discipline: Our core business (sugar) makes the business scalable and competitive; the ethanol and power segments complement the core business through an integrated business model while utilising the by-product and waste generated from sugar in a cost-effective manner.

Intangibles

Governance: At Dhampur Sugar, we believe that committed governance represents the foundation of organisational credibility. The Company comprises Directors with proven standing; it broad-based the Board with adequate Independent Directors supported by focused committees across specific functions.

Quality: Dhampur Sugar's business is quality-led. Over the decades, the Company's quality generates distinctive recalls: pioneering (packaged sugar), quality (different grade of sugar), dependable (farmer's trust) and accessible (grievance redressal).

Knowledge: Dhampur Sugar's competitiveness is derived from the knowledge of its people – its ability to produce with zero liquid discharge coupled with total quality management.

Relationships: Dhampur Sugar's business is relationship-driven. The Company's enduring relationship with principal driver for its success as a sugar manufacturer.

THE EFFICACY OF OUR BUSINESS MODEL

Growth
In the five years ending March 31, 2019, Dhampur Sugar reported 13% revenue de-growth corresponded by 66% bottom line increase – profitable growth.

Sustainability
The Company nursed a gearing of 1.49 as on March 31, 2019; capital cost moderated 339 bps to 5% in 2018-19; EBIDTA margin was an attractive 16% in a thin-margin business.

Reinvestment
Dhampur Sugar increased the proportion of net worth in the funding of new assets alongside utilising concessional debt, maintaining healthy debt-equity mix.

Valuation:
Dhampur Sugar's business model has been validated by the markets: valuation was ₹1546.50 crore as on March 31, 2019, a growth of 71% during the last financial year.

Credit rating
The Company's credit rating strengthened from BBB(-) in 2014-15 to A(-) with stable outlook in 2018-19.

ENHANCING VALUE FOR STAKEHOLDERS

Shareholders

- Progressive dividend policy
- Attractive market capitalization growth
- Focus on free cash generation
- Profitable growth

People

- Employee and vendor engagement
- Promote personal and professional development
- Fair and equitable wages / contracts

Customers

- Enhancing customer competitiveness
- Quality products
- Collaborative product development

Communities

- Environmentally safe operations
- Responsible and ethical conduct
- Corporate social responsibility

Society

- Contribution to exchequer
- Driving employment
- Skilling people

Environment

- Environmentally responsible and compliant operations
- Proactive investment in renewable energy and recycled raw material
- Moderated carbon footprint

Our strategy

STRATEGIC FOCUS	INNOVATE AND EXCEL	COST LEADERSHIP	SUPPLIER-OF-CHOICE	ROBUST PEOPLE PRACTICES	RESPONSIBLE CITIZENSHIP	VALUE CREATION
KEY ENABLERS	Nurturing a culture of process innovation and end product excellence, reflected in improving cane yields at the farmer end, increasing sugar recovery, high sugar/chemical/refined sugar quality	Driving a focus on operational excellence leading to cost leadership. The Company leveraged its rich experience to make timely investments in process automation, coupled with a growing focus on business excellence (Total Productive Maintenance) and better asset sweating	The Company strengthened its position as a supplier of choice across each of its businesses – a preferred brand among sugar dealers, distributors and institutional clients as well as a trusted ethanol provider to large government agencies	The Company is an employer of more than 2810 people (full time and contractual) across its facilities. The Company's people engagement has been marked by delegation, empowerment, responsibility and accountability. The result is that Dhampur Sugar's invigorating workplace is marked by training, engagement, appraisal transparency, attractive reward and outperformance	The Company is a responsible corporate citizen engaged in community development activities in the hinterland of its manufacturing facilities. The Company invested ₹2.95 crore in CSR activities in 2018-19	The Company enhances value through the manufacture of a superior quality of sugar/chemicals, high asset sweating and high utilisation of a cane stick. Besides the Company invested in high governance standards, resulting in strategic stability, coupled with investments in business automation and systems
MATERIAL ISSUES ADDRESSED	Superior use of cutting-edge technology leading to product differentiation and corporate respect	Creating the basis of long-term viability through an any-market cost competitiveness	Enhancing revenue visibility through ongoing customer agreements	Creating a professional culture seeking overarching excellence in everything the Company does	Community engagement, widening prosperity	Customer's needs for a superior or customised high quality product
CAPITALS IMPACTED	Manufactured, Intellectual and Financial	Financial, Intellectual, Natural, Social and Relationship	Intellectual, Manufactured, Social and Relationship	Intellectual and Human	Social and Relationship and Natural	Intellectual, Manufactured, Social and Relationship

How we enhance value

OUR RESOURCES

Financial capital
The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

Manufactured capital
Our manufacturing assets, technologies and equipment for production constitute our manufactured capital.

Human capital
Our management, employees and contract workers form a part of our workforce, the experience and competence enhancing value.

Intellectual capital
Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.

Natural capital
We depend on raw materials sourced from nature, including polymers (derived from crude oil) and metals, indicating a moderate impact on the natural environment.

Social and relationship capital
Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

VALUE CREATED, 2018-19

Financial capital

2,972.49
Turnover (₹ crore)

37.81
Earnings per share (₹)

1,546.50
Market capitalisation
(as on March 31, 2019) (₹ crore)

Manufacturing capital

2,402.49
Revenues earned from the manufacture of sugar (₹ crore)

498.45
Revenues earned from the manufacture of ethanol (₹ crore)

607.01
Revenues earned from the sale of power (₹ crore)

Human capital

2,810
Employees

149.68
Remuneration paid (₹ crore)

Intellectual capital

335
Cumulative senior management experience (years)

Natural capital

3,374.90
Co-generated power produced in the past five years (million units)

Social and relationship capital

1.90
Number of cane growers associated with the Company (lakh)

VALUE SHARED WITH

Investors
The Company enriched investors through dividends and capital appreciation.

Suppliers
The Company sourced ₹2,226.78 crore of cane from cane farmers.

Employees
The Company provided remuneration worth ₹149.68 crore and provided stable employment to 2,810 people.

Customers
The Company manufactured sugar, ethanol and power, generating ₹2,954.06 crore in revenues from customers.

Government and regulations
The Company paid ₹219.52 crore to the exchequer.

Distributors and suppliers
The Company enhanced value for cane farmers through sustained resource offtake.

Business drivers

The cause	The effect	The numbers	How the Company will benefit
Rising population and urbanisation	**India** is the world's second most populous country and expected to add approximately 15 million people annually to its population **Rising** migration from rural India into the urban areas in search of jobs and higher quality of life **Urbanisation** will help transition India into an educated and modern society	**India's** urban population to grow from 442 million in 2017 to 590 million by 2030 **33.2%** of the entire population of India was from urban areas in 2018. **By 2030**, 40% of the Indian population is expected to live in cities from 32% currently **Steady** rise in urban population with declining rural population from 82% in 1960 to 67% in 2017	**Rising** population and urbanisation could enhance the demand for sugar, requirement for oil and enhance demand for power
Rising per capita income	**Higher** per capita income leads to a rise in the standard of living **A rising** per capita income increases the savings rate of the population	**Per capita** income in 2018-19 was estimated to be ₹1,25,937 (Source: Times now) **Current** growth rate in per capita income is 10% (Source: Livemint) **45%** rise in per capita income over the last four years ending 2018 (Source: Business Standard)	**The Company** will benefit from the rise in per capita income as higher income leads to higher discretionary spending, which would translate into a higher spending on mobility, which would have an impact on the demand for petrol, translating into an enhanced demand for ethanol to blend in petrol
Trending towards nuclear families	**An** increasingly mobile working population and financial independence is accelerating the trend towards nuclear families.	**Close** to 61% of households in urban India have four or less members **Family** size in India has decreased from 5.2 children per family in 1971 to 2.3 in 2016 which means the family size itself has fallen from 7.2 to 4.3 (Financial Express)	**The Company** will benefit from the rise in nuclear families as it significantly expands the demand for power

The cause	The effect	The numbers	How the Company will benefit
India's advantage	**India** has emerged as one of World Bank's top performers for two consecutive years, as the country's ranking on the Ease of Doing Business Index has improved more than 50 places in just two years **India** was ranked as the 44th most competitive country in the World Competitiveness Ranking 2018 released by the International Institute for Management Development **India's** rank in the Index of Economic Freedom has improved by 13 spots to 130 in its 2018 edition, as per The Heritage Foundation, an American conservative public policy think-tank	**India** stood 77th in World Bank's Doing Business Report (DBR) 2019, recording a jump of 23 positions from its previous ranking **India** retained its position as the most competitive economy in South Asia with improved scores across most components and 40th position among 137 countries in the World Economic Forum's (WEF) global competitiveness index 2017-18 **India** has been ranked as the fifth most attractive investment market in the world, according to a survey of CEOs by PwC **India's** share in the GDP of the Asia-Pacific region increased to 17.3% in 2017 from 14.6% in 2000, according to a report published by the Asian Development Bank	**With** the Indian economy performing excellently over the years and with the increasing ease of doing business in India, the Company is at an advantage as it can leverage industry tailwinds
Changing food habits	**An increasing** female workforce has changed the lifestyle of people at large and specifically for the urban population **Inclination** towards beverages and fast food is increasing with the changing general lifestyle and food trends	**Per capita** sugar consumption in India is less than 20 kg, which is less than other developed economies **Consumption** of soft drinks in India was 44 bottles per capita in 2016, which is relatively low compared to matured markets such as the US where the per capita consumption is 1,496 bottles	**The changing** lifestyle is expected to increase the demand for sugar of the Company

Sugar business

Sector perspective

Sugar production for the sugar season 2018-19 was estimated at 33 million tonnes in India while the consumption of sugar in the country was pegged at 26 million tonnes. The Fair and Remunerative Price (FRP) for sugar season 2018-19 was declared at ₹275 per quintal linked to a basic recovery rate of 10%; with a premium of ₹2.75 per quintal for every 0.1% increase in recovery above that level. Domestic sugar realisations touched a low of ₹26/kg before recovering to around ₹32.5/Kg. Cane crushing in the UP mills commenced 10 to 15 days later than usual.

Dhampur Sugar commenced sugar production in 1933 with a capacity of 300 tonnes of cane crushed per day and, over the decades, the Company invested in capacities resulting in five operating facilities in Uttar Pradesh. The Company has a cumulative cane crushing capacity of 45,500 tonnes per day. The Company produces refined, white and retail sugar.

Highlights, 2018-19

The percentage of early cane variety used during Sugar Season 2018-19 stood at 91% as against 77% during the Sugar Season 2017-18.

Dhampur Sugar sold 6.6 lakh tonnes including exports of raw sugar of 0.52 lakh tonnes.

Sugar production stood at 7.99 lakh tonnes including the production of raw sugar at 1.11 lakh tonnes.

Inventory as on March 31, 2019 stood at 5.10 lakh tonnes (including raw sugar at 0.59 lakh tonnes) valued at an average rate of ₹29.34/kg.

EBIT margin for the business declined to 1.28% compared to 2.84% in 2017-18.

Challenges and counter measures

The average sectoral sugar realisations declined by 13.74%, impacting the Company's sugar realisations

Dhampur Sugar focused on increased cane crushing to benefit from the economies of scale.

Margins from the sugar business declined due to increased cost and reduced realisations

The Company ramped its ethanol capacity to de-risk the business from price cyclicality

Our strengths

Experience: The Company's longstanding presence in the sugar business helped build enduring relationships with the farmers and enhance their capacities

Presence: The Company has five mills in the cane-rich western/central Uttar Pradesh, an area marked by progressive agricultural practices

Command areas: Dhampur Sugar's command areas are contained within 30 km radius of sugar units, moderating logistic costs and enhancing recovery (lower time to reach cane to factory).

Value added products: Dhampur Sugar is present in the packaged sugar space (brand Dhampure), strengthening the Company's consumer recall.

Way forward

The Company is focused on improving sugar recovery by crushing efficiently, reducing cut to crush time, enhancing processes and reducing sugar losses. The Company has ventured in the packaged sugar segment, which should help it in providing margin accretive value-added product to the customers.

India surpassed Brazil to become the world's largest sugar producer in sugar season 2018-19.

Division in numbers

Capacity	FY15	FY16	FY17	FY18	FY19
Total revenues (₹ crore)	1611.94	1814.65	2362.23	3082.17	2402.49
EBIT (₹ crore)	-90.91	-40.15	276.91	87.67	30.67
Cane crushed (million tonnes)	45.83	48.31	54.19	66.2	69.42
Sugar produced (million tonnes)	4.36	5.09	5.93	7.48	7.99
Recovery (%)	9.46	10.53	10.94	11.30	11.51
Contribution of sugar business in total revenues (%)	65%	59%	71%	75%	63%
Number of farmers engaged (lakh)	1.87	1.90	1.90	1.90	1.90

Distillery business

The Company started distillation and chemical production in 1991 with an installed capacity of 120 KLPD (present capacity 400 KLPD – largest supplier of B-Heavy in UP). The distillery capacities of Dhampur and Asmoli units were enhanced to 250 KLPD from 200 KLPD and 150 KLPD from 100 KLPD respectively. The Company tendered for about 10.4 crore litres of ethanol, of which 3.7 crore litres was produced through B-heavy and the rest from C-Heavy routes. The net realisation of C-Heavy ethanol was priced at ₹43.24 per litre whereas B-Heavy around ₹52.07, taking the blended realisation to ₹46 per litre. The Company bought 1.2 lakh tonnes of molasses from outside because it captively consumed molasses for 3.7 crore litres (B-Heavy).

Sector perspective

The Government of India announced a Bio Fuel Policy in 2018-19, permitting the manufacture of ethanol from B-Heavy molasses as well as from direct sugar cane juice which could divert sugar to ethanol. The basic price of ethanol was fixed at ₹43.70 per litre (ex mill) for the supply period from 1st December 2018 to 30th November 2019, manufactured out of C-Heavy molasses. The basic price of ethanol was fixed at ₹52.43 per litre (ex-mill) for the same period for manufactured out of B-Heavy molasses. The basic price of ethanol manufactured out of sugarcane juice was fixed at ₹59.13 per litre (ex-mill) for the same period.

Highlights, 2018-19

Dhampur Sugar sold 899.95 kilo litres of ethanol to oil producing companies at an average price of ₹42.45 per litre as against 667.96 kilo litres at an average price of ₹38.44 per litre in 2017-18.

The Company invested ₹62 crore in capital expenditure through capacity expansion.

The Dhampur plant capacity increased from 200 KLPD to 250 KLPD and of Asmoli plant from 100 KLPD to 150 KLPD.

The recovery from C-Heavy molasses was 21.5%lakhcompared to 31% for B-Heavy molasses.

The Company sold 162.24 lakh kilogram of chemical at an average price of ₹66.43 per kg in 2018-19 compared to 123.64 lakh kilogram of chemicals at an average price of ₹58.04 in 2017-18.

The plant ran for 267 days compared to 347 days in 2017-18.

EBIT margin stood at 37.29% compared to 18.52% in 2017-18.

Challenges and counter-measures

The existing capacity was inadequate for catering to foreseeable demand

The Companylakhincreased its distillery capacity by 100 KLPD during the year

There was a need for proper management of the residual waste from the distillation process

The Company used the spent wash to convert it into an organic fertiliser and distributed it to the farmers free of cost

Our strengths

Capacities: The Company's distillery capacity of 400 kilolitre per day is one of the largest in Uttar Pradesh's sugar sector.

Captive utilisation: The Company utilises molasses in manufacturing ethanol. In 2018-19, the captive utilisation stood at 100%.

Partnerships: Dhampur Sugar has long-standing partnerships with oil marketing companies, enhancing revenue visibility.

Way forward

The Company is expected to reap the benefit of the capacity set up in its Asmoli and Dhampur unit. This result is that the revenues from the segment is expected to be enhanced. The focus on process enhancement should enable the Company to optimise costs while improving margins.

What is the cost differential between B-Heavy and C-Heavy processes of distillation for Dhampur Sugar?

The cost difference is the loss of sugar. Dhampur Sugarlakh'loses' sugar when manufacturing through the B-Heavy route. However, higher realisations from B-Heavy molasses compensate for the sugar loss. The advantage is that the Company would be able to supply B-Heavy ethanol over six months while sugar would have taken 18 months to sell. The government announced a higher realisation for manufacturers using the B-Heavy route to compensate for the sugar loss, moderating interest costs (Dhampur Sugar will market more sugar due to its significant B-Heavy capacity).

Division by numbers

Capacity	FY15	FY16	FY17	FY18	FY19
Total revenues (₹ crore)	326.68	413.02	405.25	344.86	498.45
EBIT (₹ crore)	47.02	64.66	69.36	63.87	185.89
Ethanol produced (crore litres)	371.94	710.25	683.59	660.40	840.94
Contribution of distillery business in total revenues (%)	13%	13%	12%	8%	13%

Co-generation business

Sector perspective

The Indian power sector is undergoing a noteworthy change. Demand for electricity is seeing a steady growth with a pick-up in the economy, especially manufacturing activity, as well as a favorable government policy. The government implemented various progressive measures to maximise power generation capacity and improve distribution. Government initiatives like 24x7 power, Power to All Households by March 2019, UDAY and CEC initiatives have catalysed the sector.

The co-generation business of Dhampur Sugar commenced more than two decades ago. The Company increased its capacity to 220.50 MW. The Company's capacity is fuelled mainly by bagasse, a sugarcane derivative. The captive consumption was 44% while the rest was marketed to the state electricity grid at a predetermined tariff. The business was commissioned to monetise bagasse. The Company is one of the largest co-generators in the country.

Highlights, 2018-19

Dhampur Sugar generated 76.70 crore units in 2018-19 as against 73.46 crore units in 2017-18.

The Company 'exported' 42.94 crore units compared to 43.28 lakh in the previous year due to captive utilisation in the newly-added distillery capacity.

Average realisations stood at ₹5.23 per unit compared to ₹5 per unit in the previous year.

EBIT margin was 39.77% compared to 40.41% in the previous year.

Challenges and counter measures

The changing supply scenario impacted the rates for power

Dhampur Sugar has a long-term power purchase contract that has ensured its revenue visibility

There was a requirement for cost optimisation for an improvement in margins

The Company's strategy to hence optimal utilisation of raw material and sweating assets resulted in low power costs and value-accretive EBIT margins

Our strengths

Captive utilisation: The Company capitalised on captively-generated bagasse, an eco-friendly fuel to generate power.

Diversified business: Power sales generated 16% of the Company's revenue.

Way forward

The Company will focus on the division for a sustainable growth-based contribution and helping Company maintain healthy margins.

Against the prevailing power tariff of ₹4.90 per unit for the first 150 units of monthly consumption, UPPCL has proposed to increase the slab by more than 26% to ₹6.20 per unit.

Division by numbers

Capacity	FY15	FY16	FY17	FY18	FY19
Total revenues (₹ crore)	380.41	478.88	447.2	543.81	607.01
EBIT (₹ crore)	160.34	188.77	190.59	219.74	241.42
Power generated (crore units)	57.06	66.02	64.25	73.46	76.70
Power exported (crore units)	37.31	43.07	39.36	43.28	42.94
Contribution of power business in total revenues (%)	15%	16%	13%	13%	16%

Management discussion and analysis

GLOBAL ECONOMIC OVERVIEW

The global economy grew by 3.6% in 2018 compared to 3.8% in 2017, largely on account of the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Global growth is estimated at 3.3% in 2019 on account of a sustained weakening in advanced economies. (Source: World Economic Outlook)

Global economic growth over six years

Year	2015	2016	2017	2018	2019 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.3

[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

INDIAN ECONOMIC OVERVIEW

India retained its position as the sixth-largest economy and the fastest-growing trillion-dollar economy through a major part of the year under review (except in the last quarter of 2018-19). After growing 7.2% in 2017-18, the Indian economy is estimated to have grown 6.8% in 2018-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which in turn resulted in slower GDP growth that declined to 5.8% by the fourth quarter of 2018-19, the slowest growth in a single quarter in years.

In 2018, the country attracted ~US$ 42 billion in FDI inflows as per the World

Investment Report, 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

The commencement of the US-China trade war opened a new opportunity for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

Global sugar sector overview

Global production for MY2018-19 was forecast to go down by 9 million tonnes to 186 million tonnes primarily due to the 8-million-tonne drop in Brazil caused by unfavourable weather conditions and more sugarcane being diverted towards ethanol production. Over the past five years, the global sugar manufacturing industry declined by 1.2% to reach US$73 billion in 2018. During the same period, the number of businesses engaged in this sector has declined by 0.3%. The global sugar market is on course for a shortfall of 1.36 million tonnes, for SS2019-20.

Performances of key sugar-producing geographies during SS2018-19 (October-September)

Brazil: Brazil's production fell by ~8.3 million tonnes to 30.1 million tonnes due to lower yields and more sugarcane being diverted towards ethanol production as a record global sugar supply weakened prices. Exports are projected to drop to 19.6 million tonnes, lowering Brazil's market share of exports to 34% (down from a five-year average of 45%). Stocks and consumption both remained relatively unchanged.

Thailand: Thailand's production was forecast to decline 9,00,000 tonnes to 13.8 million tonnes due to lower yields and sugar extraction rates due to lower-than-expected precipitation levels. Consumption fell slightly due to lower industrial demand in response to a new sugar excise tax being imposed on beverages. Capitalising on the record production levels during last year, exports are forecast to reach a record 11.5 million tonnes, bringing stocks down to 6.9 million tonnes.

European Union: Production was forecast to fall by 1.4 million tonnes to 19.5 million tonnes following a return to average yields compared to last year's record throughput. Because of lowered supplies, exports are projected to fall by 6,00,000 tonnes to 3 million tonnes. With imports and consumption levels staying unchanged, stocks will tighten.

The US: Production was forecast to go down by 3% to 8.2 million tonnes. Imports stood at 2.5 million tonnes after going down by 14.5% based on US calculations of projected quota programmes. Consumption is forecast to stay relatively flat but stocks will decline.

> The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates and weakened consumer sentiment from the second half of the financial year.

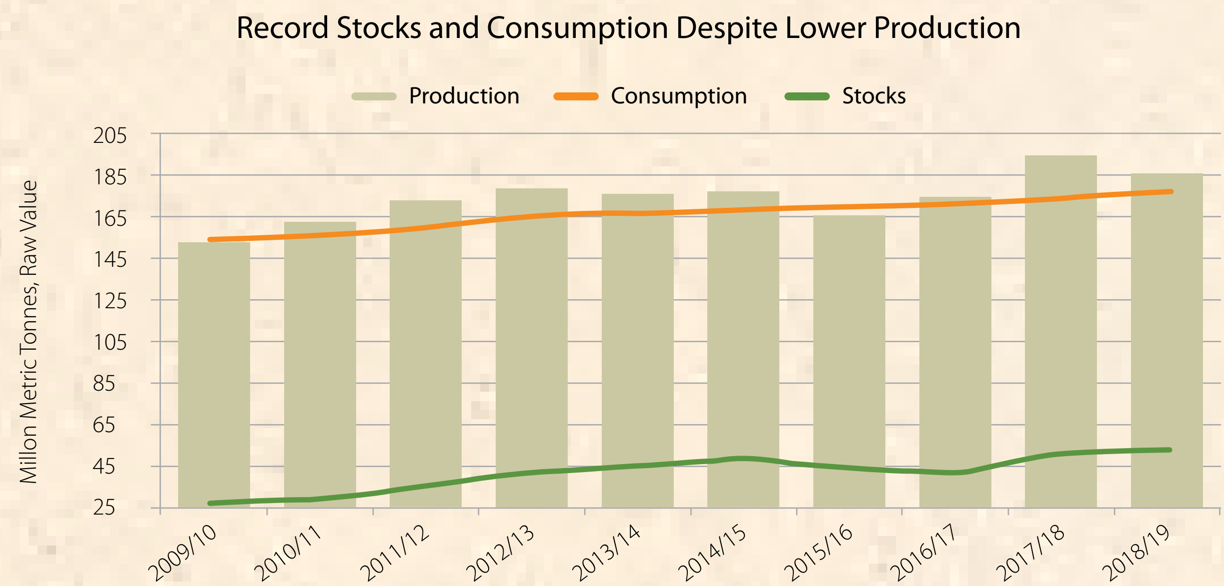
China: Production was forecast to go up for the third straight year to reach 10.8 million tonnes due to favourable weather conditions and an expansion in the sowing area. Imports were forecast to be lower for the third year in a row, especially following the amendment of safeguard measures in July 2018, which levied additional duties on suppliers. Previously, certain supplying countries had been exempt from these duties. Consumption is pegged to increase on the back of a continually-rising urban population.

Mexico: Production remained essentially unchanged for the seventh year in a row at 6.4 million tonnes. Exports are projected to go down slightly with lower expected exports to the US partially offset by an increase in non-US exports amounting to 3,26,000 tonnes. Consumption levels and stocks are expected to rise.

Pakistan: Production was forecast to go down by 9,00,000 tonnes to 6.5 million tonnes due to a reduction in the sowing area as farmers shifted to other crops such as cotton and corn because of better prices and faster returns on their investments. Consumption continued to grow modestly on the back of a developing food processing sector and growing population. Export levels and stocks are projected to decline due to lowered production levels. Currently, Pakistan's export policies include an unsubsidised 1-million-tonne export quota compared to 2 million tonnes of exported and freight subsidies worth ≤US$97 per tonne in 2017-18.

Russia: Production was forecast to go down by 4,00,000 tonnes to 6.1 million tonnes due to lower yields. Consumption, exports, and stocks were forecast to down due to lower production levels. Formerly, a major sugar importer, Russia has been a net exporter since 2016-17.

Australia: Production was forecast to go up by 4% to 5 million tonnes due to higher yields and favourable weather conditions. Consumption remained unchanged while exports went up due to the higher production levels. Australia is one of the top-five exporters whose major markets are China, Japan, Indonesia, Malaysia, New Zealand, South Korea, Taiwan and the US.



(Source: Green Pool, United States Department of Agriculture)

INDIAN SUGAR SECTOR OVERVIEW

Sugar mills across the country produced 321.19 lakh tonnes of sugar between 1st October 2018 and April 30, 2019. This was ~9.36 lakh tonnes more than 311.83 lakh tonnes produced during the same period last year. However, compared to 110 sugar mills which were still crushing sugarcane on April 30, 2018, only 100 sugar mills were crushing sugarcane on April 30, 2019.

The Central Government's recent move to increase the benchmark price of sugar at the factory gates by ₹2 to ₹31 per kilogram will improve millers' liquidity by ~₹5,000 crore and limit any sharp rise in cane arrears. Compared to the 494 mills that were involved in crushing last year, there were 507 mills in operation across the country.

Sugar recovery in Northern India was substantially better than what was achieved in the last season. In other parts of the country like Maharashtra and Karnataka, sugar recovery improved over last year, though not as high as achieved in Northern India. Therefore, even though the quantum of sugarcane crushed in the current season was less than what it was in the last season, sugar production in 2018-19 increased marginally 5 lakh tonnes by over last year to reach ~330 lakh tonnes.

Sugarcane arrears surpassed ₹20,000 crore during 2018-19. The Government of India increased the MSP of sugar from ₹29 per kilogram to ₹31 per kilogram in a bid to generate additional revenues for sugar mills and help pay back arrears.

Sugar Balance Sheet, 2018-19

Particulars	Figures (lakh tonnes)
Opening balance (as on 1st October 2018)	107
Estimated sugar production	330
Sugar availability during the season	437
Estimated sugar consumption	260
Estimated exports	30
Closing balance (as on 30th September 2019)	147

(Source: ISMA)

Performances of major sugar-producing states

Uttar Pradesh: The sugar mills of Uttar Pradesh produced a whopping 112.65 lakh tonnes of sugar till April 30, 2019, growing by 0.27 lakh tonnes compared to the last season. Out of the 119 mills in the state, 51 mills have ended their crushing operations. Significant day-night temperature differences along with clear skies and a near-complete lack of fog catalysed photosynthesis and sucrose accumulation. Besides, the coverage under Co-0238 (a high-yield and early-maturing variety) went up to ~70% of Uttar Pradesh's total cane area during the season. Mills sold molasses at ₹70-100 per quintal, substantially lower than what it was in 2016-17 (₹450). Furthermore, the mills are owed ~₹850 crore of dues from the Uttar Pradesh Power Corporation for supplying cogenerated power. Sugar recovery stood at ~0.77% higher than what was achieved during the last season. However, the yield per hectare was lower than what it was during the preceding year. Consequently, the total production in Uttar Pradesh is pegged to be lower than what it was during the previous year.

Currently, ~₹10,000 crore of outstanding debts remain on the books of Uttar Pradesh-based mills, including the unpaid component for the last crushing season. Of the total dues worth ₹35,463 crore accumulated during the 2017-18 crushing season, ₹35,106 crore or ~99% have been paid back. In the last 23 months, cane farmers received ~₹55,331 crore pertaining to different crushing seasons - ₹11,942 crore higher than the combined dues of the crushing seasons of 2015-16 and 2016-17.

Maharashtra: Maharashtra's sugar production was pegged at 107 lakh tonnes as on April 30, 2019, with all but one mill ending their operation for the season.

Karnataka: Karnataka's sugar production for SS2018-19 was pegged at 43.20 lakh tonnes as on April 30, 2019 with all mills ending their operations.

Others: Sugar mills in Gujarat, Tamil Nadu, Andhra Pradesh and Telangana and Madhya Pradesh and Chhattisgarh produced 11.19 lakh tonnes, 7.05 lakh tonnes, 7.60 lakh tonnes and 5.30 lakh tonnes, respectively. Similarly, the sugar mills of Bihar, Punjab and Haryana produced 8.35 lakh tonnes, 7.70 lakh tonnes and 6.75 lakh tonnes, respectively.

Revenue realisation from sugar and byproducts

Revenue realisation during SS2018-19 was pegged at ~₹1 lakh crore with sugar accounting for an 81% share, and ethanol and other byproducts, the rest.

The sugar mills of Uttar Pradesh produced a whopping 112.65 lakh tonnes of sugar till April 30, 2019, growing by 0.27 lakh tonnes compared to the last season.

India's sugar production and consumption scenario

Capacity	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Sugar production (million tonnes)	263	251	244	283	251	203	325	330
Sugar consumption (million tonnes)	226	228	242	256	248	245	254	260

(Source: ISMA)

India's cane arrears

Capacity	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Cane arrears (₹ crore)	8,577	12,702	18,648	20,099	13,530	9,526	19,780	30,000

(Source: ISMA)

1
India's rank in terms of sugar production globally

1
Annual sugar sector turnover (₹ lakh crore)

530
Sugar mills under operation

20
Per capita sugar consumption in India (kilograms)

5
People indirectly employed by sugar mills (million)

30
Number of sugarcane farmers in India (million)

5
Land under sugarcane cultivation in India (million hectares)

85,000
Annual cane procurement expense (₹ crore)

Sugar prices

The average sugar prices have been on a declining trend since the start of the previous sugar season (October 2017-September 2018) on account of a surge in production during the year. Sugar production jumped by 57% on a y-o-y basis to 32.5 million tonnes in 2017-18. The prices that averaged at ₹39 per kilogram in October 2017 fell to ₹28 in May 2018. To prevent the downward trend in prices, the Central Government fixed the MSP for sugar at ₹29 per kilogram in June 2018. Resultantly, the prices increased and averaged at ₹32 in June and grew further to ₹34 in July. Currently, ex-mill sugar prices are hovering between ₹30 and ₹32. *(Source: The Hindu Business Line)*

Sugar prices between February 2018 and January 2019

Capacity	February	March	April	May	June	July	August	September	October	November	December	January
Retail price	42.5	41.37	40.35	39.01	36.88	36.8	38.8	38.8	38.8	38.5	38.58	38.2
Ex-mill price	32.4	30	32.1	30.4	26.5	31	31.7	31.2	31	31.15	30.1	30

(Source: ISMA)

Sugar exports

Indian sugar mills contracted to export 18-20 lakh tonnes of sugar during the marketing year ending September 2018, out of the 50 lakh tonnes of mandatory quota as assigned by the Central Government. The traditional export markets of India include Sri Lanka, Bangladesh, the Middle East and some African nations. There is an opportunity to export sugar to Iran, which is currently facing sanctions from the US. Iran is expected to import 535,000 tonnes of sugar in MY2018-19 with the country's demand of 2.54 million tonnes exceeding the production of ~2 million tonnes. *(Source: The Financial Express, ISO)*

Fair and remunerative prices (FRP)

According to the Sugarcane Control Act, 1966, payment of FRP within 14 days of cane delivery is mandatory. This year, the area under sugarcane cultivation went up by 28% and production stood at ~927.20 lakh tonnes, which could mean a total FRP commitment of >₹25,000 crore. In order to protect the interests of cane farmers, the Central Government fixes the FRP of sugarcane every season well in advance. Besides assigning a benchmark price below which no sugar mill can purchase cane from farmers, FRP is linked to a basic recovery rate, with a premium payable to farmers for higher recoveries. *(Source: The Economic Times)*

FRP growth over the years

Capacity	SS09-10	SS 10-11	SS 11-12	SS 12-13	SS13-14	SS 14-15	SS15-16	SS 16-17	SS 17-18	SS 18-19
FRP (₹ per quintal)	42.5	41.37	40.35	39.01	36.88	38.8	38.8	38.5	38.58	38.2

(Source: ISMA)

Minimum support prices (MSP)

MSP hikes are primarily aimed at addressing issues pertaining to mounting cane arrears. The hike in MSP will boost realisations and free up ~₹3,000 crore for payment towards cane arrears. While the MSP remains below the cost of production of ~₹34 per kilogram for Uttar Pradesh and ₹33 per kilogram for Maharashtra, realisations from allied segments such as distillery and cogeneration will continue to be the key profit drivers for integrated sugar mills. After the Central Government raised sugar's minimum floor price (MFP) to ₹3,100 per quintal from ₹2,900 per quintal, the Maharashtra State Cooperative Bank - the apex cooperative bank in the state - increased valuations for sugar by ₹100 per quintal to ₹3,100 per quintal, helping cash-strapped millers. Consequently, margins were pegged to improve by 300-400 bps for the sugar season (October 2018 to September 2019). Furthermore, the increase in MSP could take incremental domestic sales realisations to ₹3,300 crore. *(Source: CRISIL, ISMA)*

Governmental initiatives

- Doubled import duty on sugar to 100% from 50% and scrapped the 20% export duty
- Introduced minimum indicative export quotas for enhancing sugar exports
- Announced a ₹8,500-crore package including soft loans worth ₹4,440 crore with an interest subvention of ₹1,332 crore for enhancing ethanol capacities
- Announced an assistance of ₹13.88 per quintal of cane crushed for 2018-19, costing over ₹4,100 crore to the exchequer
- Fixed the minimum ex-mill sugar price at ₹29 per kilogram in June 2018
- Allocated ~₹1,200 crore for the creation of 30 lakh tonnes of buffer stock
- Planned to mobilise a second tranche of soft loans worth ₹7,500 crore in a bid to boost ethanol production capacities
- Approved a 25% hike in the price of ethanol produced directly from sugarcane juice for blending in petrol to cut surplus sugar production and reduce oil imports

Opportunities and threats in Indian sugar sector

Opportunities	Threats
Per capita sugar consumption much lower than other developed countries providing a headroom for growth	Increasing sugar import at lower prices could harm domestic producers
Changing food habits and consumption of beverages and confectionary will provide an opportunity to sugar producer	Changing regulatory environment could impact the country's millers
Government support through price flooring and subsidized loans will enhance the operational capabilities of millers	Mounting cane arrears and sugar inventories could cause an imbalance in economics of sugar

INDIAN ETHANOL SECTOR OVERVIEW

During 2018-19, the Central Government allowed sugar mills to manufacture ethanol directly from sugarcane juice or an intermediate product called B-heavy molasses. The decision was taken to help mills divert cane juice for ethanol manufacturing during surplus years. In India, ethanol is traditionally made from C-heavy molasses. Currently, India has an ethanol production capacity of ~300 crore litres, including 30 crore litres from grain-based ethanol. During the last season, average realisations from ethanol stood at ~₹37.5 a litre.

To address the sugar surplus issue, the Central Government allowed fuel-grade ethanol production from sugarcane. The country's sugar mills too have lined up fresh investments worth ₹6,000 crore to upgrade for producing ethanol from sugarcane. Apart from the additional quantity of ethanol production and sale, the price increase by the government has helped mills increase their top line and bottom line.

Although the Cabinet Committee on Economic Affairs made the 10% blending rate mandatory in 2015, even a 6% blending rate has proven to be impossible to achieve. Currently, 4-5% of ethanol is mixed, which is significantly lower than the 25% mandated in Brazil. In order to achieve a 10% blending target, there is a requirement of 3.3 billion litres of ethanol, which indicates the enormous headroom for growth available to Indian sugar mills.

Out of the 3,292.61 million litres of ethanol required by oil manufacturing companies for blending with petrol, sugar mills offered 3,137.32 million litres. Oil manufacturing companies finalised a tender to lift 2,593.37 million litres of which 11.61% or 301.10 million litres has been supplied so far. Total ethanol supplied by mills to oil manufacturing companies for blending in petrol grew from 380 million litres in 2013-14 to 1.11 billion litres in 2015-16, before dropping to 660 million litres in 2016-17. During 2017-18, ethanol supply stood at 1.40 billion litres. With ethanol production capacities being set up at an accelerated pace, another 200 crore litres of ethanol is expected to be produced in the next two years, reaching 450-500 crore litres by 2020-21(equivalent to >15% blending rate). *(Source: ISMA)*

Fact Sheet

(Quantity in million litres)

Year	Required by OMCs	Offered by sugar mills	Finalised by OMSs	Procured
2014 - 15	1,559	1,311	887	674
2015-16	2,656	1,473	1,316	1,110
2016-17	2,809	1,172	807	665
2017-18*	3,136	1,763	1,588	935
2018-19 E	3,300	3,100	2,500	301

*as of August 13, 2018 Compiled by BS Research Bureau *(Source: ISMA)*

INDIAN CO-GENERATION SECTOR OVERVIEW

Generation of electricity from the fibrous mass left after extraction of juice from cane is seen as an added source of income by sugar mills. The electricity generated by burning the mass – bagasse – is used to generate electricity by firing boilers. The power is enough for the daily activities of the mills and the surplus electricity is evacuated to the state electricity distribution grid for a premium. Prior to the overflow of cheap solar power, this electricity was a major source of green energy for the state power companies. Since 1998, the Central Government has been actively promoting the scheme and till date, 375 sugar mills in the country have commissioned plants that generate a total of 7,000 megawatts of excess power to state grids. Industry sources estimate that 4,000 megawatts of power can be further exported from the sector. (Source: Indian Express)

FINANCE REVIEW

Key performance ratios

Capacity	2017-18	2018-19
Debtor turnover (x)	15	9
Inventory turnover (x)	2.99	1.78
Interest cover(x)	2.67	4.50
Current ratio (x)	0.96	1.17
Debt-equity ratio (x)	0.52	0.55
Operating profit margin (%)	11	16
Net profit margin (%)	4.42	8.44
Return on net worth (%)	15.94	22.56

Analysis of the profit and loss statement

Revenues: Revenues from operations stood at ₹2,954.06 crore in 2018-19.

Expenses: Total expenses of the Company decreased by 18% from ₹3,220.56 crore in 2017-18 to ₹2,653.34 crore due to reduction in finance cost and change in inventories of finished goods and stock in trade. Raw material costs, accounted for an 80% share of the Company's revenues, increased by 3% from ₹2,294.75 crore in 2017-18 to ₹2,365.21 crore in 2018-19 owing to an increase in the operational scale of the Company. Employees expenses accounting for a 5% share of the Company's revenues increased by 18% from ₹126.54 crore in 2017-18 to ₹149.68 crore in 2018-19 owing to an increase in the number of employees as well as the yearly revision of remunerations.

Analysis of the Balance Sheet

Sources of funds

- The capital employed of the Company increased by 24% from ₹1,495.81 crore as on March 31, 2018 to ₹1,848.95 crore as on March 31, 2019 owing to an increase in net worth, long-term debt as well as long-term provisions for employee benefits.
- The net worth of the Company increased by 22% from ₹1,001.30 crore as on March 31, 2018 to ₹1,224.70 crore as on March 31, 2019 owing to increase in healthy profits during the current financial year. The Company's equity share capital comprising 6,63,87,590 equity shares of ₹10 each, remained unchanged during the year under review.
- Long-term debt of the Company increased by 31% from ₹518.35 crore as on March 31, 2018 to ₹679.35 crore owing to Soft Loan at concessional rate sponsored by State Government. Long-term debt-equity ratio of the Company stood at 0.55 in 2018-19 compared to 0.52 in 2017-18.
- Finance costs of the Company lowered by 25% from ₹121.52 crore in 2017-18 to ₹91.31 crore in 2018-19 due to healthy cash profits during two consecutive years. The Company's interest cover stood at a comfortable 4.50 x in 2018-19 (2.67 x in 2017-18), reflecting the comfort with which the Company is able to service its interest obligations.

Applications of funds

- Fixed assets (gross) of the Company increased from ₹2451.31 crore as on March 31, 2018 to ₹2520.26 crore as on March 31, 2019 owing to additional in distillery segment plant and machinery.

Investments

- Non-current investments of the Company increased from ₹1.94 crore as on March 31, 2018 to ₹11.76 crore as on March 31, 2019 owing to investment made by Subsidiary Company.

Working capital management

- Current assets of the Company increased by 51% from ₹1,487.12 crore as on March 31, 2018 to ₹2,251.08 crore as on March 31, 2019 owing to the higher inventory level. The current and quick ratios of the Company stood at 1.17 and 0.30 respectively in 2018-19 compared to 0.96 and 0.22 respectively in 2017-18.
- Inventories including raw materials, work-in-progress and finished goods, among others, increased by 46% from ₹1,145.94 crore as on March 31, 2018 to ₹1,674.11 crore as on March 31, 2019 owing to creation of buffer stock by the Government of India on account of higher sugar production at country level.
- Cash and bank balances of the Company stood at ₹13.18 crore as on March 31, 2019
- Loans and advances made by the Company stood at ₹11.40 crore as on March 31, 2019.

Margins

- A robust cost control mechanism helped the Company report better margins during the year under review. The EBIDTA margin of the Company improved by 500 basis points from 11% in 2017-18 to 16% in 2018-19 while the net profit margin of the Company improved by 400 basis points in 2018-19.

ADDRESSING BUSINESS RISKS AT DHAMPUR SUGAR

Recovery (%)

2014-15	2015-16	2016-17	2017-18	2018-19
9.46	10.53	10.94	11.30	11.51

Risk factor: Risks arising from distance between mills and cane fields.

Probable impact: Long transit times reduce the sucrose content of cane, impacting recovery levels.

Mitigation: The Company's mills are situated within a 30-kilometre radius of key cane-growing areas and are well connected by roads.

Result: The Company has been able to cut down its cut-to-crush timings and improve recovery levels.

Non-sugar revenues (₹ crore)

2014-15	2015-16	2016-17	2017-18	2018-19
505.21	851.71	679.83	660.09	933.59

Risk factor: Risks arising from stagnant demand and oversupply.

Probable impact: This could impact the Company's production and realisations.

Mitigation: During 2018-19, the Company has increased its distillation capacity from 300 kilolitre per day to 400 kilolitre per day. Besides, a low per capita consumption of 20 kilograms indicates the ample headroom for growth available for the Company.

Result: The Company has been successful in sustainably growing its revenues across business segments.

Cane crushed (lakh tonnes)

2014-15	2015-16	2016-17	2017-18	2018-19
45.83	48.31	54.19	66.20	69.42

Risk factor: Risks arising from an inability to procure cane.

Probable impact: It could impact production volumes and dim the Company's growth prospects.

Mitigation: The Company is engaged with >1,90,000 cane farmers and has undertaken various welfare initiatives, which have helped in increasing farm productivity levels.

Result: The cane per hectare availability has grown steadily and the Company has been successful in accessing more cane to crush than ever before.

Sugar losses (%)

2014-15	2015-16	2016-17	2017-18	2018-19
2.10	2.02	2.06	2.08	2.06*

* After considering impact of B-Heavy molasses.

Risk factor: Risks arising from low-quality cane.

Probable impact: Low-quality of cane can adversely impact the Company's bottomline.

Mitigation: The Company has been one of the pioneers of growing early-maturing cane varieties. Besides, by providing subsidised insecticides and raising awareness about new farming techniques, the Company has been able to overcome this risk.

Result: The Company has succeeded in sourcing quality cane, reducing its losses.

Debt repayment (₹ crore)

2014-15	2015-16	2016-17	2017-18	2018-19
186.87	188.57	309.93	188.36	121.37

Risk factor: Risk arising from increasing debt.

Probable impact: This could hamper the Company's financial sustainability.

Mitigation: The Company strengthened its financials by paying back its debts regularly, allowing it to keep its Balance Sheet lean.

Result: The Company's interest cost has decreased steadily and it has been able to allocate savings efficiently.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes that safeguarding of assets and business efficiency can be prolonged by exercising adequate internal controls and standardising operational processes. The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

HUMAN RESOURCES

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. As such, the Company provides competitive compensations, an amicable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas. As of March 31, 2019 the Company had 2810 full-time employees on its payrolls.

CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

Statutory Section

BOARD REPORT

To,
The Members,
Dhampur Sugar Mills Limited

The Directors have pleasure in presenting their Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2019.

Financial Results:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	2972.49	3423.14	2771.54	3347.49
Profit before finance costs, tax, depreciation and amortisation, exceptional items and other comprehensive income	481.21	381.83	481.14	388.68
Less: Finance costs	91.31	121.52	90.50	121.30
Less: Depreciation and amortisation expense	70.75	57.73	69.68	56.69
Profit Before Tax	319.15	202.58	320.96	210.69
Provision for Tax	68.23	51.32	66.00	53.53
Profit for the year	250.92	151.26	254.96	157.16
Other comprehensive income (net of tax)	(0.01)	(0.71)	(0.34)	(0.43)
Total comprehensive income for the year	250.91	150.55	254.62	156.73

Operational performance:

The key operational data of the Company is as under:

Sugar operations at a glance

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cane crushed (in lac ton)	69.42	66.20
Recovery (%)	11.51%	11.30%
Sugar Produced From Cane (in lac ton)	7.99	7.48

Co-generation operations at a glance

	For the year ended March 31, 2019	For the year ended March 31, 2018
Power generated (In Cr. Units)(M.W.)	76.70	73.46
Sale to UPPCL (In Cr. Units) (M.W.)	42.94	43.28

Chemical operations at a glance

Production	For the year ended March 31, 2019	For the year ended March 31, 2018
RS/ENA/Ethanol (in lacs BL)	840.94	660.40
Chemicals (net) (in lacs KG)	145.47	140.70

Company's Performance during FY 2019

During the year under review, The Company reported a record cash profit of ₹325.21 crores which was 45.95% higher than the previous high in the Company's existence. The Company reported a 28% increase in its EBIDTA in Financial Year 2018-19, an outcome of painstaking efforts of its team in improving operational efficiency.

Revenue of the Company during the year 2018-19 stood at ₹2771.54 crores as compared to ₹3347.49 crores during the year 2017 -18. Total comprehensive income, earned by the Company during the year is ₹254.62 crores as compared to ₹156.73 crores in previous year.

The Company crushed 69.42 lakh tonnes of sugarcane during the Financial Year ended March 31, 2019 as compared to 66.20 lakh tonnes in the previous year. The Sugar Recovery improved to 11.51 % during the year from 11.30% in previous year. The Company sold 6.6 lac tons of sugar including exports of raw sugar of 0.52 lac tons. Sugar production stood at 7.99 lac tons including raw sugar production of 1.11 lacs tons.

During the year under review, distillery performance improved significantly backed by lower input cost and higher volumes. The Company continued to focus on this division for sustainable growth. The distillery capacities of Dhampur and Asmoli Units of the Company were enhanced to 250,000 LPD from 200,000 LPD and 150,000 LPD from 100,000 LPD respectively. The Company tendered for about 10.4 crores litres of ethanol, of which 3.7 crores litres was produced through B-heavy and the rest from C-heavy. Dhampur sold 899.95 lakhs bulk litre of ethanol to oil producing companies at an average price of ₹42.45 per litre as against 667.96 lakhs BL at an average price of ₹38.44 per litre in 2017-18.

The Power generated by the Company in Financial Year 2018-19 was 76.70 crore units as against 73.46 crore units in Financial Year 2017-18 . The Company exported 42.94 crore units of power as compared to 43.28 lakh units of power in the previous year 2017-18 due to captive utilisation in the newly added distillery capacity. The Power realisations stood at ₹ 5.23 per unit compared to ₹ 5 per unit in the previous year.

Consolidated Financial Statements and Subsidiary/ Associate & Joint Venture Companies

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

As at March 31, 2019, the Company has three subsidiary companies in terms of the provisions of the Companies Act, 2013, namely, Dhampur International Pte Limited, (a Wholly Owned Subsidiary, Overseas), Ehaat Limited (Wholly Owned Subsidiary) and DETS Limited, Subsidiary of the Company.

No Company has become /ceased to be Associate or Joint Venture during the financial year under review.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of the Subsidiary Companies as per Companies Act, 2013 is given in Form AOC-1 as Annexure-2 and forms an integral part of this Report.

DIPL (Dhampur International Pte Ltd.) has achieved turnover of ₹208.47 crores for the year ended March 31, 2019 as compared to ₹91.34 crores last year.

Ehaat Ltd has achieved turnover of ₹61.77 crore for the year ended March 31, 2019 as compared to ₹ 5.37 crore last year.

DETS Ltd has achieved turnover of Nil for the year ended March 31, 2019 as compared to ₹ 3.69 crores last year.

Audited Financial Statements of the subsidiary companies for

FY 2018-19 have been placed on the website of the Company i.e. www.dhampur.com, and are available for inspection at the Company's registered office and at the registered office of the subsidiary company.

Material Changes and Commitments during the Year

There are no material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2019 and at the date of the Report, as required under Section 134(3) (l) of the Companies Act, 2013.

Change in the Nature of Business

During the year, there was no material change in the nature of business of the Company.

Dividend and Reserves

During the period under review, The Company had declared and paid Interim Dividend @35% i.e. ₹3.50 Per Equity Share of ₹10 each.

Your directors are pleased to recommend Final Dividend @30% i.e ₹3.00 per Equity Share of ₹10 each subject to approval of shareholders in ensuing Annual General Meeting.

Therefore total dividend for the Financial Year 2018-19 will be 65% i.e. ₹6.50 per Equity Share of ₹10 each consequent to approval of Final Dividend by the shareholders in the ensuing General Meeting of the Company.

The Company has earned Net Profit after tax of ₹254.62 Crores for the year ended March 31, 2019 which has been adjusted in Retained Earnings. During the year under review, the Company has transferred ₹0.38 Crores to Molasses Reserve Funds, which is also is given in the notes to Financial Statements forming part of this Report.

Share Capital

The paid up Equity Share Capital of the Company as at March 31, 2019 stood at ₹66.38 Crores (66387590 equity shares of ₹10 each). During the year under review, the Company has not issued any shares or convertible securities or shares with differential voting rights, nor has granted any stock option, sweat equity or warrants.

Directors and Key Managerial personnel

During the year under review, Shri Mahendar was nominated as Nominee Director of Punjab National Bank in place of Shri Anoop Kumar Wahi w.e.f. August 07, 2018.

Shri Vijay Kumar Goel, Shri Ashok Kumar Goel and Shri Gaurav Goel shall retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

It has been proposed to re-appoint Shri Vijay Kumar Goel, Chairman and Executive Director, Shri Ashok Kumar Goel, Vice Chairman and Executive Director, Shri Gaurav Goel, and Shri Gautam Goel, Managing Directors and Shri Sandeep Kumar Sharma, Whole Time Director for further period of three years w.e.f April 01, 2020 subject to approval of Shareholders in the ensuing Annual General Meeting of the Company.

It has been proposed to re-appoint Shri Mahesh Prasad Mehrotra, Shri Ashwani Kumar Gupta, Shri Priya Brat, Shri Harish Saluja and Shri Rahul Bedi as Non- Executive Independent Directors of the Company, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company.

Profile and other information regarding the Directors seeking re-appointment as required under Listing regulations (as amended from time to time) and Secretarial Standards have been given in the Notice convening the 84th Annual General Meeting of the Company. The Board of Directors recommends the above re-appointment(s).

Mr. Nalin Kumar Gupta is Chief Financial Officer and Ms. Aparna Goel, act as Company Secretary of the Company. During the year, there has been no change in Key Managerial Personnel's of the Company.

Deposits

I. Accepted during the year: Nil

II. Remained unpaid or unclaimed (excluding interest thereon) as at the end of the year: ₹0.36 Crores.

III. If there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:

At the beginning of the year	NIL
Maximum during the year	NIL
At the end of the year	NIL

It has been proposed to accept deposits from members and public, subject to the approval of shareholders in the ensuing Annual General Meeting and in accordance with the provisions of Companies Act, 2013 and other applicable provisions if any.

Deposits not in compliance with Chapter V of the Act

The Company has not accepted any deposit during the year under review.

The Company is in compliance with all the applicable provisions of Companies Act, 2013.

Particulars of Loans, Guarantees or Investment

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements forming part of this annual report.

Related Party Transactions

All the transactions carried out with related parties for the year under review were on arm's length basis, which were duly approved by the Audit Committee and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

There are no material significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.dhampur.com.

Your Directors draw attention of the members to Note No. 43 of the Consolidated Financial Statement and Note No. 45 of the Standalone Financial Statement which sets out related party disclosures.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 and Rules made there under are not attracted. Thus disclosure in Form AOC 2 in terms of Section 134 of Companies Act, 2013 is not required.

Credit Rating:-

CARE Ratings, a Credit Rating Agency has assigned the credit rating of "CARE A- (Single A Minus; Outlook: Stable") for Long term Credit Facilities from Banks and Fixed Deposits of the Company.

Auditors:-

Statutory Auditors and their Audit Report:

M/s. TR Chadha & Co. LLP, Chartered Accountants (ICAI Firm Registration number 006711N/N500028) and M/s. Atul Garg & Associates, Chartered Accountants, (ICAI Firm Registration number 01544C) are Joint Statutory Auditors of the Company and shall continue to be Statutory Auditors till the conclusion of Eighty Seventh Annual General Meeting to be held in the year 2022. The report given by the Auditors on the Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2019 forms part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their reports.

The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Companies Act, 2013 and therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

Cost Accounts and Cost Auditors

The Company is required to maintain cost records pursuant to Section 148 of the Companies Act, 2013 and rules made thereunder and the same have been maintained in compliance with the provisions. M/s S.R Kapur, (Cost Accountant, Khatauli), Cost Auditors of the Company have duly submitted the Cost Audit Report for the period under review.

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, The Board of Directors, on the recommendation of Audit Committee, has re-appointed Shri S.R. Kapur, Cost Accountant, Khatauli as Cost Auditor to audit the Cost Accounts of the Company for the Financial Year 2019-20. As required under Companies Act, 2013 the remuneration payable to Cost Auditor is required to be placed before the members in ensuing Annual General Meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to Shri S. R. Kapur, Cost Auditor is included in the Notice convening Annual General Meeting of the Company.

Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013, The Board of Directors, on the recommendation of Audit Committee has re-appointed M/s D.C Chhajed, Chartered Accountants, New Delhi as Internal Auditors of the Company for the Financial Year 2019-20.

Internal Financial Control

The Company's Internal Control system with reference to the financial statements are adequate and commensurate with the nature of its business and the size and complexity of its operations. Periodic Audits and checks are conducted and the controls to prevent, detect and correct irregularities in the operations have been laid down by the Company.

Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed M/s. GSK & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure 3 and forms an integral part of this report. There is no secretarial audit qualification for the financial year under review.

Annual Secretarial Compliance Report as required under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 is also annexed as Annexure 3A and forms part of this report.

Management Discussion and Analysis

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this report.

Corporate Governance

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Section on Corporate Governance practices followed by the Company, together with a certificate from M/s. GSK & Associates, a firm of Company Secretaries in Practice, confirming compliance forms an integral part of this report.

Compliance with Secretarial Standards

The Company complies with all the applicable mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 your Directors state that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

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

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

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

e) the Directors have laid down Internal Financial controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively; and

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

Declaration by Independent Directors

The Company has received declaration from all Independent Directors as under in accordance with the provisions of Section 149(6) of Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto:

Shri Mahesh Prasad Mehrotra

Shri Priya Brat

Shri Ashwani Kumar Gupta

Shri Harish Saluja

Shri Rahul Bedi

Smt Nandita Chaturvedi

The Company has also received confirmation from all the Independent Directors that they have not incurred disqualification under section 164(2) of the Companies Act, 2013 in any of the companies, in the previous financial year, and that they are at present, stand free from any disqualification from being a Director.

Details of Board Meetings held during the year

The Board of Directors met four times during the Financial Year 2018-19. Details of the Board Meetings and attendance at the meetings held during the Financial Year 2018-19 forms part of the Corporate Governance Report.

Committees of the Board

The Board of Directors have following Committees:

Mandatory Committees:

Audit Committee
Nomination and Remuneration Committee
Stakeholders' Relationship Committee
Corporate Social Responsibility Committee (CSR Committee)

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report forming part of this report.

Non Mandatory Committees:

The Company has also constituted a committee named Finance Sub Committee, in order to carry out routine functions of the Company. The Committee met 12 (twelve) times during the Financial Year 2018-19 on the following dates:-

April 20, 2018, May 09, 2018, May 10, 2018, June 05, 2018, June 26, 2018, August 08, 2018, September 25, 2018, October 22, 2018, November 15, 2018, November 29, 2018, January 29, 2019 and February 22, 2019.

The Company has voluntarily formed Risk Management Committee for the purpose of Risk Management by the Company.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the evaluation of its own performance and that of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders' Relationship Committee as well as evaluation of the performance of Directors individually. 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, corporate governance practices and stakeholders' interests, etc. 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, meeting risk management and competition challenges, compliance and due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of all the Directors including Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The Nomination and Remuneration Committee also carried out evaluation of every Director's performance, after laying down criteria for evaluation by way of the aforesaid structured questionnaire. The Directors expressed satisfaction with the evaluation process and results thereof.

Nomination and Remuneration Policy:

The Board of Directors have framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. Details of this policy are set out in the Corporate Governance Report which forms a part of this Report. The remuneration policy is in consonance with the existing policy of the Company. The Nomination and Remuneration Policy as approved by the Board is uploaded on the Company's website at www.dhampur.com.

Risk Management Policy

Risk Management Policy of the Company is in place for Risk assessment and mitigation. Risk procedures are periodically reviewed to ensure control on Risk through properly defined framework. The Company's Risk Management strategy is integrated with its overall business strategies and is communicated throughout the organisation. The Policy facilitates in identification of risks at appropriate time and ensures necessary steps to be taken to mitigate the risks.

Corporate Social Responsibility (CSR)

The composition of CSR committee is as under:

Shri Vijay Kumar Goel, Chairman
Shri Gaurav Goel, Member
Shri Mahesh Prasad Mehrotra, Member

The Annual Report on CSR activities is annexed as per Annexure – 4 and form part of this report. The CSR Policy as approved by the Board is uploaded on the Company's website at www.dhampur.com.

Vigil Mechanism/Whistle Blower Policy

The Company has formulated Vigil Mechanism /Whistle

Blower Policy for Employees and Directors in order to keep high standards of ethical behaviour and provide safeguards to whistle blower.

The Vigil Mechanism/Whistle Blower Policy as approved by the Board is uploaded on the Company's website at www.dhampur.com.

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

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

The following is a summary of sexual harassment complaints received and disposed during the year 2018-19.

No. of complaints filed during the financial year	NIL
No. of complaints received	NIL
No. of complaints disposed	Nil

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

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure-5 and forms an integral part of this report.

Extract of Annual Return

According to the provisions of Section 92(3) of the Companies Act, 2013 the prescribed Form MGT-9 (Extract of Annual Return) is annexed as Annexure-6 and forms part of this report.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

There was no such order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Statutory Information

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 1 and forms an integral part of this Report. A statement furnishing the names of Top Ten employees in terms of remuneration drawn and persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure -7 and forms an integral part of this Report.

The above annexure is not being sent along with this Annual Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the registered office of the Company, twenty one days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

None of the employees listed in the said annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Company.

Acknowledgements:

Your Directors place on record their acknowledgement and sincere appreciation to the shareholders for their confidence in the management of the Company, the central government, the state government, banks and financial institutions for their continued support, the cane growers for their efforts in ensuring timely cane supply, the Company's employees for their relentless and dedicated efforts, resulting in the Company's growth and look forward to a bright future.

For and on behalf of the Board of Directors

Vijay Kumar Goel
Chairman
(DIN: 00075317)

Place : New Delhi
Dated : May 20, 2019

Annexure – 1

Disclosure of remuneration pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended:

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Designation	DIN	Ratio
Shri Vijay Kumar Goel	Promoter, Chairman and Whole-time Director	00075317	57.95 : 1
Shri Ashok Kumar Goel	Promoter, Vice Chairman and Whole-time Director	00076553	56.74 : 1
Shri Gaurav Goel	Promoter and Managing Director	00076111	56.78 : 1
Shri Gautam Goel	Promoter and Managing Director	00076326	55.44 : 1
Shri Sandeep Kumar Sharma	Whole Time Director	06906510	30.04 : 1

2. Percentage increase in remuneration of each Director, CFO and CS in the financial year:

Name of the Director/CEO/CFO/CS	Designation	DIN/PAN	Percentage increase
Shri Vijay Kumar Goel	Promoter, Chairman and Whole-time Director	00075317	(6.67%)
Shri Ashok Kumar Goel	Promoter, Vice Chairman and Whole-time Director	00076553	4.68%
Shri Gaurav Goel	Promoter and Managing Director	00076111	4.77%
Shri Gautam Goel	Promoter and Managing Director	00076326	15.54%
Shri Sandeep Kumar Sharma	Whole Time Director	06906510	13.53%
Shri Nalin Kumar Gupta	Chief Financial Officer	AAOPG5264E	21.50%
Ms. Aparna Goel	Company Secretary	ALYPG4814H	47.94%

The Non-Executive Directors of the Company are entitled for sitting fees and commission as per Statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors is provided in Corporate Governance Report and forms part of this report. The remuneration to Non-Executive Directors is also governed by Nomination and Remuneration Policy of the Company. Therefore the calculation of ratio of remuneration and percentage increase in remuneration of Non- Executive Directors would not be relevant and hence has not been provided.

3. **Percentage increase in the median remuneration of employees in the financial year:** 5%

4. **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:** 4.3% : 3.9% (Excluding commission on profits).

   Justification: Remuneration paid to the managerial personnel are as per recommendation of Nomination and Remuneration committee and as approved by the Board and Shareholders of the Company.

5. **Number of permanent employees on the rolls of company: Permanent Employees** : 2810

6. **The key parameters for any variable component of remuneration availed by the Directors:** Commission on Net Profits of the Company to be paid to Promoter Directors: ₹16.00 Crores

7. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The Company affirms that the remuneration is as per the remuneration policy of the Company.

Annexure – 2

Form No. AOC-1

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

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

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

1. Name of the subsidiary: Dhampur International PTE Limited, Ehaat Limited and DETS Limited
2. Reporting period for the subsidiaries concerned: - April 01, 2018 to March 31, 2019.
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries:- USD (1 USD = ₹69.17)
4. Other Information:-

Particulars	Dhampur International PTE Limited * (₹ in Crores)	DETS Limited ** (₹ in Crores)	EHAAT Limited *** (₹ in Crores)
Share capital (including share application money)	36.93	0.84	3.77
The date since when subsidiary was Acquired	09.07.2009 (Since incorporation)	03.10.2016	24.10.2016 (Since incorporation)
Shareholding (in Percentage)	100%	51%	100%
Reserves & Surplus	-17.66	1.46	-7.86
Total Assets	109.30	2.62	25.91
Total Liabilities	90.04	0.32	30.00
Investments	10.12	0.00	0.00
Revenue from Operation (Previous Year)	208.47 (91.34)	Nil (3.69)	61.77 (5.36)
Profit/(Loss) before Taxation	-1.16	0.06	-0.33
Provision for Taxation	0.00	0.32	1.91
Profit after Taxation	-0.83	-0.25	-2.24
Proposed Dividend	NIL	NIL	NIL
% of Shareholding	100%	51%	100%

i) Name of subsidiaries which are yet to commence operations: N.A

ii) Name of Subsidiaries which have been liquidated or sold during the year: NA

* Based at Singapore, Trading in Commodities.

** Manufacturing and fabricating plant and machineries and other engineering goods and equipments.

*** Trading in Consumer Products.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

The Company has no associate or joint venture.

Annexure – 3

SECRETARIAL AUDIT REPORT

For the year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dhampur Sugar Mills Limited
Distt. Bijnor, Dhampur – 246761, Uttar Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **DHAMPUR SUGAR MILLS LIMITED (CIN: L15249UP1933PLC000511)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on March 31, 2019 according to the provisions of:

I.
- The Companies Act, 2013 (the Act) and the rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
  b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
  d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014 (Not applicable to the company during the audit period);
  e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period);
  f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
  g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period); and
  h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the company during the audit period);
  i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; as amended from time to time

II. During the year under review, the Company has made all compliances under Sector specific laws mentioned below:

- The Sugar (Control) Order, 1966
- The Sugarcane (Control) Order, 1966
- Food Safety and Standards Act, 2006
- Sugar Development Fund Act, 1982
- The U.P Sugarcane (Regulation of Supply and Purchase) Act, 1953 and Rules applicable.
- The Sugarcane Supply and Purchase Order, 1954.
- The U.P Restriction on Sugarcane Purchase Order, 1966.
- The U.P Vaccum Pan Sugar Factories Licencing Order, 1969.

- The U.P Sheera Niyantran Adhiniyam, 1964.
- The U.P Sheera Niyantran Niyamavali , 1974.

III. During the year under review the Company has filed periodical return and has not received any show cause notice and has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned below:

- The Air (Prevention & Control of Pollution) Act, 1981 [Read with the Air (Prevention & Control of Pollution) Rules, 1982]
- The Environment (Protection) Act, 1986 [Read with the Environment (Protection) Rules, 1986]
- The Water (Prevention & Control of Pollution) Act, 1974 [Read with the Water (Prevention & Control of Pollution) Rules, 1975
- The Hazardous Waste (Management, Handling And Transboundry Movement) Rules, 2008
- The Factories Act, 1948
- The Industrial Disputes Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- Essential Commodities Act, 1955
- Export (Quality Control and Inspection) Act, 1963
- Indian Boilers Act, 1923
- The Electricity Act, 2003
- The Legal Metrology Act, 2009
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Maternity Benefit Act, 1961
- The Child Labour(Prohibition and Regulation) Act, 1986
- The Industrial Employment (Standing Orders) Act, 1946
- The Employees' Compensation Act, 1923 (earlier known as Workmen's Compensation Act, 1923
- The Apprentices Act, 1961
- Public Liability Insurance Act, 1991 amended up to 1992 & Rules 1991 amended up to 2003
- Sexual harassment of women at the workplace (Prevention, Prohibition, Redressal) Act, 2013
- Goods and Services Tax Act, 2017
- Income Tax Act, 1961

We have relied on the representation made by the Company and its officers on systems and mechanism formed by the Company for compliance under other Act, Laws and Regulations to the Company.

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Central Government.

b. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, 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 year 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while there has been no member dissenting from the decisions arrived.

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.

We further report that, consequent to appointment of Shri Mahendar as a new Circle Head of Punjab National Bank, Moradabad, in place of Shri Anoop Kumar Wahi, the Board of Directors appointed Shri Mahendar as a Nominee Director of the Company with effect from August 07, 2018.

For GSK & Associates
(Company Secretaries)

Saket Sharma
Partner
(Membership No.: F4229)
(CP No.: 2565)

Date: May 20,2019
Place: New Delhi

Annexure – 3A

SECRETARIAL COMPLIANCE REPORT

PURSUANT TO REGULATION 24A OF SEBI LODR, REGULATIONS, 2015

For the year ended March 31, 2019

To,
The Members,
Dhampur Sugar Mills Limited
Distt. Bijnor, Dhampur – 246761, Uttar Pradesh

We, GSK & Associates have examined:

a) all the documents and records made available to us and explanation provided by **[Dhampur Sugar Mills Limited]** ("the listed entity"),

b) the filings/ submissions made by the listed entity to the stock exchanges,

c) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2019 in respect of compliance with the provisions of:

  a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

  b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time;

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the period under review);**

c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the period under review);**

d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the period under review);**

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the period under review);**

f) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

g) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the period under review);**

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended from time to time;

i) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client and;

j) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder and based on the above examination, We hereby report that, during the Review Period:

  a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

  b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.

  c) No action was required to be taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

  d) This being the first year, 'action taken by the Company made in previous report is not applicable'.

For GSK & Associates
(Company Secretaries)

Saket Sharma
Partner
(Membership No.: F4229)
(CP No.: 2565)

Date: May 20, 2019
Place: New Delhi

Annexure – 4

ANNUAL REPORT ON CSR INITIATIVES

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

The CSR policy was approved by the Board of Directors and has been modified so as to incorporate liberal and technical heads of areas as elaborated by MCA from time to time and also uploaded on the Company's website under the link http://dhampur.com/ Policies.aspx

The Company had proposed to undertake activities relating to promoting education, sports, good agricultural practices, skill development, women empowerment etc.

The Company through its various programmes will be investing the resources allocated for CSR for undertaking one or more of the following activities:

1. Eradication of hunger, poverty and malnutrition.
2. Promotion of preventive health care and sanitation.
3. Promotion of Education.
4. Promotion of gender equality.
5. Reducing Social and Economic Inequality.
6. Ensuring Environmental Sustainability.
7. Protection of Flora and Fauna.
8. Protection of National Heritage, Art and Culture.
9. Measures for the benefit of Armed Forces Veterans, War Widows and their dependents.
10. Promoting Sports
11. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
12. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
13. Rural development projects.

B. **The composition of CSR Committee is as under:**

Shri Vijay Kumar Goel, Chairman

Shri Gaurav Goel, Member

Shri Mahesh Prasad Mehrotra, Member

C. **Average Net Profit of the Company for last 3 financial years.** – ₹189.78 Crores

D. **Prescribed CSR Expenditure (2% of the amount as mentioned in point C above)** : ₹3.80 Crores

E. **Details of CSR spent during the financial year 2018-19:**

a. Total amount to be spent for the financial year; - ₹3.80 Crores

b. Amount spent : ₹2.95 Crores

c. Amount unspent, if any; ₹0.85 Crores, (Previous Year : Nil)

d. Manner in which the amount spent during the financial year as detailed below:

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs: (1) Local area or others (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Education - Support to Schools in rural areas	Promoting Education	In proximity to factory areas at Dhampur, Asmoli and Rajpura (Units of the Company), U.P	3,00,00,000	1,69,00,000	1,69,00,000	Partially through Academy of Modern Learning (Trust) and partially Direct
2	Protection of national heritage, art and culture.	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art.	Bangalore	1,00,00,000	1,00,00,000	1,00,00,000	Through Art and Photography Foundation, Bangalore
3	Eradicating hunger, poverty and malnutrition, promoting healthcare.	Eradicating Hunger, Poverty and Malnutrition	In proximity to factory areas at Dhampur and Asmoli (Units of the Company), U.P	25,00,000	25,00,000	25,00,000	Partially through PHD Rural Development Foundation (Trust) and partially Direct
4	Promoting gender equality and empowering women.	Promoting gender Equality	In proximity to factory area at Dhampur (a unit of the Company), U.P	50,000	50,000	50,000	Direct

F. The project for promoting education is in progress and is expected to complete in FY 2019-20. The unspent amount is likely to be utilised in FY 2019-20.

G. Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, we hereby confirm that the CSR Committee has implemented and monitored the CSR initiatives of Dhampur Sugar Mills Limited in line with CSR objectives and policy of the Company.

On behalf of the CSR Committee

Vijay Kumar Goel
Chairman of CSR Committee
DIN: 00075317

Gaurav Goel
Managing Director
DIN: 00076111

Place: New Delhi
Date: May 20, 2019

Annexure – 5

THE DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019 is given below and forms part of Board's report.

A) Conservation of energy:

i. **the steps taken or impact on conservation of energy;**
The Company is continuously working on conservation of energy through innovative measures and has taken following steps towards the same:

1. Replacement of old and in-efficient motors and panels to improve efficiency of equipment'.
2. The Company has installed steam saving devices equipment like Continuous Sulphur Furnace, CPU, UET, FF evaporator bodies, direct contact heaters, modification in steam bleeding arrangement to save steam consumption as well as energy.
3. Water circulation arrangement has been done to reduce ground water consumption. Water recycle system has been modified. The same will reduce ground water consumption significantly.

ii. **the steps taken by the company for utilising alternate sources of energy;**
The Company is installing evaporator sets in distillery units to concentrate spent wash (waste of distillery). It will be used as fuel in especially designed boiler, which will save environment from pollutants.

iii. **The capital investment on energy conservation equipment's: ₹6.59 Crores.**

B. Technology Absorption:

i. **the efforts made towards technology absorption;**

1. Water recycle technology for cooling tower.
2. Training and awareness programs for seed treatment and utilisation of single bud cane seed.
3. Installation of Micro and macro nutrient analysis lab.
4. Distribution of improved Varieties of Seeds
5. Rearing of cane seed nurseries of improved varieties
6. Dissemination of technique of tranche and paired row planting
7. Distribution of fertilizers and bio manures for healthy growth of sugar cane

ii. **The benefits derived like product improvement, cost reduction, product development or import substitution.**
The above mentioned measures will result in saving of ground water, healthy cane with higher recovery will be available to the Company and enhanced income to farmers too.

iii. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)** – Not applicable

iv. **The expenditure incurred on Research and Development:**
The Company has incurred ₹5.4 Crores towards Research and development.

C. Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Total foreign exchange used and earned:

(₹ in Crores)

Particulars	Current Year	Previous Year
Export and foreign exchange earnings	156.73	30.46
Imports and expenditure in foreign currency	5.71	13.13

Annexure – 6

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN:	L15249UP1933PLC000511
ii.	Registration Date:	May 22, 1933
iii.	Name of the Company:	Dhampur Sugar Mills Limited
iv.	Category / Sub-Category of the Company:	Public Company/Limited by shares
v.	Address of the Registered office and Contact details:	Dhampur, Distt. Bijnor- 246761, U.P., Ph.: 01344-220006, Email: investordesk@dhampur.com
vi.	Whether listed company:	Yes, with BSE Limited and National Stock Exchange of India Limited
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Alankit Assignments Limited Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi-110055 Ph.: 011-42541234, 23541234, E-mail: rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	10721	68%
2	Power	3510	17%
3	Chemical: Rectified Spirit Ethyl Acetate	20119	14%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	Name And Address of the Company	CIN/GLN/Foreign Registration Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Dhampur International Pte Limited, 39 Amoy street, Singapore 069865	200912388N	Wholly owned Subsidiary Overseas	100%	2(87)
2	DETS Limited, c/o Dhampur Sugar Mills Limited, Dhampur - 246761, U.P	U74900UP2011PLC045167	Subsidiary	51%	2(87)
3	Ehaat Limited, c/o Dhampur Sugar Mills Limited, Dhampur - 246761, U.P	U74999UP2016PLC087282	Wholly owned Subsidiary	100%	2(87)

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/ HUF	9212604	0	9212604	13.88	9212604	0	9212604	13.88	0.00
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corp.	14047273	0	14047273	21.16	14047273	0	14047273	21.16	0.00
e. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other.									
(i) Directors & Relatives	85364	0	85364	0.13	85364	0	85364	0.13	0.00
(ii) Person Acting in Concert	9240396	0	9240396	13.92	9240396	0	9240396	13.92	0.00
Sub-total (A) (1)	**32585637**	**0**	**32585637**	**49.08**	**32585637**	**0**	**32585637**	**49.08**	**0.00**
(2) Foreign									
a. NRIs – Individuals	0	0	0	0	0	0	0	0	0.00
b. Other – Individuals	0	0	0	0	0	0	0	0	0.00
c. Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d. Banks / FI	0	0	0	0	0	0	0	0	0.00
e. Any Other....	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(2)									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**32585637**	**0**	**32585637**	**49.08**	**32585637**	**0**	**32585637**	**49.08**	**0.00**
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	141	524	665	0.00	141	524	665	0.00	0.00
b. Banks/FI	137494	331	137825	0.21	440835	330	441165	0.66	0.46
c. Central Govt	131148	0	131148	0.20	165571	0	165571	0.25	0.05
d. State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h. Foreign Portfolio Investors	2477444	100	2477544	3.73	2579425	100	2579525	3.89	0.15
i. Alternate Investment Funds	0	0	0	0.00	445306	0	445306	0.67	0.67
j. Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	**2746227**	**955**	**2747182**	**4.14**	**3631278**	**954**	**3632232**	**5.47**	**1.33**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a. Bodies Corp.									
i) Indian	3409604	10955	3420559	5.15	3598561	10900	3609461	5.44	0.28
ii) Overseas	191812	0	191812	0.29	191812	0	191812	0.29	0.00
b. Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	8831172	322685	9151752	13.79	8328514	270499	8599013	12.95	-0.83
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	16729753	0	16729753	25.20	16661974	0	16661974	25.10	-0.10
c. NBFC registered with RBI	54060	0	54060	0.08	17459	0	17459	0.03	-0.06
d. Others (specify)									
(i) Non Resident Indian	230838	88	230926	0.35	247484	88	247572	0.37	0.03
(ii) Trust	18112	0	18112	0.03	12	0	12	0.00	-0.03
(iii) Clearing Member	276888	0	276888	0.42	235060	0	235060	0.35	-0.06
(iv) Hindu Undivided Family (HUF)	980909	0	980909	1.48	607358	0	607358	0.91	-0.56
Sub-total (B)(2)	30723148	331623	31054771	46.78	29888234	281487	30169721	45.44	-1.33
Total Public Shareholding (B) = (B)(1) + (B)(2)	33469375	332578	33801953	50.92	33519512	282441	33801953	50.92	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	66055012	332578	66387590	100	66105149	282441	66387590	100	0.00

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Share holding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Ashok Kumar Goel	298000	0.45	0.00	298000	0.45	0.00	0.00
2	Deepa Goel	10370	0.02	0.00	10370	0.02	0.00	0.00
3	Gaurav Goel	4211379	6.34	0.00	4211379	6.34	0.00	0.00
4	Gautam Goel	4242339	6.39	0.00	4242339	6.39	0.00	0.00
5	Vijay Kumar Goel	425466	0.64	0.00	425466	0.64	0.00	0.00
6	Vinita Goel	25050	0.04	0.00	25050	0.04	0.00	0.00
7	Aparna Jalan	46100	0.07	0.00	46100	0.07	0.00	0.00
8	Asha Kumari Swaroop	4	0.00	0.00	4	0.00	0.00	0.00
9	Ritu Sanghi	7500	0.01	0.00	7500	0.01	0.00	0.00
10	Shefali Poddar	31760	0.05	0.00	31760	0.05	0.00	0.00
11	Shudh Edible Products Limited	4299680	6.48	0.00	4299680	6.48	0.00	0.00
12	Sonitron Limited	4940716	7.44	0.00	4940716	7.44	0.00	0.00
13	Ujjwal Rural Services Limited	125000	0.19	0.00	125000	0.19	0.00	0.00
14	Goel Investments Limited	10655515	16.05	0.38	10655515	16.05	0.38	0.00
15	Saraswati Properties Limited	3266758	4.92	0.00	3266758	4.92	0.00	0.00
	Total	**32585637**	**49.08**	**0.38**	**32585637**	**49.08**	**0.38**	**0.00**

iii. Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	32585637	49.08	32585637	49.08
2	Change during the year	No Change	No Change	No Change	No Change
3	At the End of the year	32585637	49.08	32585637	49.08

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Date	Sale / Purchase	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Anil Kumar Goel**						
	At the Beginning of the year			6131000	9.24	6131000	9.24
	Date wise Increase/Decrease in Shareholding during the year	20.04.2018	Purchase	5000	0.01	6136000	9.24
		11.05.2018	Purchase	34000	0.05	6170000	9.29
		18.05.2018	Purchase	100000	0.15	6270000	9.44
		29.06.2018	Purchase	10000	0.02	6280000	9.46
		06.07.2018	Purchase	128000	0.19	6408000	9.65
		13.07.2018	Purchase	2000	0.00	6410000	9.66
		20.07.2018	Purchase	10000	0.02	6420000	9.67
		27.07.2018	Purchase	30000	0.05	6450000	9.72
		05.10.2018	Purchase	10000	0.02	6460000	9.73
	At the end of the year			6460000	9.73	6460000	9.73
2	**Seema Goel**						
	At the Beginning of the year			2152000	3.24	2152000	3.24
	Date wise Increase/Decrease in Shareholding during the year	20.04.2018	Purchase	8000	0.01	2160000	3.25
		27.04.2018	Purchase	40000	0.06	2200000	3.31
		04.05.2018	Purchase	110000	0.17	2310000	3.48
		11.05.2018	Purchase	10000	0.02	2320000	3.49
	At the end of the year			2320000	3.49	2320000	3.49
3	**Sabitha Chandran**						
	At the Beginning of the year			793089	1.19	793089	1.19
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year			793089	1.19	793089	1.19
4	**I Thought Wealth Analytics LLP**						
	At the Beginning of the year			683858	1.03	683858	1.03
	Date wise Increase/Decrease in Shareholding during the year	30.11.2018	Sell	-5000	-0.01	678858	1.02
		21.12.2018	Sell	-200000	-0.30	478858	0.72
		01.02.2019	Purchase	200000	0.30	678858	1.02
		08.02.2019	Sell	-28000	-0.04	650858	0.98
		15.02.2019	Sell	-69568	-0.10	581290	0.88
		22.02.2019	Sell	-10000	-0.02	571290	0.86
		22.03.2019	Sell	-20000	-0.03	551290	0.83
		29.03.2019	Sell	-90000	-0.14	461290	0.69
	At the end of the year			461290	0.69	461290	0.69

Sl. No.	Shareholder's Name	Date	Sale / Purchase	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
5	**Koushik Shekhar**						
	At the Beginning of the year			650000	0.98	650000	0.98
	Date wise Increase/Decrease in Shareholding during the year	01.03.2019	Sell	-170000	-0.26	480000	0.72
		08.03.2019	Sell	-5000	-0.01	475000	0.72
	At the end of the year			475000	0.72	475000	0.72
6	**Vanaja Sundar Iyer**						
	At the Beginning of the year			600000	0.90	600000	0.90
	Date wise Increase/Decrease in Shareholding during the year	20.04.2018	Sell	-200000	-0.30	400000	0.60
		27.04.2018	Sell	-100000	-0.15	300000	0.45
		29.06.2018	Sell	-44109	-0.07	255891	0.39
		06.07.2018	Sell	-155891	-0.23	100000	0.15
	At the end of the year			100000	0.15	100000	0.15
7	**LSV Emerging Markets Small Cap Equity Fund LP**						
	At the Beginning of the year			583200	0.88	583200	0.88
	Date wise Increase/Decrease in Shareholding during the year	17.08.2018	Sell	-18802	-0.03	564398	0.85
		24.08.2018	Sell	-42113	-0.06	522285	0.79
		31.08.2018	Sell	-115823	-0.17	406462	0.61
		07.09.2019	Sell	-60076	-0.09	346386	0.52
		17.09.2018	Sell	-106036	-0.16	240350	0.36
		21.09.2018	Sell	-240350	-0.36	0	0.00
	At the end of the year			0	0.00	0	0.00
8	**Dolly Khanna**						
	At the Beginning of the year			599952	0.90	599952	0.90
	Date wise Increase/Decrease in Shareholding during the year	06.04.2018	Sell	-29550	-0.04	570402	0.86
		13.04.2018	Sell	-38000	-0.06	532402	0.80
		20.04.2018	Sell	-82000	-0.12	450402	0.68
		27.04.2018	Sell	-67000	-0.10	383402	0.58
		04.05.2018	Sell	-46954	-0.07	336448	0.51
		11.05.2018	Sell	-31635	-0.05	304813	0.46
		18.05.2018	Sell	-20000	-0.03	284813	0.43
		25.05.2018	Sell	-4000	-0.01	280813	0.42
		02.06.2018	Purchase	2000	0.00	282813	0.43
		08.06.2018	Sell	-21190	-0.03	261623	0.39
		15.06.2018	Sell	-22833	-0.03	238790	0.36
		22.06.2018	Sell	-63520	-0.10	175270	0.26

Sl. No.	Shareholder's Name	Date	Sale / Purchase	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
		29.06.2018	Sell	-33335	-0.05	141935	0.21
		06.07.2018	Sell	-13200	-0.02	128735	0.19
		13.07.2018	Sell	-34653	-0.05	94082	0.14
		20.07.2018	Sell	-60200	-0.09	33882	0.05
		27.07.2018	Sell	-12000	-0.02	21882	0.03
		03.08.2018	Sell	-18765	-0.03	3117	0.00
		10.08.2018	Sell	-3117	0.00	0	0.00
		11.01.2018	Purchase	5600	0.01	5600	0.01
		25.01.2019	Purchase	8000	0.01	13600	0.02
		08.02.2019	Purchase	4000	0.01	17600	0.03
		22.02.2019	Purchase	17000	0.03	34600	0.05
		01.03.2019	Purchase	21030	0.03	55630	0.08
		08.03.2019	Sell	-3000	0.00	52630	0.08
		15.03.2019	Sell	-12000	-0.02	40630	0.06
		22.03.2019	Sell	-10000	-0.02	30630	0.05
		29.03.2019	Sell	-5000	-0.01	25630	0.04
	At the end of the year			25630	0.04	25630	0.04
9	**Anil Kumar Goel**						
	At the Beginning of the year			540000	0.81	540000	0.81
	Date wise Increase/Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year			540000	0.81	540000	0.81
10	**Government of The Province of Alberta Managed by Comgest S.A**						
	At the Beginning of the year			493500	0.74	493500	0.74
	Date wise Increase/Decrease in Shareholding during the year	17.08.2018	Sell	-15600	-0.02	477900	0.72
		24.08.2018	Sell	-35900	-0.05	442000	0.67
		31.08.2018	Sell	-97900	-0.15	344100	0.52
		07.09.2018	Sell	-50700	-0.08	293400	0.44
		14.09.2018	Sell	-89800	-0.14	203600	0.31
		21.09.2018	Sell	-203600	-0.31	0	0.00
	At the end of the year			0	0.00	0	0.00

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Vijay Kumar Goel, Chairman				
	At the beginning of the year	425466	0.64	425466	0.64
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	425466	0.64	425466	0.64
2	Shri Ashok Kumar Goel, Vice Chairman				
	At the beginning of the year	298000	0.45	298000	0.45
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	298000	0.45	298000	0.45
3	Shri Gaurav Goel, Managing Director				
	At the beginning of the year	4211379	6.34	4211379	6.34
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	4211379	6.34	4211379	6.34
4	Shri Gautam Goel, Managing Director				
	At the beginning of the year	4242339	6.39	4242339	6.39
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	4242339	6.39	4242339	6.39
5	Shri Sandeep Kumar Sharma, Whole Time Director				
	At the beginning of the year	755	0	755	0
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	755	0	755	0
6	Shri Mahesh Prasad Mehrotra, Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	0	0	0	0
7	Shri Ashwani K Gupta, Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	0	0	0	0
8	Shri Harish Saluja, Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	0	0	0	0
9	Shri Priya Brat, Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	0	0	0	0
10	Shri Rahul Bedi ,Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	0	0	0	0

Sl. No.	Name of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11	**Ms Nandita Chaturvedi ,Independent Director**				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	0	0	0	0
12	**Shri Mahendar , Nominee Director (PNB)**				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	0	0	0	0
13	**Shri Nalin Kumar Gupta, Chief Financial Officer**				
	At the beginning of the year	1126	0	1126	0
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	1126	0	1126	0
14	**Ms. Aparna Goel, Company Secretary**				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	At the End of the year	0	0	0	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	492.09	-	28.74	520.83
ii) Interest due but not paid	0.25	-	0.24	0.49
iii) Interest accrued but not due	1.79	-	1.93	3.72
Total (i + ii+ iii)	**494.13**	**-**	**30.91**	**525.04**
Change in Indebtedness during the financial year				
• Addition Principal	314.99	-	-	314.99
• Addition Interest	-	-	-	-
• Reduction Principal	(114.55)	-	(7.86)	(122.41)
• Reduction Interest	-	-	-	-
Net Change	**200.44**	**-**	**(7.86)**	**192.58**
Indebtedness at the end of the financial year				
i) Principal Amount	691.36		17.28	708.64
ii) Interest due but not paid	1.10		0.06	1.16
iii) Interest accrued but not due	0.07		3.54	3.61
Total (i+ ii+ iii)	**692.53**	**-**	**20.88**	**713.41**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount (in ₹)
		Shri Vijay Kumar Goel, Executive Chairman	Shri Ashok Kumar Goel, Executive Vice Chairman	Shri Gaurav Goel, Managing Director	Shri Gautam Goel, Managing Director	Shri Sandeep Kumar Sharma, Whole Time Director	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,31,24,988	1,31,24,988	1,31,24,988	1,31,24,988	73,53,060	5,98,53,012
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19,91,175	16,74,463	16,85,515	13,36,271	4,83,821	71,71,245
	(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	4,00,00,000	4,00,00,000	4,00,00,000	4,00,00,000	--	16,00,00,000
	- others, specify...						
5.	Others, please specify	--	--	--	--	--	--
	- Provident Fund						
	Total (A)	**55,116,163**	**54,799,451**	**54,810,503**	**54,461,259**	**7,836,881**	**22,70,24,257**
	Ceiling as per the Act	10% of the Net Profit calculated as per Section 198 of Companies Act, 2013.					

*The Company is paying remuneration to the Executive Directors as per Schedule V of Companies Act, 2013.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors							
1	Non- Executive Independent Directors	Shri Mahesh Prasad Mehrotra	Shri Ashwani Kumar Gupta	Shri Priya Brat	Shri Harish Saluja	Shri Rahul Bedi	Smt. Nandita Chaturvedi	Shri Mahendar, (Nominee Director, PNB)	Total Amount in ₹
	• Fee for attending board committee meetings • Commission • Others, please specify	2,10,000	2,40,000	2,40,000	1,20,000	50,000	90,000	-	9,50,000
	Total (1)	**2,10,000**	**2,40,000**	**2,40,000**	**1,20,000**	**50,000**	**90,000**	**-**	**9,50,000**
2.	**Other Non-Executive Directors**								
	• Fee for attending board committee meetings • Commission • Others, please specify	-	-		-	-	-	60,000	60,000
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**60,000**	**60,000**
	Total (B) = (1 + 2)	**2,10,000**	**2,40,000**	**2,40,000**	**1,20,000**	**50,000**	**90,000**	**60,000**	**10,10,000**
	Total Managerial Remuneration (A+B)								**22,80,34,257**
	Ceiling as per the Act	11% of the Net Profit calculated as per Section 198 of Companies Act, 2013.							

The Company is paying sitting fees and commission (as determined) to its Non- Executive Independent Directors, as per the statutory provisions and within the limits approved by the shareholders.

C. Remuneration to Key Managerial Personnel:

Sl. No.	Particulars of Remuneration	Shri Nalin Kumar Gupta, Chief Financial Officer	Ms Aparna Goel, Company Secretary	Total amount (in ₹)
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	22,54,995	11,58,651	34,13,646
	(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	-	-	-
	- Provident Fund	-	-	-
	Total	**22,54,995**	**11,58,651**	**34,13,646**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Vijay Kumar Goel
Chairman
DIN: 00075317

Place: New Delhi
Date: May 20, 2019

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Corporate governance is the method of governing the corporate entity which includes set of systems, procedures and practices to ensure that the entity is managed in the best interest of all stakeholders. Fundamentals of Corporate Governance include Transparency in policies and action, Independence to develop and maintain a healthy work culture, Accountability for performance, Responsibility towards the society and for its core values, Growth for stakeholders, etc. The Company makes an honest endeavour to uphold these fundamentals in all its operational aspects and its structure, dealings, administration and disclosure practices are in line with achieving good corporate governance.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clause (b) and (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Board of Directors

The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

As on March 31, 2019, the Company's Board comprises of 12 Directors, besides Chairman, Vice Chairman, two Managing Directors who are Executive Promoter Directors, the Board has One Whole Time Director, Six Non- Executive Independent Directors including One Woman Director and One Nominee Director. The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations (as amended) from time to time.

The Company belongs to agro based industry basically, but integration and consistent innovation make it a conglomerate consisting of Sugar, Power and Chemical.

The Board of Directors has identified the following skills/ expertise/competencies which our Company requires:

1. **Agriculture Expertise:** Cane is the primary raw material of sugar, which is procured by the Company from its cane area of surroundings. To get better cane quality, enhanced production of cane, Company consistently provides research and various other related support to cane farmers. Thus the Company needs to have a core expert at Board level who has in depth understanding and knowledge of agriculture, soil fertility, behaviour and wealth etc.
2. **Finance, Accounts & Audit:** Understanding the complication of finance is the backbone of the industry. The Board of Directors needs to have experts of finance and taxation who are well versed to take up different challenges in the field. Qualifications or experience in accounting or finance or the ability to understand financial policies, disclosure practices, financial statements and critically assess financial viability and performance is much needed skill for any business entity.
3. **Leadership :** Ability to envision the future and prescribe a strategic goal for the Company, help the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/efforts in appropriate direction.
4. **Strategy and planning:** Ability to think strategically; identify and critically assess strategic opportunities and threats.
5. **Global Experience / International Exposure:** Ability to have access and understand business models of global corporations, relate to the developments with respect to leading global corporations and assist the Company to adapt to the local environment, understand the geo political dynamics and its relations to the Company's strategies and business prospects and have a network of contacts in global corporations and industry worldwide.
6. **Governance, Risk Management and Compliance:** Commitment, belief and experience in the application of

corporate governance principles and setting up corporate governance practices to support the Company's robust legal, risk and compliance systems and governance policies/ practices.

7. **Engineering Research & Development:** Domain knowledge in businesses and closely follow the technology trends in the Sugar industry and focus on key technology areas that impact the various verticals.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills experience, expertise, diversity and Independence. The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary duties, thereby ensuring that the management adheres to the high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size.

Composition of the Board of Directors as on March 31, 2019, number of other Directorships and Committees of which a Director is the Member/Chairperson and attendance of each Director at Board Meetings and the last Annual General Meeting of the Company are given below:

S. no	Name of Director(s)	Category of Directorship	No. of Board meeting attended	Last AGM attended	No. of Directorships and Committee Memberships/Chairmanships			List of Directorship held in Other Listed Companies and Category of Directorship
					Directorship	Committee Memberships	Committee Chairmanships	
1	Shri Vijay Kumar Goel	P, C & ED	4	No	2	None	None	Delton Cables Limited, Non-Executive Independent Director
2	Shri Ashok Kumar Goel	P, ED & VC	4	No	1	None	None	-
3	Shri Gaurav Goel	P & MD	4	No	2	2	1	Mangalam Cement Limited-Non Executive Independent Director
4	Shri Gautam Goel	P & MD	2	Yes	1	None	None	-
5	Shri Ashwani Kumar Gupta	ID & NED	4	No	2	2	1	PNB Housing finance Limited-Non Executive Independent Director
6	Shri Priya Brat	ID & NED	4	Yes	3	2	2	Dhanuka Agritech Limited- Non Executive Independent Director, South Asian Enterprises Limited-Non Executive Independent Director
7	Shri Mahesh Prasad Mehrotra	ID & NED	4	No	4	1	2	VLS Finance Limited- Vice-Chairman / Promoter Director, Delton Cables Limited- Non Executive Independent Director, South Asian Enterprises Limited-Promoter Director
8	Shri Harish Saluja	ID & NED	3	No	1	1	None	-
9	Shri Rahul Bedi	ID & NED	2	No	1	None	None	-
10	Shri Sandeep Kumar Sharma	WTD	3	Yes	1	1	None	-
11	Smt. Nandita Chaturvedi	ID & NED	4	No	1	None	None	-
12	Shri Mahendar*	Nominee Director (PNB)	3	No	1	None	None	-

**Shri Mahendar was appointed as Nominee Director W.e.f. 07.08.2018 in place of Shri Anoop Kumar Wahi.*

P - Promoter, C- Chairman, ED - Executive Director, MD - Managing Director, ID - Independent Director, NED - Non-Executive Independent Director & WTD - Whole Time Director.

Notes:

I. Directorship includes the one in Listed Entity including the Company. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited companies including Dhampur Sugar Mills Limited.

II. As mandated by Regulation 17A and 26 (1) (b) of the Listing Regulations, None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors.

III. The Non- Executive Directors fulfil the conditions of Independence specified in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

IV. Shri Vijay Kumar Goel, Shri Ashok Kumar Goel, Shri Gaurav Goel and Shri Gautam Goel are related to each other. Brief profile of each of the above Directors is available on the Company's website: www. dhampur.com

V. None of the Non-Executive Directors hold Equity Shares and convertible Instruments in the Company.

VI. Proposed commission to be paid to Non-Executive Independent Directors will be approved by the shareholders at the Annual General Meeting scheduled to be held on September 02, 2019.

VII. The Company has obtained Certificate from Mr. Saket Sharma, Practicing Company Secretary confirming that Directors have not been debarred or not been disqualified from being appointed or continuing as Directors by SEBI/ MCA or any other authority and is annexed herewith as a part of this report.

During the period from April 01, 2018 to March 31, 2019, four Board meetings were held (one meeting was held in every quarter) and time gap between two consecutive board meetings did not exceed 120 days during the year 2018-19. The details are as under:

Sl. no.	Date of Meetings	No. of Directors Present
1	May 09, 2018	10
2	August 07, 2018	10
3	October 31, 2018	11
4	January 30, 2019	10

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

a) **Shri Vijay Kumar Goel,** Chairman of the Company. He is well known Sugar Technologist and Entrepreneur with vast experience of around 59 years and has been associated with the Company since 1960 as Promoter Director. He has held different positions in the sugar industry forums including President of Indian Sugar Mills Association (ISMA), an apex body of sugar manufacturers of India. An avid sportsperson, he has been the founder President of Delhi Squash Association.

Age:	79 Years
Experience:	59 years.

Directorship in other companies:

1.	Goel Investments Limited
2.	Delton Cables Limited
3.	Saraswati Properties Limited
4.	Khandelwal Laboratories Private Limited

b) **Shri Ashok Kumar Goel,** Vice Chairman of the Company. He is having vast years of experience of around 50 years. He has been President of Indian Sugar Mills Association (ISMA) and also the President of U.P. Sugar Mills Association (UPSMA). He is also the Founder President of Indian Agro Paper Mills Association (IAPMA). He has represented India at the Bridge Olympiad and the Bermuda bowl. He has been associated with the Company as a Promoter Director since 1969.

Age:	73 Years
Experience:	50 years.

Directorship in other companies:

1.	Goel Investments Limited
2.	RKBK Limited

c) **Shri Gaurav Goel,** Promoter and Managing Director of the Company. He is a business Management Graduate from the American College of London, United Kingdom. He is having more than two decades Sugar Industry experience and has been associated with Board since 1994. Shri Gaurav Goel has been the President Indian Sugar Mills Association during the year 2017-18 and was also the President of the Entrepreneurs Organisation (EO), Delhi Chapter and has been the president of the Young President Organisation

(YPO) Delhi Chapter during 2012-13.

Age:	46 Years
Experience:	25 years.

Directorship in other companies/body corporate:

1.	Goel Investments Limited
2.	Shudh Edible Products Limited
3.	Mangalam Cement Limited
4.	Venus India Asset- Finance Private Limited
5.	Dhampur International Pte Ltd. (Singapore)
6.	Dhampur Global Pte Ltd. (Singapore)
7.	Venus India Structured Finance (Offshore) Fund Limited , Tortola
8.	Venus India Structured Finance Master Fund Limited, Tortola
9.	Indian Sugar Exim Corporation Limited
10.	YPO Greater Foundation
11.	VCM Portfolio Management Services Private Limited

d) **Shri Gautam Goel,** Promoter and Managing Director of the Company. He has been affiliated with the Company and served on the Board since 1994. Shri Gautam Goel has over more than two decades of experience in the sugar industry. He has been the President of the Indian Sugar Mills Association during the year 2011-12.

Age:	45 Years
Experience:	24 years.

Directorship in other companies/body corporate:

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

e) **Shri Sandeep Kumar Sharma,** Whole Time Director of the Company. He has been associated with the Company since 1980 and has over three decades of experience in administration and operations of sugar mills, power generation plants and chemical plants. He has done Mechanical Engineering from Government Polytechnic, Moradabad.

Age:	61 Years
Experience:	39 years.

Directorship in other companies: None

f) **Shri Mahesh Prasad Mehrotra,** Independent Director of the Company. He is a Chartered Accountant with experience of over 49 years in the field of finance and taxation. He has wide exposure as an Auditor and Tax consultant and is an expert in Companies Act and Income Tax Act. He is the founder partner of Mehrotra & Mehrotra and has been the member of several prominent organizations such as Central Board of Trustees, Employees Provident Fund Organization (EPFO), Ministry of Labour, Govt. of India, Task force for MOUs, Ministry of Heavy Industries & Public Enterprises, Govt. of India, Advisory Committee, Handlooms Ministry of Textiles, and Govt. of India. PHDCCI and ASSOCHAM and several others. He has been the Director of Canara Bank and Trustee, Cochin Port Trust.

Age:	82 Years
Experience:	50 years.

Directorship in other companies:

1.	VLS Capital Limited
2.	Delton Cables Limited
3.	VLS Finance Limited
4.	South Asian Enterprises Limited
5.	Moonrock Hospitality Private limited
6.	Jinbhuvish Power Generations Private Limited
7.	Big Wong Hospitality Private Limited
8.	VLS Commodities Private Limited
9.	SBI Pension Funds Private Limited
10.	Baroda Asset Management India Limited
11.	Maxim Infracon Private Limited
12.	Vinu Promoters Private Limited

g) **Shri Ashwani Kumar Gupta,** Independent Director. He is Chartered Accountant and has vast experience of more than 40 years in the field of Finance, Treasury, Real Estate, Securitization, and Re-Construction of Assets. He is expert in Sugar, Hospitality and Leasing Industry and is on the Board of various prestigious Companies. He has been Government Nominee on the Board of Joint Sector Companies and RBI nominee on the Board of Bank.

Age:	65 Years
Experience:	41 years.

Directorship in other companies:

1.	PNB Housing Finance Limited
2.	Mani Capitals Limited
3.	Kapareva Development Private Limited
4.	A K G Consultants Private Limited
5.	Ashlay Infrastructure Private Limited
6.	Ganga Heritage Resorts Private Limited
7.	Mani Infraconsultancy LLP
8.	Real Value Developers LLP
9.	Kapes Commercials LLP
10.	Saar Dwellings LLP
11.	Mani Infradev LLP
12.	Lallooji And Sons Private Limited
13.	Verdant Estuary Retreat Private Limited
14.	Best Techno Parks Private Limited
15.	Mani Foundation Trust
16.	i Care India Foundation
17.	Balaji Sri Venkataswara Temple Society
18.	Bhavrao Devras Seva Nyas

h) **Shri Priya Brat,** Independent Director. He is a science graduate and has strong experience in the field of banking and finance. He has been a banker since 1959 and retired as Dy. MD of State Bank of India. During his remarkable career he has been associated with several major financial institutions. He has been on the Boards of State Bank of Patiala. State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Travancore, State Bank of Saurashtra, M. P. State Development Corporation, M. P. State Electronic Development Corporation and OPTEL.

Age:	84 Years
Experience:	60 years.

Directorship in other companies:

1.	Dhanuka Agritech Limited
2.	South Asian Enterprises Limited

i) **Shri Rahul Bedi,** Independent Director. He is an experienced Journalist and worked as Indian Correspondent for the Daily Telegraph, UK and Irish Times, Dublin. He specializes in military and security related issues. An MA in English literature from Delhi University and also went to Oriel College, Oxford as the Retuers Fellow in the mid 1980's. He has co-authored several Books.

Age:	67 Years
Experience:	40 years.

Directorship in other companies: Nil

k) **Shri Harish Saluja,** Independent Director. Shri Harish Saluja is a science graduate from Agra University and has a post-graduation certificate in business management from the Scottish College of Commerce. He also holds a diploma in marketing from the Institute of Marketing and Sales Management and has qualified Graduation Examination Final certificate from the British Institute of Management.

Age:	80 Years
Experience:	40 years.

Directorship in other companies:

1.	Revive Realty Limited
2.	Revive Containers Private Limited
3.	Saraswati Properties Limited
4.	Revive Infra Private Limited
5.	Jai Ambe Land Infrastructure Private Limited
6.	Jalaram Land Infrastructure Private Limited
7.	Vajra Land Infrastructure Private Limited

Information placed before the Board:

The Company provides information to the Board and Board Committees as set out in Regulation 17 read with Part A of Schedule II of SEBI Listing Regulations, 2015 and as amended to the extent applicable and relevant. Such information is submitted either as part of the agenda papers of the respective meeting or by way of presentations and discussions during the meeting.

Post Meeting Mechanism

The important decisions taken at the Board/Board Committee meetings are communicated to the concerned departments/ divisions, for follow up/ compliances.

Board Support

The Company Secretary attends the Board and Committee meetings and advises the Board on compliances with applicable laws and governance.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and applicable provisions of the Listing Regulations, the Board has carried out the evaluation of its own performance and that of the Board Committees, viz. Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders' Relationship Committee as well as evaluation of the performance of Directors individually. 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, corporate governance practices and stakeholders' interests, etc. 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, meeting risk management and competition challenges, compliance and due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of all the Directors including Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and Non-Independent Directors and also of the Board was carried out by the Independent Directors. The Nomination and Remuneration Committee also carried out evaluation of every Director's performance after laying down criteria for evaluation by way of the aforesaid structured questionnaire. The Directors expressed satisfaction with the evaluation process and results thereof.

Independent Directors Meeting

During the year under review, The Independent Directors met on 30th January, 2019 inter alia, to:

1. Review the performance of Non-Independent Directors and the Board as a whole,
2. Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
3. Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Familiarisation Programme for Directors:

The Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

The newly appointed Director is apprised of his/her role, duties, functions and responsibilities expected of him/her while acting as Director of the Company.

The Directors have been explained the compliance required from them under Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Details of Familiarisation programme for Directors are available on the Company's website www.dhampur.com.

Insider Trading Code:

The SEBI (Prohibition of Insider Trading) Regulations, 2015, (as amended from time to time) are applicable to Promoters and Promoters Group, all Directors and Designated Persons and Connected Persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance officer for monitoring adherence to the said regulations. This Code of Conduct for Regulation, Monitoring and Reporting of Insider Trading is displayed on the Company's website i.e. www.dhampur.com.

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended). This code is displayed on the Company's website i.e. www.dhampur.com.

Audit Committee:

The powers, role and terms of reference of the Audit Committee cover the areas as contemplated under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (as amended) and Section 177 of the Companies Act, 2013 and such other functions as may be specifically delegated by the Board from time to time. The powers include investigating any activity within its terms of reference; seeking information from any employee; obtaining outside legal or other professional advice; and securing attendance of outsiders with relevant expertise, if considered necessary. The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible; recommending the appointment, re-appointment, if required, replacement or removal of statutory auditors, fixation of audit fees and approval of payment for any other services, as permitted; reviewing the adequacy of internal audit function; discussing with internal auditors any significant findings and follow-up thereon; reviewing with the management annual and quarterly financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the Auditors independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; and reviewing the functioning of the whistle blower mechanism.

The constitution of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013. The members of the Audit Committee comprise Managing Director and three Independent Non-Executive Directors.

During the period from April 01, 2018 to March 31, 2019, four committee meetings were held on May 09, 2018, August 07, 2018, October 31, 2018 and January 29, 2019.

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

Sl. No.	Name of Directors	Position	Category	Meetings attended
1	Shri Mahesh Prasad Mehrotra	Chairman	Independent Director	4
2	Shri Gaurav Goel	Member	Managing Director	4
3	Shri Ashwani Kumar Gupta	Member	Independent Director	4
4	Shri Priya Brat	Member	Independent Director	4

The Company Secretary acts as the Secretary to the Committee.

The Meetings were attended by the Statutory Auditors and Chief Financial Officer of the Company as invitees.

The Committee, inter-alia, reviewed the Financial Statements including Auditors' Reports for the year ended March 31, 2019 and recommended its adoption, records of related party transactions, reports related to compliance of laws and risk management.

Nomination and Remuneration Committee

The powers, role and terms of reference of the Nomination and Remuneration Committee cover the areas as contemplated under Regulation 19 of the Securities and Exchange Board of India (Listing obligation and Disclosure requirements) Regulation 2015 (as amended) and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy, relating to the remuneration of Directors and Key Managerial Personnel; formulation of criteria for evaluation of all Directors including Independent Directors, Chairman of the Board and the Board itself and its committees; devising a policy on Board diversity; and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment and removal.

Remuneration Policy

The objective and broad framework of the Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of performance, potential and growth. The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasising on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and achievement of superior operational results. The Nomination and Remuneration Committee recommends the remuneration of Directors which is approved by the Board of Directors, subject to approval of shareholders, where necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the Directors and Key Managerial Personnel and to ensure high standard of quality and efficiency required to run the Company successfully. The relationship of remuneration to performance is clearly framed in order to meet appropriate performance benchmarks. The remuneration to Directors, Key Managerial Personnel and senior management personnel is also intended to ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

During the period from April 01, 2018 to March 31, 2019, three Committee Meetings were held on August 07, 2018, October 31, 2018 and January 30, 2019.

Details of the composition of Nomination and Remuneration Committee and the attendance at the meetings held is as follows:

Sl. No.	Name of Directors	Position	Category	Meetings attended
1	Shri Mahesh Prasad Mehrotra	Chairman	Independent Director	3
2	Shri Harish Saluja	Member	Independent Director	2
3	Shri Ashwani Kumar Gupta	Member	Independent Director	3
4	Shri Priya Brat	Member	Independent Director	3

The Company Secretary acts as the Secretary to the Committee.

Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees for each Meeting of the Board or Committee of Directors Meeting attended by them and Commission to Non-Executive Independent Directors, subject to approval by the shareholders. The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman, Vice Chairman, Managing Director and Whole-time Director are governed by the recommendation of the Nomination & Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package including increments of Chairman and Managing Director and Whole-time Director comprises salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings.

Presently, the Company does not have any Stock Options Scheme for its Directors or Employees.

Details of remuneration to the Directors for the year ended March 31, 2019:

Name of Directors	Salary (₹)	Benefits (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Service Contract/Notice Period/ Severance Fees
Shri Vijay Kumar Goel	1,31,24,988	19,91,175	-	4,00,00,000	-	Term valid till March 31, 2020 and proposed for re-appointment for another term of 3 years from April 01, 2020 till March 31, 2023. No Notice period and no severance fees.
Shri Ashok Kumar Goel	1,31,24,988	16,74,463	-	4,00,00,000	-	Term valid till March 31, 2020 and proposed for re-appointment for another term of 3 years from April 01, 2020 till March 31, 2023. No Notice period and no severance fees.
Shri Gaurav Goel	1,31,24,988	16,85,515	-	4,00,00,000	-	Term valid till March 31, 2020 and proposed for re-appointment for another term of 3 years from April 01, 2020 till March 31, 2023. No Notice period and no severance fees.
Shri Gautam Goel	1,31,24,988	13,36,271	-	4,00,00,000	-	Term valid till March 31, 2020 and proposed for re-appointment for another term of 3 years from April 01, 2020 till March 31, 2023. No Notice period and no severance fees.

Name of Directors	Salary (₹)	Benefits (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Service Contract/Notice Period/ Severance Fees
Shri Sandeep Kumar Sharma	73,53,060	4,83,821	-	-	-	Term valid till March 31, 2020 and proposed for re-appointment for another term of 3 years from April 01, 2020 till March 31, 2023. No Notice period and no severance fees.
Shri Ashwani Kumar Gupta	-	-	-	-	2,40,000	Term valid till September 25, 2019 and proposed for re-appointment for another term of five years from 84th Annual General Meeting till September 01, 2024. No Notice period and no severance fees.
Shri Mahesh Prasad Mehrotra	-	-	-	-	2,10,000	Term valid till September 25, 2019 and proposed for re-appointment for another term of five years from 84th Annual General Meeting till September 01, 2024. No Notice period and no severance fees.
Shri Harish Saluja	-	-	-	-	1,20,000	Term valid till September 25, 2019 and proposed for re-appointment for another term of one year from 84th Annual General Meeting till September 01, 2020. No Notice period and no severance fees.
Shri Rahul Bedi	-	-	-	-	50,000	Term valid till September 25, 2019 and proposed for re-appointment for another term of one year from 84th Annual General Meeting till September 01, 2020. No Notice period and no severance fees.
Shri Priya Brat	-	-	-	-	2,40,000	Term valid till September 25, 2019 and proposed for re-appointment for the term of two years from 84th Annual General Meeting till September 01, 2021. No Notice period and no severance fees.
Ms. Nandita Chaturvedi	-	-	-	-	90,000	Term valid till September 10, 2020. No Notice period and no severance fees.
Shri Mahendar	-	-	-	-	60,000	Nominee Director, PNB

Stakeholder's Relationship Committee

The Committee looks into redressal of Shareholder's/Investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, among others. It also reviews issue of duplicate share certificates and oversees and reviews all matters connected with the Company's transfers of securities. It oversees the performance of the Company's Registrar and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. Besides, it monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended). The Board has delegated the power of approving transfer of securities to Shri Gaurav Goel, the Company's Managing Director.

Besides, The Committee has such term of reference, role, responsibility and powers as specified in Section 178 of the Companies Act, 2013 and in the Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulation, 2015, as amended from time to time.

During the period from April 01, 2018 to March 31, 2019, four committee meetings were held on May 09, 2018, August 07, 2018, October 31, 2018 and January 30, 2019.

During the year, the committee was reconstituted on October 31, 2018 and the details of the composition of the Stakeholder's Relationship Committee and the attendance at the meetings held is as follows:

Sl. No.	Name of Directors	Position	Category	Meetings attended
1	Shri Ashwani Kumar Gupta	Chairman	Independent Director	4
2	Shri Priya Brat	Member	Independent Director	4
3	Shri Harish Saluja	Member	Independent Director	3
4	Shri Sandeep Kumar Sharma*	Member	Whole Time Director	1

The Company Secretary also acts as the Secretary to the Committee.

*appointed w.e.f. October 31, 2018.

Status of Investors' Grievances:

The total number of correspondence/complaints received during the year were 284 and all of them have been dealt with to the satisfaction of shareholders during the period ended March 31, 2019. No demat request/transfer was pending as on that date.

Compliance Officer

Ms. Aparna Goel, Company Secretary, is the Compliance Officer of the Company.

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

FINANCE SUB COMMITTEE

The Company has formed a Non-Mandatory Committee named Finance- Sub Committee of Directors comprising Shri Vijay Kumar Goel, Chairman, Shri Gaurav Goel, Managing Director, Shri Gautam Goel, Managing Director and Shri Mahesh Prasad Mehrotra, Independent Director.

Terms of Reference of the Committee includes the following:

- To borrow money/monies, from time to time, for the requirements of the Company from Banks / Financial Institutions.
- To enter into any agreements for subscription of Shares, Debentures/ Preference Shares by way of Private Placement,
- To authorize any person(s) on behalf of the Company to appear before any statutory authority/authorities and to take necessary action in that matter.
- To open and close bank account(s) of the Company and pass necessary resolutions with respect to their operations, modifications and operating authority and closure of the account(s),
- To authorize affixing of common seal as may be required for execution of any document/ of issued securities and do all acts and deeds as may be required including agreement.
- To make allotment, listing of securities, dematerialization, etc.
- To perform such other function in order to facilitate business affairs of the Company.

During the period from April 01, 2018 to March 31, 2019, twelve Committee meetings were held on April 20, 2018, May 09, 2018, May 10, 2018, June 05, 2018, June 26, 2018, August 08, 2018, September 25, 2018, October 22, 2018, November 15, 2018, November 29, 2018, January 29, 2019 and February 22, 2019.

Corporate Social Responsibility Committee

As per the requirement of Companies Act, 2013, the Committee named as Corporate Social Responsibility Committee (CSR Committee) comprising three Directors Shri Vijay Kumar Goel, Chairman, Shri Gaurav Goel, Managing Director and Shri Mahesh Prasad Mehrotra, Independent Director.

The Committee's responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of Corporate Social Responsibility policy as specified in Schedule VI of the Companies Act, 2013.

The Company formulated CSR policy, which is uploaded on the website of the Company (web link www.dhampur.com).

The CSR committee met twice during the year on May 09, 2018 and October 31, 2018.

Disclosures and Affirmation

a. **Compliance with Mandatory Requirements:**

The Company is in compliance with all requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

b. **Related Party Transactions**

All transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant related party transactions during the year.

Related Party transactions have been disclosed in the notes to accounts forming part of financial statements. A statement detailing transactions with related parties in the ordinary course of business and on arm's length basis is placed before the Audit Committee periodically for its review.

Pursuant to the requirement of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at www.dhampur.com.

None of the transactions of the Company with related parties was in conflict with the interest of the Company.

c. **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with all the requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchange or any statutory authority, on any matter related to capital markets, during the last three years.

d. **Whistle Blower policy/ Vigil Mechanism**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters are to be disclosed to the Whistle Blower Committee formed for the purpose. Employees can also report such matter to the Chairman of the Audit Committee. During the year under review, no such report was received by the Whistle Blower Committee neither was any employee denied access to the Audit Committee.

e. **Disclosure of Accounting Treatment:**

The Company has followed the Accounting Standards referred to in Section 133 of Companies Act, 2013 and other applicable laws and regulations for the preparation of financial Statements. The significant accounting policies applied have been set out in the notes to the financial statements.

f. **Risk Management:**

The Company has laid down procedures for Risk Assessment and Minimization, and the same are periodically reviewed by the Board. The Company has adequate internal control systems to identify risk and ensuring their effective mitigation.

g. **Commodity price risk or foreign exchange and hedging activities:**

Sugar being a commodity, Sugar price risk is one of the important risks for the Company. The Company's profitability gets affected during downturn due to higher production than demand in the Country. The commodity risk of the Company in sugar is mitigated by diversification into Cogeneration and Distillery/Chemical segments.

The Company's operations are mainly in India and foreign exchange exposure is not substantial. The Company hedges its foreign exchange exposure, protecting its financials from foreign exchange fluctuations.

h. **Compliance with Secretarial Standards**

The Company complies with all the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

i. **Code of Conduct:**

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

j. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

During the year the Company has not raised the funds through preferential allotment or qualified institutions placement.

k. **Credit Rating:-**

CARE Ratings, a Credit Agency has assigned the Credit rating of "CARE A - (Single A Minus; Outlook;) Stable" For long term Credit Facilites from banks and Fixed Deposits of the Company.

l. **Fees payable to Statutory Auditors and Other Auditors**

Total fees paid to the Statutory Auditors and entities in their network firm for all services received by the Company during the financial year 2018-19 and fees paid to the other Auditors is detailed hereunder:

Sl. No.	Particulars	Amount (In ₹)
1	Payment to Statutory Auditors	20,50,000
2	Payment to Secretarial Auditors	6,00,000
3	Payment to Cost Auditors	1,50,000
4	Payment to Internal Auditors	13,00,000

m. **Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required in the relevant Financial Year:** - Not Applicable.

n. **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

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

The following is a summary of sexual harassment complaints received and disposed during the year 2018-19.

No. of complaints filed during the Financial Year	Nil
No. of complaints received	Nil
No. of complaints disposed	Nil

o. **Non- Mandatory Requirements:**

Adoption of non- mandatory requirements of the Listing Regulations is being reviewed by the Board from time to time.

p. **Discretionary Requirements**

i. **The Board:** The Company does not bear any expenses of Non-Executive Chairman's Office. Since the Company has an Executive Chairman.

ii. **Shareholders Rights:** The quarterly/half-yearly results are published in the newspapers and hosted on the Company's website www.dhampur.com and are filed to the Stock Exchanges electronically through NEAPS portal on NSE and BSE listing Centre with BSE Limited. The same are not sent to shareholders individually.

iii. **Audit Qualifications:** The Company strives towards ensuring unqualified financial statements. There are no qualifications to the Auditor's Report for the year under review.

iv. **Separate posts of Chairman and Managing Director / CEO:** The Company has different persons for the post of Chairman and Managing Director.

v. The Internal Auditors of the Company report directly to the Audit Committee.

Subsidiary:

The Company does not have any material subsidiary as defined under Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However Policy for Determining Material subsidiaries has been formulated and uploaded on the website of the Company i.e. www.dhampur.com.

Shareholder's Information:

General Meetings:

Details of last three Annual General Meetings are as follows:

AGM	Financial Year	Location	Date and Time	Details of Special Resolution Passed
83rd	2017-18	Registered Office of the Company at Dhampur, Distt. Bijnor, U.P.	August 30, 2018, 2.00 p.m	• Continuation of the term of Shri Priya Brat, Non-Executive Independent Director of the Company. • Continuation of the term of Shri Mahesh Prasad Mehrotra, Non-Executive Independent Director of the Company. • Continuation of the term of Shri Harish Saluja, Non-Executive Independent Director of the Company.
82nd	2016-17	Registered Office of the Company at Dhampur, Distt. Bijnor, U.P.	August 28, 2017, 2.00 p.m	• Invitation and Acceptance of Fixed Deposits from the Members and Public. • Payment of Commission to Non-Executive Directors of the Company. • Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. • Re-appointment of Shri Vijay Kumar Goel, Chairman and Executive Director of the Company and to fix his remuneration. • Re-appointment of Shri Ashok Kumar Goel, Vice Chairman and Executive Director of the Company and to fix his remuneration. • Re-appointment of Shri Gaurav Goel, Managing Director of the Company and to fix his remuneration the Company and to fix his remuneration. • Re-appointment of Shri Gautam Goel, Managing Director of the Company and to fix his remuneration. • Re-appointment of Shri Sandeep Kumar Sharma, Whole Time Director of the Company and to fix his remuneration.
81st	2015-16	Registered office of the Company at Dhampur, Distt. Bijnor (U.P.)	August 30, 2016, 2.00 p.m	• Invitation and Acceptance of Fixed Deposits from the members and public.

Whether any Special Resolution was passed last year through Postal Ballot: - No.

Whether any Special Resolution is proposed through postal ballot: - No.

Annual General Meeting for the Financial Year 2018-19

Day and Date of 84th AGM	Monday, September 02, 2019
Time	2.00 P.M.
Venue (Registered office)	Sugar Mill Compound, Dhampur, Dist. Bijnor, U.P.
Financial Year	April 01, 2018 to March 31, 2019.
Book Closure	August 27, 2019 to September 02, 2019 (both days inclusive)
Last Date of receipt of Proxy Form	August 31, 2019 before 2.00 p.m.

Tentative financial calendar for the financial year ending March 31, 2020:

The tentative dates for Board meetings for consideration of quarterly financial results are as follows:

Sl. No.	Particulars of quarters	Tentative Dates
1	June 30, 2019	In or after last week of July, 2019
2	September 30, 2019	In or after last week of October, 2019
3	December 31, 2019	In or after last week of January, 2020
4	March 31, 2020	In or before last week of May, 2020

Dividend

During the period under review, The Company had declared and paid Interim Dividend @35% i.e.₹3.50 per Equity Share of ₹10 each.

Your directors are pleased to recommend Final Dividend @30% i.e₹3.00 per Equity Share of ₹10 each subject to approval of shareholders in ensuing Annual General Meeting.

Therefore total dividend for the Financial Year 2018-19 will be 65% i.e.₹ 6.50 per Equity Share of ₹10 each consequent to approval of Final Dividend by the shareholders in the ensuing General Meeting of the Company.

The Dividend if declared, shall be paid on or after September 09, 2019. The Dividend shall be paid to those shareholders whose names appear in the register of members as on August 26, 2019 in respect of physical shareholders and whose names appear in the list of Beneficial Owner as on August 26, 2019, furnished by NSDL and CDSL for this purpose.

Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account:

In terms of the provisions of the Section 124(6) of the Act, read with Investor Education and Protection fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) ("the rules") and other applicable rules, notifications and circulars, if any, requiring every Company to transfer the shares, in respect of which dividend remains unpaid/unclaimed for a period of seven (7) consecutive years to the Demat account of the IEPF authority ("the IEPF Demat Account"). The Company has given individual as well as newspaper notices to the shareholders holding shares relating to which they have not encashed their dividend since 2011-12 stating, that such shares are liable to be transferred by the Company to IEPF under the said Rules. The Company has also uploaded the necessary details in this respect on its website at www.dhampur.com. Hence such shareholders are requested to take necessary actions to avoid transfer of their shares.

Distribution of Shareholding as on March 31, 2019:

Shareholding Range (No. of Shares)	No. of Holders	% of total Holders	No. of Shares held	% of total Shares
1 to 100	26905	69.012	989823	1.491
101 to 500	8608	22.08	2111654	3.181
501 to 1000	1526	3.914	1226164	1.847
1001 to 5000	1435	3.681	3239274	4.879
5001 to 10000	223	0.572	1614231	2.432
10001 to 20000	107	0.274	1522489	2.293
20001 to 30000	55	0.141	1356186	2.043
30001 to 40000	23	0.059	816199	1.229
40001 to 50000	20	0.051	933597	1.406
50001 to 100000	33	0.085	2373321	3.575
100001 to 500000	34	0.087	7537678	11.354
500001 to ABOVE	17	0.044	42666974	64.27
TOTAL	**38986**	**100**	**66387590**	**100**

Shareholding Pattern as on March 31, 2019

S.No	Category	Holding	%
1	Promoter (including individuals, HUF, corporate bodies)	32585637	49.08
2	Mutual Funds	665	0.00
3	Banks/FI/AIF	886471	1.34
4	Central Government	165571	0.25
5	Foreign Portfolio Investors	2579525	3.89
6	Corporate Bodies/Clearing Member	3844521	5.79
7	Resident Indian Public/Resident HUF	25868345	38.96
8	NRI/OCB/Foreign Nationals	439384	0.66
9	NBFC	17459	0.03
10	Trust	12	00
	Grand Total	**66387590**	**100**

Dematerialisation of Shares and Liquidity

Over 99.57 per cent of the outstanding shares have been dematerialized up to March 31, 2019. Trading in equity shares of the Company is permitted only in dematerialised form w.e.f October/November, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

The Equity Shares having ISIN No. INE041A01016 are available for dematerialisation with either of the depositories i.e. NSDL and CDSL.

The Company has no Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

Listing:

The Company's shares are listed on the following Stock Exchanges and the Listing fees have been paid to the Exchanges:

Stock Exchange	Stock Code
BSE Limited, P.J. Towers, Dalal Street, Mumbai- 400001	500119
National Stock Exchange of India Limited (NSE), Exchange plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	DHAMPURSUG

Stock market data from April 01, 2018 to March 31, 2019

Months	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
March, 2019	252.75	205.60	252.20	206.00
February, 2019	247.20	163.00	247.60	160.05
January, 2019	189.00	156.25	188.60	156.60
December, 2018	171.70	140.15	172.00	141.20
November, 2018	179.30	142.90	181.15	143.45
October, 2018	171.20	101.00	171.15	100.05
September, 2018	153.50	82.50	153.45	82.55
August, 2018	99.45	83.80	99.25	84.40
July, 2018	89.70	71.70	90.15	72.00
June, 2018	108.80	79.10	108.80	79.55
May, 2018	107.50	74.25	107.15	74.00
April, 2018	146.50	84.65	146.35	84.45

Share price performance in comparison to broad based indices-BSE Sensex and NSE NIFTY as on April 01, 2018 and March 31, 2019.

FY 2018-19	BSE		NSE	
	DSML	Sensex	DSML	Nifty
April 01, 2018	136.65	33255.36	136.15	10114
March 31, 2019	233.05	38672.91	232.95	11624

Means of Communication

I. The Company's Quarterly Financial results in the proforma prescribed by the Stock Exchanges pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved and taken on record by the Board of Directors and submitted to the Stock Exchanges.

II. The results are normally published in Business Standard/ Financial Express/Economic Times (in English) and Business Standard/Jansatta/ Amar Ujala/Veer Arjun (in Hindi).

III. The Company's financial results and official press releases are displayed on Company's website (www.dhampur.com) within the time prescribed in this regard.

IV. The Company's website also displays presentations, if any made to the media, analysts, institutional investors, Fund Managers, etc. from time to time.

V. The quarterly results, shareholding patterns, periodical compliances and all other corporate communications to the Stock Exchanges viz. National Stock Exchange of India Limited and BSE Limited are filed electronically to them through NEAPS portal on NSE and BSE listing Centre with BSE.

Share Transfer System:-

The transfer of shares in physical form is processed and completed by Registrar and Transfer Agent within stipulated time, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

Address for Investors Correspondence:

Correspondence with Company

Ms Aparna Goel
Company Secretary
Dhampur Sugar Mills Limited,
241 Okhla Industrial Estate,Phase – III, New Delhi 110 020
Ph.: 011-30659400, Fax: 011-26935697
E-mail: investordesk@dhampur.com

Correspondence with Registrar and Share Transfer Agents

M/s Alankit Assignments Limited, Alankit House,
3E/7 Jhandewalan Extension, New Delhi 110 055
Ph: 011 – 42541234, 23541234, Fax : 011- 42541201
E- mail : rta@alankit.com

Plant Locations:

Unit	Location	Division
1	Dhampur, Dist. Bijnor (U.P.)	Sugar, Co-generation and Distillery
2	Asmoli, Dist. Sambhal (U.P.)	Sugar, Co-generation and Distillery
3	Mansurpur, Dist. Muzaffarnagar (U.P.)	Sugar and Co-generation
4	Rajpura, Dist. Sambhal (U.P.)	Sugar and Co-generation
5	Meerganj, Dist. Bareilly (U.P)	Sugar and Co-generation

Declaration regarding Compliance with Code of Conduct

As provided under Regulation 26 (3) of SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015, all the Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct and Ethics of the Company for the year ended March 31, 2019.

For Dhampur Sugar Mills Limited

Date: May 20, 2019 **Gaurav Goel**
Place: New Delhi *Managing Director*

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

We undersigned, in our respective capacities as Managing Director and Chief Financial officer of Dhampur Sugar Mills Limited, to the best of our knowledge and belief, certify that;

a. We have reviewed the Balance Sheet, Profit and Loss Account, Cash Flow Statement and the Board's report for the period from April 01, 2018 to March 31, 2019 and based upon our knowledge and information certify that:-

   i. These statements do not contain any materially untrue statement or omit any material fact or contain the statement that might be misleading,

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and other applicable laws and regulations.

b. There are, to best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept the responsibility for establishing and maintaining internal control for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or to take to rectify these deficiencies.

d. We have indicated to Auditors and the Audit Committee of the Board that there have been:

   i. no significant changes in internal control over the financial reporting during the period,

   ii. no significant changes in accounting policies during the year and same have been disclosed in the notes to the Financial Statements.

   iii. no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Dhampur Sugar Mills Limited

Gaurav Goel
Managing Director

Nalin Kumar Gupta
Chief Financial Officer

Place: New Delhi
Date: May 20, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Dhampur Sugar Mills Limited

1. We have examined the compliance of conditions of Corporate Governance by Dhampur Sugar Mills Limited ('the Company'), for the year ended March 31, 2019, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended March 31, 2019.

   We 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.

Restrictions on use

6. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For GSK & Associates
(Company Secretaries)

Saket Sharma
Partner
(C.P. No.: 2565)

Date: May 20, 2019
Place: New Delhi

CERTIFICATE UNDER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We have checked the records of **Dhampur Sugar Mills Limited (CIN: L15249UP1933PLC000511)**, information available at the official website of Ministry of Corporate Affairs and Securities Exchange Board of India. On the basis of such checks, information provided, documents furnished and explanations given by the Company, we hereby certify that the none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority as may be specified.

For GSK & Associates
Company Secretaries

Saket Sharma
(Partner)
C.P. No: 2565
M. No: F4229

Date: May 20, 2019
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Dhampur Sugar Mills Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Dhampur Sugar Mills Limited** (hereinafter referred to as "the Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries as referred to in 'Other Matters' paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matters

We did not audit the financial statements of three subsidiaries of the Company viz Dhampur International Pte Ltd., EHAAT Limited and DETS Limited considered in the preparation of the Consolidated Financial Statements and which together constitutes total assets of ₹137.84 Crores as at March 31, 2019, total revenue of ₹270.23 Crores and total comprehensive loss (comprising of loss and other comprehensive loss) of ₹3.31 Crores for the year ended March 31, 2019. These above Financial statements and other financial information have been audited by other firm of Chartered accountants whose reports have been furnished to us, and our opinion solely based on the report of such auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of inventory of sugar:	
As on March 31, 2019, the Group has inventory of sugar with a carrying value ₹1496.80 crores. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the value of the inventory of sugar as a key audit matter given the relative value of inventory in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, and fluctuation in selling prices, MIEQ obligation and the related notifications of the Government in valuation of NRV.	We understood and tested the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar. We considered various factors including the prevailing selling price during and subsequent to the year end, minimum selling price & monthly quota, MIEQ obligation and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole. Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year-end and comparison with cost for valuation of inventory is considered to be reasonable.
Impact of government policies/ notifications on recognition of subsidy accruals/claims and their recoverability	
During the year the Group has recognised subsidy claims amounting to ₹77.98 crores in terms of Schemes notified by the Central Government to offset the cane cost for sugar season 2018-19 and ₹29.58 crores for defraying expenditure towards internal transport, freight, handling and other charges on export.. We considered this as a key audit matter because recognition of subsidy claim is subject to satisfaction of certain conditions mentioned in the related notification. Assessment of recoverability of the claims is subject to significant judgement of the management including certainty with respect to the satisfaction of conditions specified in the notifications/policies, collections thereof.	We understood and tested the design and operating effectiveness of controls as established by management in recognition and assessment of the recoverability of the claims. We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/policies and collections. We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of accruals/claims, adjustments to claims already recognized pursuant to changes in the rates and basis for determination of claims. Based on the above procedures performed, the management's estimates related to recognition of subsidy accruals/claim and there recoverability are considered to be reasonable.
Deferred tax asset relating to MAT Credit Entitlement :	
The Holding Company has recognised deferred tax asset relating to MAT credit entitlement. The recoverability of this deferred tax asset relating to MAT credit entitlement is dependent upon the generation of sufficient future taxable profit to utilise such entitlement within the stipulated period prescribed under the Income Tax Act,1961. We identified this as a key audit matter because significant judgement is required in forecasting future taxable profits for recognition of deferred tax asset relating to MAT credit entitlement.	We have assessed the management's judgement relating to the forecasts of future revenue, taxable profits and evaluated the reasonableness of the considerations/assumptions underlying the preparation of these forecasts. Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement are considered adequate and reasonable.

Key Audit Matter	How our audit addressed the Key Audit Matter
Contingent Liabilities	
There are number of litigations pending before various forums against the Group and management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias.	We have obtained an understanding of the Group's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures: - understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; - discussing with management any material developments and latest status of legal matters; - read various correspondences and related documents pertaining to litigation cases produced by the management and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; examining management's judgements and assessment of whether provisions are required; considering the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote; - reviewing the adequacy and completeness of disclosures; Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditor's report thereon. The aforesaid report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the company's annual report If, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall take appropriate actions, if required.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account.

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

   (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries as on March 31, 2019 taken on record by the Board of Directors of the respective companies, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiaries to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) 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 Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note - 38 to the consolidated financial statements;

      ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For Atul Garg & Associates
Chartered Accountants
Firm Registration No.001544C

Atul Garg
Partner
Membership No. 070757

Place: New Delhi
Date: May 20, 2019

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.006711N/N500028

Neena Goel
Partner
Membership No. 057986

Place: New Delhi
Date: May 20, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our report of even date to the members of Dhampur Sugar Mills Limited on the consolidated financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to consolidated financial statements of Dhampur Sugar Mills Limited ("the Holding Company") and its subsidiaries which are incorporated in India as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Holding Company and its subsidiaries which are incorporated in India for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiaries, which are incorporated in India, 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 (ICAI). 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 ICAI. 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 with reference to financial statement 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 control with respect to financial statements and their operating effectiveness. Our audit of internal financial control with respect to financial statements included obtaining an understanding of internal financial with respect to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 (3) 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal with reference to financial statements criteria established by the Holding Company and its subsidiaries which are incorporated in India, considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Atul Garg & Associates	**For T R Chadha & Co LLP**
Chartered Accountants	*Chartered Accountants*
Firm Registration No.001544C	Firm Registration No.006711N/N500028
Atul Garg	**Neena Goel**
Partner	*Partner*
Membership No. 070757	Membership No. 057986
Place: New Delhi	Place: New Delhi
Date: May 20, 2019	Date: May 20, 2019

Consolidated Balance Sheet as at March 31, 2019

(₹ in Crore)

			Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
	ASSETS					
(1)	Non - current assets					
	(a)	Property, plant and equipment		4	1,593.91	1,594.13
	(c)	Capital work - in - progress		5	33.95	24.13
	(b)	Other Intangible assets		6	3.25	3.28
	(d)	Biological asset		7(i)	#	#
	(e)	Financial assets				
		(i)	Investments	8	11.76	1.94
		(ii)	Loans	9 (i)	3.68	3.15
		(iii)	Other financial assets	10 (i)	0.41	0.41
	(f)	Deferred tax asset (net)			-	-
	(g)	Other non - current assets		11 (i)	28.58	21.56
			Sub total non current assets		**1,675.54**	**1,648.60**
(2)	Current assets					
	(a)	Inventories		12	1,674.11	1,145.94
	(b)	Biological asset		7(ii)	0.72	0.42
	(c)	Financial assets				
		(i)	Trade receivables	13	391.25	245.16
		(ii)	Cash and cash equivalents	14	13.18	38.79
		(iii)	Bank Balances other than (iii) above	15	7.06	8.15
		(iv)	Loans	9 (ii)	7.72	2.20
		(v)	Other financial assets	10 (ii)	0.73	1.85
	(d)	Other current assets		11 (ii)	154.67	44.61
			Sub total current assets		**2,249.44**	**1,487.12**
	(e)	Assets held for sale		16	1.64	-
			Total assets		**3,926.62**	**3,135.72**
	EQUITY AND LIABILITIES					
	EQUITY					
	(a)	Equity share capital		17	66.45	66.45
	(b)	Other equity		18	1,158.25	934.85
	Equity attributable to the owners of the parent				**1,224.70**	**1,001.30**
	Non-Controlling Interest				1.12	1.24
			Sub total equity		**1,225.82**	**1,002.54**
	LIABILITIES					
(1)	Non - current liabilities					
	(a)	Financial liabilities				
		(i)	Borrowings	19(i)	531.04	422.98
		(ii)	Trade payables			
	(b)	Provisions		21(i)	29.05	26.27
	(c)	Deferred tax liabilities (net)		22	40.16	37.27
	(d)	Other non - current liabilities		23(i)	22.88	6.75
			Sub total non current liabilities		**623.13**	**493.27**
(2)	Current liabilities					
	(a)	Financial liabilities				
		(i)	Borrowings	19(ii)	1,144.92	930.50
		(ii)	Trade payables	24		
			Total outstanding dues of micro enterprises and small enterprises	24(i)(A)	7.25	2.42
			Total outstanding dues of creditors other than micro enterprises and small enterprises	24(i)(B)	659.18	522.66
		(iii)	Other financial liabilities	20	195.85	136.16
	(b)	Provisions		21(ii)	7.57	8.96
	(c)	Other current liabilities		23(ii)	48.40	39.21
	(d)	Current tax liabilities (net)		25	14.50	-
			Sub total current liabilities		**2,077.67**	**1,639.91**
			Total equity & liabilities		**3,926.62**	**3,135.72**
	Corporate information			1		
	Significant accounting policies and estimates			2-3		
	Other disclosures			37-51		

The accompanying notes form an integral part of the financial statements

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

For Atul Garg & Associates
Chartered Accountants
Firm Registration No.001544C

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.006711N/N500028

For and on behalf of the Board of Directors

Atul Garg
Partner
Membership No. 070757

Neena Goel
Partner
Membership No. 057986

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Gautam Goel
Managing Director

Gaurav Goel
Managing Director

Place: New Delhi
Date: May 20, 2019

M. P. Mehrotra
Director

A. K. Gupta
Director

Nalin Kumar Gupta
Chief Financial Officer

Aparna Goel
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Crore)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from operations	26	2,954.06	3,395.81
II	Other income	27	18.43	27.33
III	**Total income (I + II)**		**2,972.49**	**3,423.14**
IV	Expenses			
	Cost of materials consumed	28	2,365.21	2,294.75
	Excise duty on sale of goods	29	-	43.99
	Purchase of Stock-in-Trade	30	253.65	90.07
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	(541.08)	255.37
	Employee benefits expenses	32	149.68	126.54
	Finance costs	33	91.31	121.52
	Depreciation and amortization expenses	34	70.75	57.73
	Other expenses	35	263.82	230.59
	Total expenses (IV)		**2,653.34**	**3,220.56**
V	**Profit / (loss) before exceptional items and tax (III - IV)**		319.15	202.58
VI	Exceptional items		-	-
VII	Profit / (loss) before tax (V - VI)		**319.15**	**202.58**
VIII	Tax expense			
	(1) Current tax	36	69.33	44.55
	(2) Tax adjustments related to earlier year		(4.06)	-
	(3) Deferred tax		2.96	6.77
			68.23	**51.32**
IX	**Profit / (loss) for the period (VII - VIII)**		**250.92**	**151.26**
X	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	-- Remeasurement of Post-Employment Benefits Obligation		0.01	(0.64)
	-- Change in Fair value of FVOCI equity investments		(0.95)	0.12
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.03	0.09
	B (i) Items that will be reclassified to profit or loss		0.86	(0.28)
	(ii) Income tax relating to items that will be reclassified to profit or loss		0.04	-
			(0.01)	**(0.71)**
XI	**Total comprehensive income for the period (IX + X)**		**250.91**	**150.55**
	Profit for the year attributable to:-			
	a) Owners of the parent		**251.04**	**151.70**
	b) Pre acquisition profit attributable to owners		-	-
	c) Non- controlling interest		**(0.12)**	**(0.44)**
	Other comprehensive income for the year attributable to:-			
	a) Owners of the parent		(0.01)	(0.71)
	b) Non- controlling interest		-	-
	Total comprehensive income for the year attributable to:-			
	a) Owners of the parent		**251.03**	**150.99**
	b) Pre acquisition profit attributable to owners		-	-
	c) Non- controlling interest		**(0.12)**	**(0.44)**
XII	**Earning per equity shares (Face value of ₹10 each)**			
	(i) Basic (₹)	37	37.81	22.85
	(ii) Diluted (₹)		37.81	22.85
	Corporate information	1		
	Significant accounting policies and estimates	2-3		
	Other disclosures	37-51		

The accompanying notes form an integral part of the financial statements

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

For Atul Garg & Associates
Chartered Accountants
Firm Registration No.001544C

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.006711N/N500028

For and on behalf of the Board of Directors

Atul Garg
Partner
Membership No. 070757

Neena Goel
Partner
Membership No. 057986

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Gautam Goel
Managing Director

Gaurav Goel
Managing Director

Place: New Delhi
Date: May 20, 2019

M. P. Mehrotra
Director

A. K. Gupta
Director

Nalin Kumar Gupta
Chief Financial Officer

Aparna Goel
Company Secretary

Consolidated statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

(₹ in Crore)

For the year ended March 31, 2018			For the year ended March 31, 2019		
Balance as at April 01, 2017	Changes in equity share capital during the year	As at March 31, 2018	Balance as at April 1, 2018	Changes in equity share capital during the year	As at March 31, 2019
66.45	-	66.45	66.45	-	66.45

B. Other equity

(₹ In Crore)

Particulars	Attributable to the equity shareholder of the parent										Non controlling interest	Total other equity
	Reserves & Surplus						Others Reserves			Total		
	Capital reserve	Securities premium	Storage fund/ reserve for molasses	Capital redemption reserve	General reserve	Retained earnings	FVOCI equity investment reserve	Foreign currency translation reserve	Cash flow hedge reserve			
Balance as at April 01, 2017	7.56	379.94	1.40	3.72	121.24	320.36	1.38	(0.03)	-	835.57	1.68	837.25
Profit for the year						151.70				151.70	(0.44)	151.26
Other comprehensive income						(0.55)	0.12	(0.28)		(0.71)		(0.71)
Total comprehensive income for the year	-	-	-	-	-	151.15	0.12	(0.28)	-	150.99	(0.44)	150.55
Molasses fund created during the year			0.22							0.22		0.22
Dividend paid, inclusive of taxes						(27.97)				(27.97)		(27.97)
Interim dividend, inclusive of taxes						(23.96)				(23.96)		(23.96)
Balance as at March 31, 2018	7.56	379.94	1.62	3.72	121.24	419.58	1.50	(0.31)	-	934.85	1.24	936.09
Profit for the year						251.04				251.04	(0.12)	250.92
Other comprehensive income						0.01	(0.92)	0.98	(0.08)	(0.01)		(0.01)
Total comprehensive income for the year	-	-	-	-	-	251.05	(0.92)	0.98	(0.08)	251.03	(0.12)	250.91
Molasses fund created during the year			0.38							0.38		0.38
Molasses fund utilised during the year			(0.59)							(0.59)		(0.59)
Transfer from statutory reserve					0.59					0.59		0.59
Interim dividend, inclusive of taxes						(28.01)				(28.01)		(28.01)
Balance as at March 31, 2019	7.56	379.94	1.41	3.72	121.83	642.62	0.58	0.67	(0.08)	1,158.25	1.12	1,159.37

The accompanying notes form an integral part of the financial statements

This is the Consolidated Statement of changes in Equity referred to in our report of even date

For Atul Garg & Associates
Chartered Accountants
Firm Registration No.001544C

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.006711N/N500028

For and on behalf of the Board of Directors

Atul Garg
Partner
Membership No. 070757

Neena Goel
Partner
Membership No. 057986

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Gautam Goel
Managing Director

Gaurav Goel
Managing Director

Place: New Delhi
Date: May 20, 2019

M. P. Mehrotra
Director

A. K. Gupta
Director

Nalin Kumar Gupta
Chief Financial Officer

Aparna Goel
Company Secretary

Consolidated Statement of Cash Flow for the year ended March 31, 2019

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**Cash flow from operating activities**		
	Net Profit before exceptional items and tax as per Statement of Profit and Loss	319.15	202.58
	Adjustments :		
	Depreciation and impairment of property, plant and equipment	70.75	57.73
	(Gain) / Loss on disposal of property, plant and equipment	(1.23)	(0.04)
	Interest costs	91.31	121.52
	Transfer to storage fund for molasses	0.38	0.22
	Deferred Government grant	(28.72)	(2.16)
	Finance Income	-	(3.54)
	Dividend Income	(0.06)	(0.03)
	Provision for impairment of investment reversed	1.00	0.50
	Provision for employee benefits	2.12	3.73
	Loss on material held for disposal	1.60	-
	Foreign currency translation income	0.86	(0.28)
	Provision for impairment allowances	6.00	
	Profit on sale on investment	-	(0.04)
	Operating profit before working capital adjustments	**463.16**	**380.19**
	Working capital adjustments		
	(Increase) /Decrease in trade receivables	(152.09)	(29.14)
	(Increase) /Decrease in other receivables	(5.55)	0.07
	(Increase) /Decrease in other financial assets	3.24	(0.01)
	(Increase) /Decrease in government Grant	(72.20)	15.26
	(Increase) /Decrease in asset held for sale	(1.60)	4.58
	(Increase) /Decrease in inventories	(528.17)	330.93
	Increase / (Decrease) in trade and other financial liabilities	148.65	245.42
	Increase / (Decrease) in provisions and other liabilities	(0.38)	(86.22)
	Cash generated from operations	**(144.94)**	**861.08**
	Tax expenses	(56.98)	(55.93)
	Net cash from operating activities	**(201.92)**	**805.15**
B	**Investing activities**		
	Purchase of property, plant and equipment	(88.24)	(146.51)
	Sale of property, plant and equipment	7.16	1.51
	Sale /(Purchase) of financial instruments	(11.77)	0.86
	Interest received	0.62	5.07
	Purchase/maturity of fixed deposits (Net)	0.90	(0.81)
	Dividend received	0.06	0.03
	Net cash flow from / (used in) investing activities	**(91.27)**	**(139.85)**

Consolidated Statement of Cash Flow for the year ended March 31, 2019

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C	**Financing activities**		
	Repayments of long term borrowings (including preference shares)	(133.50)	(190.80)
	Receipt of long term borrowings	317.99	68.32
	Proceeds from short term borrowings (net)	214.42	(343.66)
	Dividend including dividend distribution tax	(27.63)	(51.33)
	Finance Cost Paid	(103.70)	(129.27)
	Net cash flow from / (used in) financing activities	**267.58**	**(646.74)**
	Net increase in cash and cash equivalents (A+B+C)	**(25.61)**	**18.56**
	Opening cash & cash equivalents	**38.79**	**20.23**
	Closing cash and cash equivalents for the purpose of Cash Flow Statement (Refer note 14)	**13.18**	**38.79**

Notes:

1 The above consolidated statement of cash flow has been prepared under the indirect method setout in Indian Accounting Standard (Ind AS) 7

2 Figures in brackets indicate cash outflow from respective activities.

3 Cash and cash equivalents as at the Balance Sheet date consists of :

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks :		
-On Current Account	12.09	37.73
Cash on hand	1.09	1.06
Total	**13.18**	**38.79**

Reconciliation between the opening and closing balances in balance sheet for liabilities arising from financing activities :

Particulars	Long-term borrowings	Short-term borrowings	Total
Opening balance as on April 01, 2018	524.45	930.50	1,454.95
Financial cash flows (Net)	184.49	214.42	398.91
Non-Cash Changes	(24.23)	-	(24.23)
Closing balance as at March 31, 2019	**684.71**	**1,144.92**	**1,829.63**

The accompanying notes form an integral part of the financial statements

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

For Atul Garg & Associates
Chartered Accountants
Firm Registration No.001544C

Atul Garg
Partner
Membership No. 070757

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.006711N/N500028

Neena Goel
Partner
Membership No. 057986

For and on behalf of the Board of Directors

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Gautam Goel
Managing Director

Gaurav Goel
Managing Director

M. P. Mehrotra
Director

A. K. Gupta
Director

Nalin Kumar Gupta
Chief Financial Officer

Aparna Goel
Company Secretary

Place: New Delhi
Date: May 20, 2019

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

1) Corporate Information:

The consolidated financial statements comprise financial statements of Dhampur Sugar Mills Limited ("DSML" or "the Company" or "the Parent") and its Subsidiaries Company, Dhampur International Pte Ltd., EHAAT Limited & DETS Limited ("the Subsidiary Company") (collectively referred to as "the Group") for the year ended March 31, 2019.

The Company having CIN No. L15249UP1933PLC000511 is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India and has its registered office at Bijnor, Uttar Pradesh, India.

The Company's shares are listed on two stock exchanges in India namely, National Stock Exchange of India and Bombay Stock Exchange of India.

The company is engaged mainly in the manufacturing and selling of sugar, chemicals, ethanol and co-generation of power.

Its allied business consists of :

(a) Business if importers, exporters of white crystal sugar, ethyl acetate, ethyl alcohol and yellow soybeans,

(b) E-commerce business and,

(c) Sale of machinery and providing services related with theses machineries.

2) Consolidated Significant Accounting Policies:

i. Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant accounting principles generally accepted in India.

The consolidated accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use..

ii. Recent Accounting Pronouncements

Ind AS 116 Leases: On March 31, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The effect of this amendment on the financial statements of the Group is being evaluated.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 19 'Employee Benefits' - plan amendment, curtailment or settlement: On March 31, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 23 – Borrowing Costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures : The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements : The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control /joint control of a business that is a joint operation.

Ind AS 109 – Prepayment Features with Negative Compensation : The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

iii. Basis of preparation and presentation

a) Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period , assets for defined benefit plans and Biological assets that are measured at fair value, assets held for sale which is measured at lower of cost and fair value less cost to sell explained further in notes to consolidated financial statements.

The consolidated financial statements are presented in Indian rupees (₹) and all values are rounded to the nearest crores and two decimals thereof, except if otherwise stated.

b) Basis of Consolidation

The consolidated financial statements related to Dhampur Sugar Mills Limited ("The Company" and its Subsidiaries (Collectively referred as the "Group").

In the case of subsidiaries, control is achieved when the group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, Liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statement in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e. year ended on March 31.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

c) Consolidation procedure

The consolidated financial statements relate to Dhampur Sugar Mills Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

(ii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

(iii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

(iv) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(v) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

(vi) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to owners of the Company.

(vii) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the owners of the Company.

iv. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:-

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is treated as current when it satisfies any of the following criteria:—

- Expected to be settled in the company's normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

The Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

v. Property, Plant and Equipment & Capital work-in-progress

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is being recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Freehold lands are stated at cost. All other items of property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation, and impairment loss, if any.

The cost of an asset includes the purchase cost of material, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. For this purpose, cost includes carrying value as Deemed cost on the date of transition. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption. When parts of an item of PPE have different useful lives, they are accounted for as separate component.

The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost and related accumulated depreciation are eliminated from the financial statement upon sale or retirement of the asset and resultant gains or loss are recognized in the Statement of Profit and Loss.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at the lower of its carrying amount and fair value less cost to sell.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

vi. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. For this purpose, cost includes carrying value as Deemed cost on the date of transition.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

vii. Depreciation and Amortization

The classification of plant and machinery into continuous and non-continuous process is done as per their use and depreciation thereon is provided accordingly. Depreciation commences when the assets are available for their intended use. Depreciation is calculated using the Straight line method to allocate their cost, net of their residual values, over their estimated useful lives in respect of majority of assets except assets having varying amount of ₹0.17 crores, which are depreciated on WDV method.

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II of the Companies Act, 2013.

The Group has used the following useful lives to provide depreciation on its fixed assets:

Assets	Useful Lives
Building	03-60 years
Plant & equipment	15-40 years
Furniture & fixtures	10 years
Railway sidings	15 years
Weighbridge	15 years
Computers	03 years
Office equipment	05 years
Electrical appliances	15 years
Vehicles	08 years
Farm asset and equipment	15 years

Intangible assets are amortized on a straight line basis over the estimated useful economic life of the assets. The Group uses a rebuttable presumption that the useful life of intangible assets is ten years from the date when the assets is available for use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year and are given effect to wherever appropriate.

viii. **Foreign currency translations**

Functional and presentation currency

Consolidated financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency..

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the balance sheet date are translated at the functional currency spot rate of exchange prevailing at the balance sheet date. Any income or expense arising on account of foreign exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

ix. **Inventories**

Raw material, process chemicals, stores and packing material are not measured at weighted average cost.

Work in progress, traded and finished goods (other than by products and scraps) are measured at lower of cost or net realizable value.

By products and scrap are carried at estimated Net Realizable Value.

Cost of finished goods and work in progress comprises of raw material cost (net of realizable value of By-products), variable and fixed production overhead, which are allocated to work in progress and finished goods on full absorption cost basis. Cost of inventory also includes all other cost incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

x. **Biological Assets**

Biological assets comprises of standing crop and livestock.

Biological assets are measured at fair value less cost to sell. Changes in fair value of biological assets is recognised in the statement of profit and loss account

The biological process starts with preparation of land for planting, seedlings and ends with the harvesting of crops.

For Standing crop, where little biological transformation has taken place since the initial cost was incurred (for example seedlings planted immediately before the balance sheet date), such biological assets are measured at cost i.e. the total expenses incurred on such plantation upto the balance sheet date.

When harvested, crop is transferred to inventory at fair value less costs to sell.

xi. **Revenue Recognition**

The Group derives revenue primarily from sale of sugar and other by-products produced from processing of sugar cane, sale of power and sale of chemicals.

Effective April 1, 2018, the Company adopted Ind AS 115 " Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to the contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration, the company expect to receive in exchange of those products or services. Revenue is inclusive of excise duty and excluding estimated discount and pricing incentives, rebates, other similar allowances to the customers and also excluding Goods and Service Tax (GST) and other taxes and amounts collected on behalf of third parties or government, if any.

Recognising revenue from major business activities

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Contract Revenue

Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable that such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

i. the amount of revenue can be measured reliably;

ii. it is probable that the economic benefits associated with the contract will flow to the Group;

iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and

iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Dividend Income

Dividend income is recognised when the Group's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Insurance Claims

Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Export Incentives

Export incentives are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

xii. Expenses

All expenses are accounted for on accrual basis.

xiii. Long term Borrowings

Long term borrowings are initially recognised at net of material transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these cumulative preference shares is recognised in Statement of Profit and Loss as finance costs.

xiv. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are expensed in the period in which they are incurred. Transaction costs incurred for long term borrowing until are not material are expensed in the period in which they are incurred.

xv. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

For arrangement entered into prior to the transition date, i.e., April 1, 2016, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

(i) As a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental payables under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(ii) As a lessor

Lease rental income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless receipt are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

xvi. Provision for Current and Deferred Tax

(i) Current Income Tax :

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

The Group Offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(ii) Deferred Tax :

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax (MAT) credits is recognised as deferred tax assets in the Balance Sheet only when the asset can be measured reliably and to the extent there is convincing evidence that sufficient taxable profit will be available against which the MAT credits can be utilised by the company in future.

xvii. Impairment of non-financial assets

Goodwill and Intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment.

Other intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Carrying amount of assets is reviewed at each balance sheet date, if there is any indication of impairment based on internal/ external factor. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. Impairment is charged to the profit and loss account in the year in which an asset is identified as impaired.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

xviii. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants related to assets, including non-monetary grants recorded at fair value, are treated as deferred income and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

xix. Provisions, Contingent Liabilities and Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

xx. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which are subject to an insignificant risk of changes in value..

xxi. Dividend Payable

Dividends and interim dividends payable to Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

xxii. Non-current assets (or disposal group) held for sale and discontinued operations:

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the consolidated statement of profit and loss, with all prior periods being presented on this basis.

xxiii. Equity Issue Expenses

Expenses incurred on issue of equity shares are charged in securities premium account in the year in which it is incurred.

xxiv. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value of the financial assets, as appropriate, on initial recognition.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income for these financial assets is included in other income using the effective interest rate method.

c) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

B. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

C. Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with the assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 "Financial Instruments" which requires expected life time losses to be recognised from initial recognition of receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

D. Derecognition of financial assets:

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

E. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivative financial instruments, etc.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method or at FVTPL.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

F. **Derecognition of financial liabilities:**

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when, and only when the obligation specified in the contract is discharged or cancelled or expires.

G. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xxv. **Derivative Financial Instruments and Hedge Accounting**

The Group uses various derivative financial instruments to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

A. Cash Flow Hedge: The Group designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

B. Fair Value Hedge: The Group designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

xxvi. Fair Value Measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or

- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

xxvii. Employees Benefits

a) Short-term obligations

Short-term obligations Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled

b) Post-employment obligations

i. Defined contribution plans

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make contribution at a specified percentage of the covered employees' salary. The contributions, as specified under Defined Contribution Plan to Regional Provident Commissioner and the Central Provident Fund recognised as expense during the period in the statement of profit and loss.

ii. Defined benefits plans

- **Non-Funded Defined Benefits Plans :** The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Group. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation.

The service cost and net interest on the net defined benefit liability/(asset) is included in employees benefits expenses in the statement of profit and loss.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

Re-measurement gain and loss arising from experience adjustments and change actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

- **Funded Defined Benefits Plans:** The Group's also made contribution to the provident fund set up as irrevocable trust by the Group. The Group generally liable for monthly contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

c) **Compensated absences**

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date.

The benefits are discounted using the market yields as at the end of the balance sheet date that has terms approximating to the terms of the related obligation.

Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

d) **Voluntary Retirement Scheme**

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

xxviii. Operating Segments

The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the Board of Directors (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

xxix. Cash Flow Statement

Cash flows are stated using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

xxx. Earnings Per Share

Basic earnings per share are calculated by dividing the profit/(loss) for the year (before other comprehensive income), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit/(loss) for the year (before other comprehensive income), adjusting the after tax effect of interest and other financing costs associated with dilutive potential equity shares, attributable to the equity shareholders, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

3. Use of Estimates and management judgements

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management of the Group to make judgements, estimates and assumptions that effect the reported amount of revenues, expenses, assets, liabilities of the Balance Sheet date.

The estimate and management's judgement are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

The areas involving critical judgement are as follows:-

i. Useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

ii. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

iii. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

iv. Income Taxes

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

Deferred tax assets are recognised for unused tax losses and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes forming part of the Consolidated Financial Statements

4. Property, plant & equipment

(₹ in Crore)

Particulars	Land	Building	Plant & equipment's	Furniture & fixtures	Computers	Office equipment's	Electrical appliances	Vehicles	Farm assets & equipment	Total (2018-19)
Gross carrying cost										
As on April 01, 2018	346.64	175.87	1,864.96	11.88	10.49	3.37	11.43	25.75	0.92	2,451.31
Additions during the year	0.19	16.16	51.39	0.21	1.88	0.72	0.20	5.36	-	76.11
Disposals/deductions during the year	(0.94)	(0.21)	(1.22)	-	-	-	-	(4.79)	-	(7.16)
As at March 31, 2019	345.89	191.82	1,915.13	12.09	12.37	4.09	11.63	26.32	0.92	2,520.26
Depreciation										
As on April 01, 2018	-	64.14	751.35	9.69	9.00	2.52	8.95	11.03	0.50	857.18
Charges for the Year	-	5.81	60.31	0.35	0.75	0.20	0.40	2.53	0.05	70.40
Disposals/deductions during the year	-	(0.04)	(0.04)	-	-	-	-	(1.15)	-	(1.23)
As at March 31, 2019	-	69.91	811.62	10.04	9.75	2.72	9.35	12.41	0.55	926.35
Net carrying cost										
As at March 31, 2019	345.89	121.91	1,103.51	2.05	2.62	1.37	2.28	13.91	0.37	1,593.91
As at March 31, 2018	346.64	111.73	1,113.61	2.19	1.49	0.85	2.48	14.72	0.42	1,594.13

(₹ in Crore)

Particulars	Land	Building	Plant & equipment's	Furniture & fixtures	Computers	Office equipment's	Electrical appliances	Vehicles	Farm assets & equipment	Total (2017-18)
Gross carrying cost										
As on April 01, 2017	346.64	173.12	1,715.06	11.72	10.23	2.67	11.32	21.84	0.89	2,293.49
Additions during the year	-	3.08	149.93	0.22	0.93	0.72	0.27	6.58	0.03	161.76
Disposals/deductions during the year	-	(0.33)	(0.03)	(0.06)	(0.67)	(0.02)	(0.16)	(2.67)	-	(3.94)
As at March 31, 2018	346.64	175.87	1,864.96	11.88	10.49	3.37	11.43	25.75	0.92	2,451.31
Depreciation										
As on April 01, 2017	-	58.12	703.62	9.38	8.79	2.40	8.58	10.82	0.46	802.17
Charges for the year	-	6.02	47.89	0.36	0.61	0.13	0.39	2.04	0.04	57.48
Disposals/deductions during the year	-	-	(0.16)	(0.05)	(0.40)	(0.01)	(0.02)	(1.83)	-	(2.47)
As at March 31, 2018	-	64.14	751.35	9.69	9.00	2.52	8.95	11.03	0.50	857.18
Net carrying cost										
As at March 31, 2018	346.64	111.73	1,113.61	2.19	1.49	0.85	2.48	14.72	0.42	1,594.13
As at March 31, 2017	346.64	115.00	1,011.44	2.34	1.44	0.27	2.74	11.02	0.43	1,491.32

Notes:

(i) Contractual commitment towards purchase of property, plant and equipment, refer note -38

(ii) Opening balances of gross block and accumulated depreciation have been regrouped/reclassified/rearrgange wherever considered necessary.

(iii) The Company has availed loans from banks and other entities against security of the aforesaid assets (Refer note 19 for detailed security terms).

5. Captal work in progress

(₹ in Crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
Plant and equipment/Civil work - in - progress				
Additions during the year		68.05		132.21
(A)		**68.05**		**132.21**
Preoperative expenses/trial run expenses				
Additions during the year :				
Cost of materials consumed		-		7.22
Employee benefits expense				
Salaries and wages		-		0.05
Finance costs (Refer note 5.a)				
Interest		0.18		4.71
Depreciation expense				
Other expenses				
Consumption of stores and spare parts	-		0.29	
Power and fuel	-		0.25	
Insurance	-		0.01	
Rates and taxes (excluding taxes on income)	-		0.01	
Miscellaneous expenses	-	-	0.02	0.58
(B)		**0.18**		**12.56**
Income during trial run :				
Inter division transfers				
Steam	-		9.19	
Power	-	-	2.80	11.99
(C)		-		**11.99**
Total additions during the year D= (A+B-C)		68.23		132.78
Balance brought forward				
Plant and equipment/ Civil work - in- progress (E)		24.13		27.13
F = (D+E)		**92.36**		**159.91**
Add: Inter Unit Transferred		-		-
Capitalised during the year (G)		58.41		135.78
Capital work-in-progress at the end of the year H= (F-G)		**33.95**		**24.13**

Note 5.a Finance Cost

The finance costs on specific borrowings capitalised during the year amounted to ₹0.18 crore (March 31, 2018 : ₹4.64 crore) using the capitalization rate of 8.75 % (March 31, 2018: 9.06 %) per annum which is the effective interest rate of the specific borrowings. Further, the Company has also capitalised borrowing costs on its general borrowings amounting to ₹ NIL crore (March 31, 2018: ₹0.07 crore) using the weighted average capitalisation rate of 8.75 % (March 31, 2018: 8.35%) per annum.

Notes forming part of the Consolidated Financial Statements

6. Intangible assets

(₹ in Crore)

Particulars	Computer Software Licenses	
	As at March 31, 2019	As at March 31, 2018
Gross carrying cost		
Opening balance	3.59	2.64
Additions during the year	0.32	0.95
Disposals/deductions during the year	-	-
Closing balance (a)	**3.91**	**3.59**
Amortisation		
Opening balance	0.31	0.06
Charges for the year	0.35	0.25
Disposals/deductions during the year	-	-
Closing balance (b)	**0.66**	**0.31**
Net carrying cost		
Net closing balance (a-b)	**3.25**	**3.28**

7. Biological Assets

(i) Non-current biological assets

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Live stock (refer note. 2)	#	0.01
Live stock (Loss)	-	(0.01)
Total	**#**	**#**

#Value is ₹37,771 not reflecting due to round off

(ii) Current biological assets

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Standing Crop (refer note. 2)	0.42	0.39
Add: Change in fair value*	1.18	0.64
Less: Harvested during the year	0.88	0.61
Total	**0.72**	**0.42**

* excludes fair value of self consumed sugar cane of ₹1.80 crore (Previous Year ₹2.11 crore)

Notes forming part of the Consolidated Financial Statements

8. Financial assets - Investments

Non - current investments (₹ in Crore)

Particulars	Face Value	No. of Shares/ Units	As at March 31, 2019	No. of Shares/ Units	As at March 31, 2018
(I) Equity instruments					
(i) Investment in others (Unquoted)					
(Carried at deemed cost)					
Ramganga Sanyukta Sahkari Kheti Samiti Limited	₹100	1	#	1	#
(Value is ₹100, not reflecting due to rounding off)					
(ii) Investment in others (Quoted)					
(Carried at fair value through other comprehensive income)					
VLS Finance Limited	₹10	263142	1.54	263142	1.75
South Asian Enterprises Limited	₹10	250000	0.10	250000	0.19
BP PLC	GBP 5.7269	6,400	0.32		
Bank of China Limited	HDK 4.1823	94,000	0.33		
China Petroleum and Chemical Corporation	HDK 7.6285	104,000	0.65		
HSBC Holding PLC	HDK 77.2066	10,000	0.64		
Total Investment in Equity Shares (a)			**3.58**		**1.94**
(II) Investment in International Fixed Income Bonds					
(Carried at fair value through other comprehensive income)					
Banco do Brasil	USD 105.74	400,000	2.84		
Bank of Nova Scotia	USD 95.80	200,000	1.25		
HSBC Holdings plc	USD 103.80	200,000	1.35		
UBS Group Funding (Switzerland)	USD 95.18	200,000	1.25		
Ziraat Bank	USD 90.75	250,000	1.49		
Total Investment in International Bonds (b)			**8.18**		**-**
Total (a + b)			**11.76**		**1.94**

(₹ in Crore)

Disclosure of non-current investments	As at March 31, 2019	As at March 31, 2018
Aggregate amount of quoted investments and market Value	11.76	1.94
Aggregate amount of unquoted investments	#	#

Notes forming part of the Consolidated Financial Statements

9. Financial assets - Loans

(i) Non-current loans (Unsecured, considered good) (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost		
Security deposits		
- to related parties	2.43	2.27
- to others	1.25	0.88
Total	3.68	3.15

(ii) Current loans (Unsecured, considered good) (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost		
Security deposits		
- to others	5.97	0.41
Other loans and advances :		
Advances recoverable in cash or in kind	1.75	1.79
Total	7.72	2.20

10. Other financial assets

(i) Other non- current financial assets (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost		
(Unsecured, considered good)		
Other Recoverable	0.41	0.41
Total	0.41	0.41

(ii) Other current financial assets (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost		
(Unsecured, considered good)		
Insurance claim receivable	0.04	0.41
Interest receivable	0.66	1.28
Other recoverable	0.03	0.16
Total	0.73	1.85

Notes forming part of the Consolidated Financial Statements

11. Other assets

(i) Other non-current financial assets

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured considered good unless otherwise stated)		
Capital advance	6.85	4.52
Income tax refundable*	17.69	13.44
Payment of taxes under protest/appeal	4.04	3.60
Total	**28.58**	**21.56**

*Note - Income tax refundable

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance tax paid/refund	17.69	57.99
Less : Provision for tax	-	44.55
Total	**17.69**	**13.44**

(ii) Other current assets

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured considered good uncless otherwise stated)		
Advance to suppliers	13.09	15.18
Advances to employees	0.61	0.52
Balance with revenue authorities	12.48	12.66
Subsidy receivable from Government/Government authority	121.55	7.81
Prepaid expenses	2.96	2.50
Advance recoverable - Other	3.28	3.42
Other loans & advances	0.11	2.16
Advance rent	0.59	0.36
Total	**154.67**	**44.61**

Notes forming part of the Consolidated Financial Statements

12. Inventories

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
(Refer Note No. - '2' for Mode of Valuation)		
Raw materials	9.83	16.85
Work-in-process	31.02	25.88
Finished goods	1,552.36	1,053.05
Stock in trade	38.12	1.49
Stores & spare parts	42.65	48.50
Loose tools	0.13	0.17
Total	**1,674.11**	**1,145.94**
Carrying amount of inventories pledged as security for borrowings	1,674.11	1,145.94

13. Trade receivables

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost		
Trade Receivables (Other than Related party)		
- Secured, considered good		
- Unsecured, considered good	381.12	245.16
- Which have significant increase in Credit Risk	16.13	-
- Credit impaired	-	-
Less : Provision for impairment allowances	(6.00)	-
Total	**391.25**	**245.16**

14. Cash and cash equivalents

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks :		
-On current account	12.09	37.73
Cash on hand	1.09	1.06
Total	**13.18**	**38.79**

15. Bank Balances other than cash and cash equivalents

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks :		
-In unpaid dividend account	0.84	0.65
Other bank balances :		
Deposits earmarked for fixed deposit and others	4.70	6.23
Deposits earmarked for molasses storage fund	1.52	1.27
Total	**7.06**	**8.15**

Notes forming part of the Consolidated Financial Statements

16. Assets held for sale

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Material held for disposal	1.64	-
Total	**1.64**	-

17. Share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	(₹ in crore)	No.	(₹ in crore)
Authorized shares				
Equity shares of ₹10/- each	113826000	113.83	113826000	113.83
Preference shares of ₹100/- each	6917400	69.17	6917400	69.17
Issued, subscribed and paid-up shares				
Equity				
Equity shares of ₹10/- each fully paid-up	66387590	66.38	66387590	66.38
Equity shares forfeited	325496	0.07	325496	0.07
Less : Calls in arrears	539	#	2105	#
Total		**66.45**		**66.45**

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	(₹ in crore)	No.	(₹ in crore)
Issued, subscribed and paid-up shares				
Equity shares				
At the beginning of the period	66387590	66.38	66387590	66.38
Issued during the period	-	-	-	-
Outstanding at the end of the period	66387590	66.38	66387590	66.38

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	(₹ in crore)	No.	(₹ in crore)
Equity shares of ₹10 each fully paid-up				
Goel Investments Ltd.	10655515	16.05	10655515	16.05
Anil Kumar Goel	7000000	10.54	6671000	10.05
Sonitron Ltd.	4940716	7.44	4940716	7.44
Shudh Edible Products Ltd.	4299680	6.48	4299680	6.48
Mr. Gautam Goel	4242339	6.39	4242339	6.39
Mr. Gaurav Goel	4211379	6.34	4211379	6.34

Notes forming part of the Consolidated Financial Statements

17.c Calls unpaid of equity shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	(₹ in crore)	No.	(₹ in crore)
i) Calls unpaid by directors and officers	Nil	Nil	Nil	Nil
ii) Calls unpaid by others	539	2425	2105	10705

17.d Terms/right attached to equity shares

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

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

17.e Dividend

i) Detail of interim dividend and final dividend proposed

The Board of Directors has declared and paid interim dividend of 35% on equity shares (₹3.50 per equity shares of ₹10 each) in the meeting held on January 30, 2019. The Board has further recommended final dividend of 30% on equity shares (₹3.00 per equity share of ₹10 each), subject to approval of shareholders in ensuing Annual General Meeting, upon which the liability will be recorded in the books. Total dividend i.e. interim and final dividend for the year is 65% (₹6.50 per equity share of ₹10 each).

18. Other equity

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital redemption reserve	3.72	3.72
Capital reserve	7.56	7.56
General reserve	121.83	121.24
Retained earnings	642.62	419.58
Securities premium	379.94	379.94
Storage fund/reserve for molasses	1.41	1.62
Other reserve		
(i) FVOCI equity reserves	0.58	1.50
(ii) Foreign currency translation reserve	0.67	(0.31)
(iii) Cash flow hedge reserve	(0.08)	-
Total	**1,158.25**	**934.85**

18. Other equity (Contd.)

A. Reserve and surplus

(i) Capital redemption reserve (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	3.72	3.72
Add: Addition during the year	-	-
Less: Utilised during the year	-	-
Closing balance	**3.72**	**3.72**

(ii) Capital reserve (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	7.56	7.56
Add: Addition during the year	-	-
Less: Utilised during the year	-	-
Closing balance	**7.56**	**7.56**

(iii) General reserve (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	121.24	121.24
Add: Transfer from statutory reserve (refer A (v))	0.59	-
Less: Utilised during the year	-	-
Closing balance	**121.83**	**121.24**

(iv) Securities premium reserve (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	379.94	379.94
Add: Premium on shares issued during the year	-	-
Less: Expenses on issue of shares during the year	-	-
Closing balance	379.94	379.94

(v) Storage fund/reserve for molasses (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	1.62	1.40
Add: Molasses fund created during the year	0.38	0.22
Less: Molasses fund Utilised during the year (transferred to general reserve)	0.59	-
Closing balance	1.41	1.62

(vi) Retained earnings (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	419.58	320.36
Add:		
Net Profit for the period	251.04	151.70
Remeasurement of post employment benefit obligation (See note 18.1)	0.01	(0.55)
Add/Less: Appropriations		
Interim dividend inclusive of dividend distribution tax	(28.01)	(23.96)
Final dividend inclusive of dividend distribution tax	-	(27.97)
Closing balance	**642.62**	**419.58**

18.1: This is item of other comprehensive income arising from remeasurement of defined benefit obligation net of income tax, which is directly recognised in retained earning.

B. Other reserves

(i) FVOCI equity reserve (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	1.50	1.38
Add: Addition during the year	(0.92)	0.12
Less: Utilised during the year	-	-
Closing balance	**0.58**	**1.50**

(ii) Foreign currency translation reserve (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	(0.31)	(0.03)
Add: Addition during the year	0.98	(0.28)
Less: Utilised during the year	-	-
Closing balance	**0.67**	**(0.31)**

(iii) Cash flow hedge reserve (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	-	-
Add: Addition during the year	(0.08)	-
Less: Utilised during the year	-	-
Closing balance	**(0.08)**	-

18.2 : Nature and purpose of reserves

Capital redemption reserve

Capital redemption reserve was created against the redemption of cumulative preference shares

Capital reserve

Capital reserve was created against amalgamation.

Securities premium reserves

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

FVOCI equity investment

The company has elected to recognise changes in fair value of certain investments in equity securities through OCI as Other Reserves. The company transfers amount from this reserves to retained earnings when the relevant investment is sold and realised.

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group’s foreign operations from their functional currencies to the Group’s presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Storage fund/reserve for molasses

"The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974."

General reserve

This represents appropriation of profit after tax by the company.

Retained earnings

This comprise company's undistributed profit after taxes.

FVOCI Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gain or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedge transaction occurs.

19. Financial liabilities "Borrowings"

(i) Non-current borrowings (₹ in Crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
Secured - carried at amortised cost				
Secured				
Term Loans				
From banks				
Rupee loans from banks		488.27		373.81
(For Security refer note 19.b)				

Notes forming part of the Consolidated Financial Statements

(i) Non-current borrowings (Contd.) (₹ in Crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
From entities other than banks				
Rupee Loans :				
Government of India, Sugar Development Fund (SDF)		37.78		31.87
(For Security refer note 19.b)				
Unsecured - carried at amortised cost				
Deposit - from related parties	2.25		10.24	
- from public	2.04	4.29	7.06	17.30
Rupee Loans from others		0.70		0.00
Total		**531.04**		**422.98**

a) Terms of repayment :

Name of banks / entities	Rate of Interest (ROI) % p.a.	Amount outstanding as at March 31, 2019		Amount outstanding as at March 31, 2018		Period of maturity w.r.t the Balance Sheet date as at March 31, 2019	Number of Installments outstanding as at March 31, 2019	Amount of each Installment (₹ In Crore)	Details of security offered
		Current (₹ In Crore)	Non Current (₹ In Crore)	Current (₹ In Crore)	Non Current (₹ In Crore)				
1) Punjab National Bank									
Term loan from bank under GOI (SEFASU) Scheme, 2014	ROI - N.A. since repaid	0.00	0.00	30.43	0.00	-	-	-	
Term loan from bank (Soft Loan)	8.95%	19.82	39.86	4.95	59.69	3 Year,2 Months,30 Days	12 Quarterly Installments	4.95	Refer note no. 19 (i) (a) (i) below
Term loan from bank	8.95%	7.67	0.00	10.23	7.66	9 Months	3 Quarterly Installments	2.56	Refer note no. 19 (i) (a) (ii) below
Term loan from bank	8.95%	12.75	23.71	12.75	31.24	3 Year	12 Quarterly Installments	3.19	Refer note no. 19 (i) (a) (ii) below
Term loan from bank	8.95%	6.75	9.52	6.75	19.27	2 Year,5 Months,30 Days	10 Quarterly Installments	1.69	Refer note no. 19 (i) (a) (ii) below
Term loan from bank	8.95%	25.00	0.00	8.33	25.00	9 Months	3 Quarterly Installments	8.33	Refer note no. 19 (i) (a) (ii) below
Term loan from bank	8.95%	15.18	34.16	3.79	49.34	3 Year,2 Months,30 Days	13 Quarterly Installments	3.80	Refer note no. 19 (i) (a) (ii) below
Term loan from bank (Soft Loan)	5.00%	31.90	208.86	0.00	0.00	5 Year,2 Months,30 Days	60 Monthly Installments	4.44	Refer note no. 19 (i) (a) (iii) below
Term loan from bank (Expansion for Distillery Capacity - Dhampur) *	9.00%	3.15	24.33	0.00	0.00	5 Year,5 Months,30 Days	20 Quarterly Installments	1.575	Refer note no. 19 (i) (a) (ii) below
Term loan from bank (Expansion for Distillery Capacity - Asmoli) *	9.00%	1.50	5.00	0.00	0.00	5 Year,5 Months,30 Days	20 Quarterly Installments	0.75	Refer note no. 19 (i) (a) (ii) below
	Sub-Total	123.72	345.44	77.23	192.20				
2) Central Bank of India	8.65%	8.12	14.17	8.12	29.79	2 Year,3 Months	9 Quarterly Installments	2.71	Refer note no. 19 (i) (a) (iv) below
3) UCO Bank	10.25%	0.00	128.50	0.00	150.00	7 Year	24 Quarterly Installments	5.375 except last four installment of ₹5.25	Refer note no. 19 (i) (a) (v) below
4) Car Loan from Bank		0.25	0.16	1.08	1.82		Monthly	0.04	Hypothecation of Cars
5) Government of India, Sugar Development Fund	4.75%	2.31	30.06	0.00	31.20	5 Year,5 Months,30 Days	10 Half Yearly Installments	3.57	Refer note no. 19 (i) (a) (vi) below
	4.75%	0.00	3.80	0.00	0.00	5 Year,5 Months,30 Days	10 Half Yearly Installments	0.47	Refer note no. 19 (i) (a) (vii) below
	4.75%	0.43	3.92	0.00	0.00	4 Year,5 Months,30 Days	8 Half Yearly Installments	0.61	Refer note no. 19 (i) (a) (viii) below

a) Terms of repayment : (Contd.)

Name of banks / entities	Rate of Interest (ROI) % p.a.	Amount outstanding as at March 31, 2019		Amount outstanding as at March 31, 2018		Period of maturity w.r.t the Balance Sheet date as at March 31, 2019	Number of Installments outstanding as at March 31, 2019	Amount of each Installment (₹ In Crore)	Details of security offered
		Current (₹ In Crore)	Non Current (₹ In Crore)	Current (₹ In Crore)	Non Current (₹ In Crore)				
	7.00%	0.34	0.00	0.67	0.34	1 Months,13 Days	1 Half Yearly Installments	0.34	Refer note no. 19 (i) (a) (ix) below
	7.00%	0.33	0.00	0.67	0.33	1 Months,13 Days	1 Half Yearly Installments	0.33	Refer note no. 19 (i) (a) (x) below
	ROI - N.A. since repaid	0.00	0.00	0.49	0.00	-	-	-	-
	ROI - N.A. since repaid	0.00	0.00	0.40	0.00	-	-	-	-
	Sub-Total	**3.41**	**37.78**	**2.23**	**31.87**				
Unsecured :									
Deposit - from related parties		4.62	2.25	4.30	10.24	Payable on different due dates	-	-	-
- from public		8.36	2.04	2.51	7.06	Payable on different due dates	-	-	-
Rupee loan from others		0.00	0.70	0.00	0.00				
	Sub-Total	**12.99**	**4.99**	**6.80**	**17.30**				
	Grand-Total	**148.49**	**531.04**	**95.47**	**422.98**				

b) Nature of Security in respect of Long Term Borrowings :

(i) Rupee term loan from PNB under the Government sponsored Scheme for Extending Soft loan to sugar mills are secured by third parri passu charge on block of fixed assets of five units of the Company and personal guarantee of promoter director's.

(ii) Rupee term loan from PNB are secured by first parri passu charge on block of fixed assets of the Company and personal guarantee of promoter director's

(iii) Rupee term loan from PNB (funded by State Government U.P.) are secured by first parri passu charge on block of fixed assets of the Company.

(iv) Rupee term loan from CBOI are secured by first parri passu charge on block of fixed assets of the Company and personal guarantee of promoter director's

(v) Rupee term loan from UCO Bank are secured by subservient charge over land and building, plant & machinery and other immovable and movable fixed assets of the Company present and future and personal guarantee of two promoter director's.

(vi) Rupee term loan from Sugar Development Fund (SDF) are secured by first pari passu charge over the movable and immovable properties of DSM Sugar Rajpura, a unit of the Company, situated at Rajpura.

(vii) Rupee term loan from Sugar Development Fund (SDF) are secured by first parri passu charge over the movable and immovable properties of one of its unit i.e. DSM Sugar Rajpura, situated at Rajpura and personal guarantee of promoter director's.

(viii) Rupee term loan from Sugar Development Fund (SDF) are secured by first parri passu charge over the movable and immovable properties of one of its unit i.e. DSM Sugar Asmoli, situated at Asmoli and personal guarantee of promoter director's

(ix) Rupee term loan from Sugar Development Fund (SDF) are secured by second exclusive charge over the movable and immovable properties of one of its unit i.e. DSM Sugar Asmoli, situated at Asmoli.

(x) Rupee term loan from Sugar Development Fund (SDF) are secured by second exclusive charge over the movable and immovable properties of one of its unit i.e. DSM Sugar Mansurpur, situated at Mansurpur.

(xi) All other term loans from banks are secured by first parri passu charge on all movable and immovable assets except book debts, stock in trade, raw material, spare parts and other current assets and are guaranteed by promoter director's.

Notes forming part of the Consolidated Financial Statements

(ii) Current borrowings (₹ in Crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
Unsecured - carried at amortised cost				
Loans repayable on demand				
Unsecured				
Deposits from public	-	-	2.85	2.85
Working capital loans				
From banks				
Secured - carried at amortised cost				
Punjab National Bank	608.42		540.91	
Bank of Baroda	-		34.10	
Central Bank of India	79.89		7.11	
District Co-operative Bank	323.65		197.90	
Prathma Bank	99.26		112.86	
Sarva U.P. Gramin Bank	2.98		10.05	
NBFC	3.11		-	
State Bank of India	25.11	1,142.42	24.72	927.65
Unsecured				
Borrowings from related party		2.50		-
		1,144.92		**930.50**

c) Nature of Security in respect of Short Term Borrowings :

Working Capital loans from Punjab National Bank are secured :

- by way of first parri passu charge and pledge of stocks of sugar and sugar-in-process both present and future.

- by way of first parri passu charge and hypothecation of molasses, bagasse, general stores, chemicals unit finished goods/raw material, co-generation unit raw material, book debts etc. both present and future of the Company.

- by way of third parri passu charge on the block of fixed assets/immovable properties of the Company

- by personal guarantee of promoter directors of the Company

Working Capital loans from Bank of Baroda are secured :

- by way of pledge of stocks of sugar and sugar-in-process both present and future on parri passu basis with other banks.

- by way of hypothecation of stocks and other current assets both present and future of the Cogen-Amoli unit of the Company.

- by way of First parri passu charge on the book debts of the Company

- by way of Third parri passu charge on the block of fixed assets of the Company

- by personal guarantee of promoter directors of the Company

Working Capital loans from Central Bank of India are secured :

- by way of pledge of stocks of sugar and sugar-in-process both present and future on parri passu basis with other banks.

- by way of hypothecation of molasses, bagasse, general stores both present and future on parri passu basis of the Company.

- by way of first parri passu charge on the current assets of the Company

- by way of third parri passu charge on the land and buildings of the Company

- by personal guarantee of promoter directors of the Company

Notes forming part of the Consolidated Financial Statements

Working Capital loans from all District Co-operative Banks are secured :

- by way of pledge of stocks of sugar
- by personal guarantee of promoter directors of the Company

Working Capital loans from Prathma Bank are secured :

- by way of pledge of stocks of sugar and sugar-in-process
- by way third parri passu charge on the block of fixed assets , both present and future, of the Company
- by personal guarantee of two promoter directors of the Company

Working Capital loans from Sarva U.P. Gramin Bank are secured :

- by way of first parri passu charge and pledge of stocks of sugar and sugar-in-process both present and future.
- by way of hypothecation of molasses, bagasse, general stores both present and future on parri passu basis of the Company.
- by way of third parri passu charge on the immovable properties of the Company

Working Capital Demand loans from State Bank of India against Warehouse receipts of NBHC are secured :

- by way of first and exclusive charge on the stocks of sugar
- by personal guarantee of promoter directors of the Company

20. Other financial liabilities

Current liabilities (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowings (Refer note 19.a)	148.49	95.47
Interest accrued but not due on borrowings	3.55	3.72
Interest accrued and due on borrowings* {including ₹0.06 Crore (PY ₹0.24 Crore) on interest accrued and due on unclaimed matured deposit}	1.27	0.49
Interest accrued on MSME	0.14	-
Other payables	0.02	0.16
Unpaid matured deposits	0.36	1.79
Employee benefits	10.63	9.67
Unpaid liability	26.06	20.81
Security deposits	4.49	3.40
Unclaimed dividend	0.84	0.65
Total	**195.85**	**136.16**

* Includes interest debited by banks on loans at the close of business hours as at year end i.e. March 31 which has been repaid by the company on next working day.

21. Provisions

(i) Long term provision (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Gratuity (Refer note 45.(ii)(a))	29.05	26.27
Total	**29.05**	**26.27**

(ii) Short term provision (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	-	-
Gratuity (Refer note 45.(ii)(a))	2.37	3.77
Others	5.20	5.19
Total	**7.57**	**8.96**

22. Deferred tax asset/ (liability)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax asset :		
- On account of carried forward losses and unabsorbed depreciation	-	48.41
- On account of difference in the tax base value and carrying amount of Investments/ security deposits	0.01	2.39
- On account of government grants	0.94	1.28
- On account of temporary differences on allowablility of expenses for tax purposes	13.78	11.41
- MAT credit entitlement	176.18	120.25
	190.91	**183.74**
Deferred tax liability :		
On account of property, plant & equipment (other than land)	216.09	204.23
On account of difference in the tax base value and carrying amount of land	14.98	16.78
	231.07	**221.01**
Net deferred tax assets / (liabilities)	**(40.16)**	**(37.27)**

22.1 : Movement in deferred tax Liabilities/ deferred tax assets

Particulars	Carried forward losses & Unabsorbed Depreciation	Property Plant & Equipment	Other items	MAT credit entitlement	Total
At April 01, 2017	**85.21**	**(171.83)**	**(19.68)**	**75.54**	**(30.76)**
(Charged)/credited:-					
-to profit & loss	(36.80)	(32.40)	17.89	44.71	(6.60)
-to other comprehensive income			0.09	-	0.09
At March 31, 2018	**48.41**	**(204.23)**	**(1.70)**	**120.25**	**(37.27)**
(Charged)/credited:-					
-to profit & loss	(48.41)	(11.86)	1.38	55.93	(2.96)
-to other comprehensive income		-	0.07	-	0.07
At March 31, 2019	-	**(216.09)**	**(0.25)**	**176.18**	**(40.16)**

Notes forming part of the Consolidated Financial Statements

23. Other liabilities

(i) Non-current liabilities (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Govt. Grants (Refer note 39)	22.86	6.75
Lease equilisation payable account	0.02	
Total	**22.88**	**6.75**

(ii) Current liabilities (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Govt. Grants (Refer note 39)	10.01	1.38
Advance from customers	20.12	12.05
Statutory dues payable	17.08	24.95
Lease equilisation payable account	0.01	
Others*	1.18	0.83
Total	**48.40**	**39.21**

* Others includes fair value of hedge instruments.

24. Trade payables

(i) Current (A) (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	7.25	2.42
Total	**7.25**	**2.42**

(i) Current (B) (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost		
Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	659.18	522.66
Total	**659.18**	**522.66**

Notes forming part of the Consolidated Financial Statements

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

Description		As at March 31, 2019	As at March 31, 2018
a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	7.25	2.42
b)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	0.14	-
c)	The amount of interest paid by the company in terms of Section 16, along with the amount of payments made to the micro and small enterprise beyond the appointed date during the period	Nil	Nil
d)	The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act.	Nil	Nil
e)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	Nil	Nil
f)	The amount of further interest remaining due and payable even in succeeding years	0.14	Nil

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

25. Current tax liabilities

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for tax	69.49	44.55
Less: Advance tax paid	54.99	44.55
Total	**14.50**	-

26. Revenue from operation

(₹ in Crore)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
(i)	**Sale of Products:**		
a)	Manufactured goods		
	Sugar	1,968.44	2,722.79
	Chemicals	435.82	319.54
	Power	224.59	216.56
	Others	0.13	0.93

Notes forming part of the Consolidated Financial Statements

26. Revenue from operation (Contd.)

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
b) Traded goods		
Others	280.37	121.19
Sub-total (i)	**2,909.35**	**3,381.01**
(ii) Other operating income		
Scrap sale	5.82	2.21
Liabilities/ Provisions no longer required written back	0.92	4.83
Insurance claim received	1.95	0.56
Purchase tax	1.89	2.19
Subsidy from Government (refer note 39)	27.75	2.06
Fair value gain on re-measurement of biological assets through profit or loss *	1.18	0.64
Duty drawback	1.94	1.24
Miscellaneous income	1.88	1.07
Service Charges	1.38	-
Sub-total (ii)	**44.71**	**14.80**
Total (i+ii)	**2,954.06**	**3,395.81**

* excludes fair value of self consumed sugar cane of ₹1.80 crore (Previous Year ₹2.11 crore)

27. Other income

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income		
- from financial assets carried at amortized cost	2.29	0.21
- from banks and others	0.71	3.33
Deferred Government grant (refer note no. 39)	0.97	0.10
Dividend income	0.06	0.03
Other non-operating income		
- Income from rent	1.14	1.49
- Profit/(Loss) on sales of fixed assets	1.56	0.04
- Sales of REC (Net)	3.94	18.37
- Income from consultancy services	-	0.06
- Other miscellaneous income	-	0.87
- Refund of income tax	0.03	-
- Profit on sale of investment	-	0.04
- Provision for impairment of investment reversed	1.00	0.50
- Miscellaneous income	0.02	-
- Foreign exchange fluctuation difference	6.71	2.29
Total	**18.43**	**27.33**

Notes forming part of the Consolidated Financial Statements

28. Cost of materials consumed

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cost of material consumed		
- Sugar cane*	2,243.87	2,202.86
- Molasses	15.28	26.89
- Bagasse and other fuel	40.53	13.64
- Chemicals and others	65.53	51.36
Total	**2,365.21**	**2,294.75**

*excludes fair value of self consumed sugar cane of ₹1.80 crore (Previous year ₹ 2.11 crore)

29. Excise duty on sale of goods

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Excise duty on sale of goods	-	43.99
Total	**-**	**43.99**

30. Purchase of stock-in-trade

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of stock-in-trade		
- Others	253.65	90.07
Total	**253.65**	**90.07**

31. Changes in inventories of finished goods & work in progress

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Closing stock: :		
Finished stock	1,552.36	1,053.05
Work-in-progress	31.02	25.88
Stock-in-trade	38.12	1.49
Total (a)	**1,621.50**	**1,080.42**
Opening stock :		
Finished stock	1,053.05	1,389.73
Work-in-progress	25.88	21.47
Stock-in-trade	1.49	6.98
Total (b)	**1,080.42**	**1,418.18**
Excise duty and others (c)	-	(82.39)
Net(Increase)/decrease in stock (b+c-a)	**(541.08)**	**255.37**

Note :

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Write down the inventory of sugar at net realisable value	18.28	179.96

Notes forming part of the Consolidated Financial Statements

32. Employees benefits expense

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	134.87	111.62
Contribution to provident & other funds	9.34	8.91
Gratuity	3.93	4.09
Voluntary retirement compensation	0.50	0.33
Workmen and staff welfare expenses	1.04	1.59
Total	**149.68**	**126.54**

33. Finance costs

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expenses on financial liabilities measured at amortize cost	100.87	125.81
Other borrowing cost	3.44	3.97
Foreign exchange difference (Net)	-	0.02
	104.31	129.80
Less : Interest capitalized during the period	0.18	4.71
Less : Interest subsidy claimed on Buffer Stock	12.82	-
Less : Interest subsidy claimed under UPSIPP 2013	-	3.57
Total	**91.31**	**121.52**

34. Depreciation and amortisation expenses

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	70.40	57.48
(Refer note 4)		
Amortisation of intangible assets	0.35	0.25
(Refer note 6)		
Total	**70.75**	**57.73**

35. Other expense

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores, spares & other manufacturing expenses	54.28	46.65
Power and Fuel	8.47	21.45
Packing material expenses	36.53	31.08
Expenditure on crop	1.49	1.22
Repair & maintenance : -		
- Plant & machinery	40.78	26.55
- Building	3.27	2.47
- Others	3.64	4.48

Notes forming part of the Consolidated Financial Statements

35. Other expense (Contd.)

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	9.60	8.34
Rates and taxes	1.02	0.91
Charity and donations (refer note 35.1)	0.40	1.28
Insurance	2.25	2.73
Molasses fund	0.38	0.22
Selling Expenses :		
- Commission to selling agents	10.86	10.51
- Other selling expenses	38.62	21.77
Less : Buffer stock subsidy claim agst. Insurance & handling	(2.27)	-
Payment to auditor's :		
- Audit fees	0.30	0.28
- Tax audit fees	0.07	0.04
- Management and other services	0.07	-
- Reimbursement of expenses	0.03	0.03
CSR expenses (refer note 35.2)	2.95	3.52
Cane development expenses	5.40	9.11
Balance written-off	0.55	4.44
Provision for impairment allowances	6.00	-
Director sitting fees	0.10	0.10
Loss on sale of fixed/discarded assets	0.33	-
Loss on material held for disposal (refer note 16)	1.60	-
Foreign exchange difference (Net)	2.11	0.07
Miscellaneous expenses	34.99	33.34
Total	**263.82**	**230.59**

Note 35.1: Charity and donation

Charity and donation includes ₹ NIL (PY ₹1 crore to Bharatiya Janata Party) as political contribution.

35.2 Corporate social responsibility (CSR)

(₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) As per section 135 of the Companies Act, 2013 read with Schedule VII thereof gross amount required to be spent by the company	3.80	2.50
b) Amount spent during the year :		
(i) Construction/acquisition of any assets		
- in cash	0.25	2.21
- yet to be paid in cash		
(ii) On purpose other than (i) above		
- in cash	2.70	1.31
- yet to be paid in cash		

Notes forming part of the Consolidated Financial Statements

The Various heads which the CSR expenditure were incurred in cash is detailed as follows :- (₹ in Crore)

Particulars	Relevant clause of Schedule VII to the Companies Act, 2013	Year ended March 31, 2019	Year ended March 31, 2018
(i) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for thepromotion of sanitation and making available safe drinking water.	Clause (i)	0.25	0.55
(ii) Promotion of education, including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects.	Clause (ii)	1.69	2.89
(iii) Promoting gender equality and empowering women.	Clause (iii)	0.01	-
(iv) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art.	Clause (v)	1.00	-
(v) Promoting rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Clause (vii)	-	0.08
(vi) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.	Clause (ix)	-	-

36. Tax expense

A. Income tax expenses (₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	69.33	44.55
Tax adjustments related to earlier year	(4.06)	-
Deferred tax	2.96	6.77
Total income tax expenses	**68.23**	**51.32**

(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rate: (₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (before income tax expense)	319.15	202.58
Less : Losses/(profit) of subsidiaries on which deferred tax assets not recognised	1.81	(0.91)
Net Profit for tax purpose	**320.96**	**203.49**
Applicable tax rate	34.944%	34.944%
Computed tax expenses	**112.16**	**71.11**
Adjustments :		
Income exempt from tax purposes	(3.74)	(0.43)
Expenses not allowed for tax purposes	8.49	2.60
Additional allowances for tax purposes	-	(0.17)

Notes forming part of the Consolidated Financial Statements

(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rate: (Contd.) (₹ in Crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax on non-depreciable assets and investment (Net)	(1.86)	(23.21)
Deduction in respect of u/s 80IA of Income Tax Act 1961 in respect of power undertaking	(45.04)	-
Reversal of deferred tax assets in subsidiaries	2.22	-
Others	(4.00)	1.43
At the effective income tax rate of 21.38% (Previous year 25.33%)	**68.23**	**51.32**

37. Earnings per share (EPS) :

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
i) Net Profit/ Loss(-) available to equity shareholders (Used as numerator for calculating EPS)	(₹ In Crore)	251.04	151.70
ii) Weighted average no.of equity shares outstanding during the period:			
(Used as denominator for calculating EPS)			
- for Basic EPS	No.	66387590	66387590
- for Diluted EPS	No.	66387590	66387590
iii) Earning per share			
- Basic	₹	37.81	22.85
- Diluted	₹	37.81	22.85
(Equity share of face value of ₹10 each)			

38. Contingent liabilities and commitments: Not provided for in respect of :-

I. Contingent liabilities (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
i) Demands being disputed by the Company :		
a) Excise duty and Service Tax demands {Net of amount paid ₹2.27 Crore (PY- ₹2.85 Crore)}	18.07	41.97
b) Trade Tax and Entry Tax demands {Net of amount paid ₹0.30 Crore (PY- ₹0.31 Crore)}	17.97	38.15
c) Other demands {Net of amount paid ₹1.47 Crore (PY- ₹0.44 Crore)}	25.80	28.53
d) Estimated amount of interest on above	61.37	118.35
ii) Claims against the Company not acknowledged as debts :		
a) Statutory liability being disputed by authorities	3.60	6.35
b) Income tax demand on processing of TDS returns*	0.05	0.06
c) Other liabilities	2.92	5.17
d) In respect of some pending cases of employees under labour laws	Amount not ascertainable	Amount not ascertainable

iii) Allahabad High Court in the case of PIL Rashtriya Kisan Mazdoor Sangathan VS State of U.P. passed a final order on March 09, 2017 directing the Cane Commissioner to decide afresh the issue as to whether the Sugar Mills are entitled for waiver of interest on the delayed payment of the price of sugarcane for the seasons 2012-13, 2013-14 and 2014-15 under the provisions of Section 17(3) of the U.P. Sugarcane (Regulations of Supply and Purchase) Act, 1953 (in short 'the Act'). No order has yet been passed by the Cane Commissioner and the amount of interest, if any, payable has also not been determined. Based on the legal opinion received by the Industry Association, possibility of the liability crystallizing on this score is remote. Accordingly, no provision in considered necessary for such improbable liability.

iv) The amount shown above represents the best possible estimates arrived on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal process which have been invoked by the company or the claimants as the case may be, therefore it cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

v) In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome.

vi) Cane societies are in dispute with the State Government of Uttar Pradesh with regard to retrospective partial waiver of society commission payable by the sugar mills for the crushing seasons 2012-13,2014-15 and 2015-16. Group was the beneficiary of such waiver. Based on the legal advise no liability is likely to crystalize on the Group on this matter. Accordingly, no provision in considered necessary for such improbable liability.

* The Company has initiated steps for revising the TDS forms to remove various defects due to which demands were raised by authorities and is confident that the demand will be substantially reduced after these rectification.

II. Capital commitment (₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	10.09	4.93

39. The Group is eligible to receive various specific grants announced by Central and UP State Government for Sugar Industry by way of production subsidy, reimbursement of society commission and interest subvention on certain term loan, Loans at concessional rate etc. The Group is also eligible to receive grant announced by U.P State Government for promotion of industry in general under UPSIPP Scheme 2013. The Group has recognised these Government grants in the following manners:

S. No.	Particulars	Treatment in Accounts	2018-19	2017-18
1	**Revenue related Government grants:**			
i	Production subsidy from Government (Refer note a)	Deducted from cost of raw material consumed	77.98	-
ii	Transport subsidy from Government (Refer note b)	Deducted from other selling expenses under other expenses schedule	29.58	-
iii (a)	Buffer subsidy claim (Refer note c)	Interest subisdy claim deducted from "finance cost"	12.82	-
iii (b)	Buffer subsidy claim (Refer note c)	Claim agst. insurance & handling Shown as separate line item in "Other expenses"	2.27	-
iv (a)	Government Grant of Rs. 4.50 per quintal of cane purchase during SS 2017-18 as announced by the U.P. State Government (Refer note d)	Related to cane purchase in previous year i.e. 2017-18,Shown as separate line items "Government grant" under other operating income	27.75	

Notes forming part of the Consolidated Financial Statements

S. No.	Particulars	Treatment in Accounts	2018-19	2017-18
iv (b)	Government Grant of Rs. 4.50 per quintal of cane purchase during SS 2017-18 as announced by the U.P. State Government (Refer note d)	Related to cane purchase in current year i.e. 2018-19, Deducted from cost of raw material consumed	6.01	-
v	Incentive claim on society commission under UPSIPP Scheme 2013 (Refer note b)	Shown as separate line items "Government grant" under other operating income	-	2.06
vi	Interest subsidy claimed under UPSIPP Scheme 2013 (Refer note b)	Deducted from finance cost	-	3.57
vii	Interest subvention on term loan (Refer note F)	Deducted from finance cost	1.91	6.05
2	**Deferred Government grants:**			
i	Deferred income relating to term loans on concessional rate from Sugar Development Fund	Deducted from finance cost	1.29	1.17
ii	Deferred income relating to term loans on concessional rate (Refer note g)	Deducted from finance cost	2.76	-
iii	Deferred income relating grant on property, plant and equipment	Shown as separate line item "Deferred Government grant" under Other income	0.97	0.10

Notes :

a) The Central Government vide its Notification No. 1(14)/2018-SP-I dated October 05, 2018 announced Scheme for Assistance to Sugar mills for Sugar season 2018-19, (Scheme) with a view to offset the Cane cost and facilitate timely payment of Cane price dues. Every sugar mill which fulfills the conditions stipulated in Scheme will be eligible for assistance at the rate of Rs. 13.88 per qtl. of cane crushed during sugar season 2018-19 or the proportionate inter-se allocation of estimated 3000 Lakh MT. of cane to be crushed (for sugar season 2018-19) on the basis of the average sugar production of last three sugar seasons i.e. 2015-16, 2016-17, & 2017-18, whichever is lower.

For the eligiblility under the Scheme, the Sugar mills have to supply atleast 80% of indented quantity of Ethanol to OMC; have to file updated online return in Proforma II as prescribed under DFPD under the provisions of Sugar Control Order 1966 and have to fully comply with all the orders/directives of DFPD during sugar season 2018-19 till the date of submission of the claim.

Till March 31, 2019, the Group has complied with all the conditions as stated in the scheme and the management is also confident that all the conditions set out in the Scheme shall be fully complied with at the time of submission of the claim. Accordingly subsidy accured under the Scheme till March 31, 2019 has been recognised during the year.

b) The Central Government vide its Notification No. 1(4)/2018-SP-I dated September 28, 2018 announced Minimum Indicative Export Quota (MIEQ) under Tradeable Export Scrip Scheme and allocated quota of 123899 MT of raw/white sugar or 16.7 kg of sugar per MT of actual cane crushed during 2018-19 sugar season, whichever is lower for export to sugar mills of the company. Further, the Central Government vide its Notification No. 1(14)/2018-S.P.-I dated October 5, 2018 announced the Scheme for Defraying Expenditure towards internal transport, freight, handling, and other charges on export @ Rs. 3000 per MT. of sugar exported for Mills located in other than coastal states or actual expenditure, whichever is lower. The conditions stipulated under this scheme are the same as stipulated in the Scheme for Assistance to Sugar Mills as stated hereinabove and the Management is confident to comply those. Accordingly subsidy accured under the Scheme till March 31, 2019 has been recognised during the year.

c) The Central Government, vide its Notification No. 1(6)/2018-SP-I dated June 15, 2018, notified a Scheme for creation and Maintenenace of Buffer Stock of 30 Lakh MT. of sugar by the Sugar Mills in the country for one year w.e.f July 1, 2018. The

Company is eligible for the reimbursement of the costs incurred for Interest (maximum 12%), insurance and storage charges (@ 1.5%) of Buffer stock to be valued at Rs. 29 per Kg. on quarterly basis till 13th February and thereafter to be valued at the rate of Rs. 31 per Kg.

The Group has created buffer stock in accordance with the scheme and recognised the eligibe subsidy during the year.

d) The Group has recieved government grant of Rs. 4.50 per quintal of cane purchase during sugar season 2017-18 under the scheme announced by the U.P State Government vide notifications no. 13/201//1697/46-3-18-3(37)/2018 dtd. October 01, 2018 which has been accounted for in the financial statements as mentioned hereinabove.

e) Under the UPSIPP scheme 2013, the Group is eligible for the reimbursement of interest paid on loans obtained from banks/ financial institutions/ sugar development fund on account of setting up of plant and machinery in an existing sugar mill @ 5% p.a. Under the Scheme, the Group is also eligible for reimbursement of cane commission paid on the additional cane purchased on account of capacity enhancement.

f) Under Interest Subvention Scheme of Extending Financial Assistance to Sugar Undertaking 2014, the company is eligible for the reimbursement of interest paid on loan taken from banks under the Schme. The Group has availed beneift under the scheme.

g) The State Government, with a view to improve the liquidity position of private sector sugar mills of the State enabling them to clear the cane price arrears of crushing seasons 2016-17 and 2017-18 and timely settlement of cane price as per State Advised Price (SAP) fixed by the State Government, to the sugarcane farmers, has notified the scheme, namely "Scheme for Extending Financial Assistance to Sugar Undertakings-2018" vide notification No.: 15 /2018/1719/46-3-18-3 (36-A) / 2018 dated October 16, 2018. During the year, the Group had availed the loan under the Scheme, wherein, the government grant has has been received in form of Subsidised rate of interest.

h) The Group was eligible for various incentives under U.P. Sugar Incentive Promotion Policy, 2004 (the scheme) which was subsequently withdrawn by the State Government. Petition filed by the group, The Hon'ble Allahabad High Court vide order dated February 12, 2019 has set aside and queshed the policy withdrawl order and directed the State government to give the benefits under the scheme after examination of incentive claims filed by the respective units. The group is in the process of filing its claim under the "Scheme".

40. Details of loans and advances given; investment made; guarantee given and security provided as required to be disclosed as per provision of section 186(4) of Companies Act, 2013 have been disclosed under the respective heads.

41. Operating Lease

I. Operating Lease Obligation (As a lessee): - The company has taken various premises on operating lease for lease period of 1 year to 3 years from the date of lease. The lease period may be further extended as per mutual decision of the parties. In all the leases,there is escalation clause for increase in rentals yearly or alternative year. Details of future minimum lease payments under non cancellable operating lease are as follows:

(₹ in Crore)

Particulars	2018-19	2017-18
(A) Future Minimum Lease Payment		
Not later than one year	4.57	4.32
Later than one year but not later than five year	11.92	3.15
Later than five year	0.00	0.00
(B) Lease payments recognized in the statement of Profit & Loss during the year		
Minimum Lease Payment	4.73	4.95

Notes forming part of the Consolidated Financial Statements

II. Operating Lease Recognized (As a lessor): - The company has given various premises on operating lease for lease period of 1 year to 15 years from the date of lease.The lease period may be further extended as per mutual decision of the parties.In all the leases,there is escalation clause for increase in rentals yearly or alternative year or after 5 years Details of future minimum lease rentals to be received under non cancellable operating lease are as follows:

Particulars	2018-19	2017-18
(A) Future Minimum Lease Payment		
Not later than one year	0.80	0.01
Later than one year but not later than five year	0.20	0.07
Later than five year	0.02	0.03
(B) Lease payments recognized in the statement of Profit & Loss during the year		
Minimum Lease Payment (Rental Income)	0.73	0.97

42. In the opinion of the Board, current assets and loans and advances have realisable value in the ordinary course of business at least equal to the value at which they are stated in the balance sheet. The Board is also of opinion that the diminution in the value of investments in Dhampur International Pte Ltd. (wholly owned subsidiary), EHAAT Limited (wholly owned subsidiary) and DETS Limited (Holding 51% of Equity Shares), is on account of losses, which is temporary in nature.

43. Related Party Disclosures:

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

I) Key Management Personnel (KMP)

1 Mr.Vijay Kumar Goel, Chairman
2 Mr. Ashok Kumar Goel, Vice Chairman
3 Mr. Gaurav Goel, Managing Director
4 Mr. Gautam Goel, Managing Director
5 Mr. Arhant Jain, Executive President (Finance) & Company Secretary (resigned w.e.f. April 03, 2017)
6 Mr. Sandeep Sharma, Chief Operating Officer & Director
7 Mr. Nalin Gupta, Chief Financial Officer
8 Mrs Aparna Goel, Company Secretary
9 Mr. Priya Brat, Independent Director
10 Mr. M. P. Mehrotra, Independent Director
11 Mr. Harish Saluja, Independent Director
12 Mr. Ashwani Kumar Gupta, Independent Director
13 Ms Nandita Chaturvedi, Independent Director
14 Mr. Rahul Bedi, Independent Director

Notes forming part of the Consolidated Financial Statements

II) Close family member of Key Management Personnel	1	Mrs Deepa Goel (Relative of Mr.Vijay Kumar Goel)
	2	Mrs Vinita Goel (Relative of Mr. Ashok Kumar Goel)
	3	Mrs Priyanjali Goel (Relative of Mr. Gaurav Goel)
	4	Mrs Bindu Vashist Goel (Relative of Mr. Gautam Goel)
	5	Mrs. Brij Bala Jain, Mr. Arvind Jain, Mrs Anita Jain, Mr. Anubhav Jain, Mrs. Ankita Jain, Mrs Shruti Jain, Mr. Ashish Jain (Relative of Mr. Arhant Jain)
	6	Mrs Poonam Sharma, Mr. Rahul Sharma, Ms. Sona Sharma (Relative of Mr. Sandeep Sharma)
	7	Mrs Rakhi Gupta, Mr. Sidharth Gupta, Mr. Sanjay Gupta (Relative of Mr. Nalin Gupta)
	8	Master Advay Goel (Relative of Mrs Aparna Goel)
	9	Mrs Shakuntala Brat & Ms. Anu Mahendru (Relative of Mr. Priya Brat)
III) Enterprises which have significant influence and also owned or significantly influenced by Key Management Personnel	1	Goel investments Limited
	2	Ujjwal Rural Services Limited
	3	Saraswati Properties Limited
	4	V. K. Goel, H.U.F
	5	A.K. Goel, H.U.F.
	6	Gaurav Goel, H.U.F
	7	Gautam Goel, H.U.F
	8	Arhant Jain (HUF), Anubhav Jain (HUF), Ashish Jain (HUF), Arvind Jain (HUF)
	9	Nalin Kumar Gupta (HUF)
	10	Sandeep Sharma (HUF)
	11	Dhampur Sugar Mill Provident Fund
	12	Pushp Niketan School Samiti
	13	Academy of Modern Learning Turst
	14	Shudh Edible Products Limited
	15	Amara Capital Private Limited

Notes forming part of the Consolidated Financial Statements

B. Disclosure of transactions between the Company and its Related Parties during the year

(₹ in Crore)

S. No.	Particulars	2018-2019	2017-2018
1	**Loans/advances given**	**0.25**	**0.02**
	Pushp Niketan School Samiti	0.25	0.02
2	**Reciepts towards Loan /Advances given**	**0.52**	**0.05**
	Goel Investment Limited	-	0.05
	Pushp Niketan School Samiti	0.52	-
3	**Loans taken**	**3.00**	-
	Amara Capital Private Limited	3.00	
	Gautam Goel (HUF)	0.30	-
	Nalin Gupta (HUF)	0.11	-
	Relative of KMP	1.38	0.05
7	**Rent paid**	**4.50**	**4.50**
	Goel Investment Limited	0.12	0.12
	Saraswati Properties Limited	1.96	1.96
	Shudh Edible Products Limited	2.40	2.40
	Ujjwal Rural Services Limited	0.02	0.02
8	**Remuneration paid (including commission)***	**22.36**	**17.07**
	Mr. Vijay Kumar Goel	5.31	4.00
	Mr. Ashok Kumar Goel	5.31	4.00
	Mr. Gaurav Goel	5.31	4.00
	Mr. Gautam Goel	5.31	4.00
	Mr. Sandeep Sharma	0.74	0.64
	Mr. Nalin Gupta	0.23	0.19
	Mrs Aparna Goel	0.12	0.08
	Relative of KMP	0.03	0.16
9	**Sitting fees and Commission to Independent Directors**	**0.10**	**0.28**
10	**Directors Perquisits (As per Income Tax Act)**	**0.72**	**0.76**
	Mr. Vijay Kumar Goel	0.20	0.37
	Mr. Ashok Kumar Goel	0.17	0.17
	Mr. Gaurav Goel	0.17	0.17
	Mr. Gautam Goel	0.13	#
	Mr. Sandeep Sharma	0.05	0.05
11	**Interest expense**	**0.98**	**1.77**
	Mr. Ashok Kumar Goel	0.15	0.16
	Mr. Arhant Jain	-	0.04
	Mr. Nalin Gupta	-	#
	Mrs Aparna Goel	-	#
	Mr. Priya Brat	0.05	0.01
	V.K. Goel (HUF)	0.02	0.06
	A.K. Goel (HUF)	0.02	0.07

Notes forming part of the Consolidated Financial Statements

(₹ in Crore)

S. No.	Particulars	2018-2019	2017-2018
	Gaurav Goel (HUF)	0.03	0.07
	Gautam Goel (HUF)	0.02	0.07
	Arhant Jain (HUF)	-	0.06
	Sandeep Sharma (HUF)	0.01	0.01
	Nalin Gupta (HUF)	-	0.02
	Amara Capital Private Limited	0.09	-
	Relative of KMP	0.59	1.20
12	**Contribution to Defined Contributions Plan**	**6.23**	**5.47**
	Dhampur Sugar Mill Provident Fund	6.23	5.47
13	**Corporate Social Responsibilities**	**1.69**	**2.72**
	Academy of Modern Learing Trust	1.69	2.72

C. Disclosure of status of outstanding balances as at year end

(₹ in Crore)

S. No.	Particulars	2018-2019	2017-2018
	Amount due to/ from Related Parties:		
1	**Deposits from Related Parties**	**6.87**	**14.71**
	Mr. Ashok Kumar Goel	1.09	1.39
	Mr. Arhant Jain	-	0.32
	Mr. Nalin Gupta	-	0.02
	Mrs. Aparna Goel	-	0.01
	Mr. Priya Brat**	0.24	0.08
	V.K. Goel (HUF)	0.15	0.41
	A.K. Goel (HUF)	0.17	0.48
	Gaurav Goel (HUF)	0.17	0.47
	Gautam Goel (HUF)	0.17	0.47
	Arhant Jain (HUF)	-	0.42
	Sandeep Sharma (HUF)	0.05	0.05
	Nalin Gupta (HUF)	-	0.11
	Relative of KMP	4.83	10.48

Notes forming part of the Consolidated Financial Statements

C. **Disclosure of status of outstanding balances as at year end** (Contd.) (₹ in Crore)

S. No.	Particulars	2018-2019	2017-2018
2	**Unsecured Loans and Advances from related parties**	**2.50**	-
	Amara Capital Private Limited	2.50	
3	**Unsecured Loans and Advances to related parties**	**0.26**	**0.54**
	Pushp Niketan School Samiti	0.26	0.54
4	**Payables**	**1.02**	**0.92**
	Goel Investment Limited	0.04	0.05
	Saraswati Properties Limited	0.28	#
	Shudh Edible Products Limited	0.39	0.11
	Ujjwal Rural Services Limited	0.06	0.04
	Mr. Ashok Kumar Goel	0.09	0.06
	Mr. Gaurav Goel	0.01	0.01
	Mr. Gautam Goel	0.13	0.62
	Mr. Vijay Kumar Goel	0.02	0.03
5	**Security Deposits**	**2.65**	**2.65**
	Goel Investment Limited	0.50	0.50
	Saraswati Properties Limited	0.90	0.90
	Shudh Edible Products Limited	1.20	1.20
	Ujjwal Rural Services Limited	0.05	0.05

***Key Managerial person** (₹ in Crore)

Particulars	2018-2019	2017-2018
Short term benefits ***	22.49	17.25
Defined Contribution Plan	0.02	0.01
Defined Benifit Plan (contribution to Dhampur Sugar Mill Provident Fund Trust)	0.64	0.69
Total	**23.15**	**17.95**

Note: As the liability for gratuity is provided on actuarial basis for the group as a whole, amounts accrued pertaining to key managerial personnel are not included above.

** FDR of relative of Mr. Priya Brat of ₹0.16 crore are included due to death of that relative.

*** Short term benefits Including remunerations, bonus, due leave, sitting fee, commission on accrual basis and value of perquisites.

D. Terms and Conditions and Settlement

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances at the year end are un-secured and settlement occurs in cash.

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS

Identification of Segments

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Board of Directors (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments').

The Chief Operational Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by Business Segment. Segment performance is evaluated based on their revenue growth, operating income and return on capital employeed. Operating Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure, and the internal financial reporting systems.

Operating Segments

The Group is organized into three main business segments based on the products include :

- Sugar which consists of manufacture and sale of Sugar and its byproducts and,
- Chemicals/Distillery which consists of manufacture and sale of RS, SDS, ENA, Ethanol, Ethyl Acetate, IMFL etc.
- Power which consists of co-generation and sale of power

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Geographical segments

Since the Group's activities/ operations are primarily within the country and considering the nature of products/ services it deals in, the risks and returns are same and as such there is only one geographical segment.

Segment Accounting Policies: In addition to the significant accounting policies applicable to the operating segments as set out in note 2, the accounting policies in relation to segment accounting are as under:

a. **Segment revenue and results:**
   Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenses (net of unallocated income).

b. **Segment assets and liabilities:**
   Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Unallocated assets include deferred tax, investments, interest bearing deposits loans to subsidiary and income tax refund. Unallocated liabilities include interest bearing liabilities, tax provisions and deferred tax. Capital expenditure pertains to additions made to fixed assets during the year and includes capital work in progress.

c. **Inter segment sales/transfer:**
   Transactions between segments are primarily for materials which are transferred at cost /market determined prices. These transactions are eliminated in consolidation.

Notes forming part of the Consolidated Financial Statements

A.Information about business segments (₹ in Crore)

Particulars		Sugar	Chemicals	Power	Others	Total
1.	**Segment revenue (including excise duty)**					
a)	External sales	2,020.47	440.47	219.73	273.39	2,954.06
	Previous year (March 31, 2018)	2,735.72	342.56	213.22	104.31	3,395.81
b)	Inter segment sales	382.02	57.98	387.28	21.60	848.88
	Previous year (March 31, 2018)	346.45	2.30	330.59	29.21	708.55
c)	Total revenue	2,402.49	498.45	607.01	294.99	3,802.94
	Previous year (March 31, 2018)	3,082.17	344.86	543.81	133.52	4,104.36
2.	**Segment results**					
	(Profit(+)/Loss(-) before tax and Interest from each segment)	30.67	185.89	241.42	0.59	458.57
	Previous year (March 31, 2018)	87.67	63.87	219.74	(7.22)	364.06
	Less : Finance costs					91.31
	Previous year (March 31, 2018)					121.52
	Less/ Add :Other unallocable expense/income					
	net off unallocable income/expenses					48.11
	Previous year (March 31, 2018)					39.96
	Net Profit(+)/loss(-) before tax					319.15
	Previous year (March 31, 2018)					202.58
	Less: Tax expense (Net)					68.23
	Previous year (March 31, 2018)					51.32
	Net Profit after tax (Before adjustment of minority interest)					250.92
	Previous year (March 31, 2018)					151.26
	Share of profit/loss of non-controlling Interest					0.12
	Previous year (March 31, 2018)					0.44
	Pre-acquisition profit of the subsidiary company					-
	Previous year (March 31, 2018)					-
	Net profit after tax (after adjustment of minority interest)					251.04
	Previous year (March 31, 2018)					151.70
3.	**Other information**					
a)	Segment assets	2,681.93	352.34	730.96	135.10	3,900.33
	Previous year (March 31, 2018)	2,020.87	312.06	698.71	82.51	3,114.15
	Unallocable corporate assets					26.29
	Previous year (March 31, 2018)					21.57
	Total assets					3,926.62
	Previous year (March 31, 2018)					3,135.72

to be contd.

Notes forming part of the Consolidated Financial Statements

A.Information about business segments (Contd.) (₹ in Crore)

Particulars		Sugar	Chemicals	Power	Others	Total
b)	Segment liabilities	608.62	35.55	13.98	121.46	779.61
	Previous year (March 31, 2018)	547.44	31.59	21.33	24.51	624.87
	Unallocable corporate liabilities					1921.19
	Previous year (March 31, 2018)					1,508.31
	Total liabilities					2,700.80
	Previous year (March 31, 2018)					2,133.18
c)	Capital expenditure	30.94	49.10	2.62	3.26	85.92
	Previous year (March 31, 2018)	53.77	8.30	93.19	10.45	165.71
d)	Depreciation	32.44	17.45	19.70	1.16	70.75
	Previous year (March 31, 2018)	30.92	10.45	15.13	1.23	57.73
e)	Non cash expenditure other than depreciation	0.37	7.53	-	0.03	7.93
	Previous year (March 31, 2018)	2.97	1.61	-	0.11	4.69

B. Geographical segments:

Segment revenue & non current assets by location:

Particulars	Period	India	Outside India	Total
External revenue	2018-19	2,648.49	305.57	2,954.06
	2017-18	3,295.79	100.02	3,395.81
Non current assets (other than financial assets)	March 31, 2019	1,659.69	-	1,659.69
	March 31, 2018	1,643.10	-	1,643.10

C. Information about major customer

Number of customers individually accounted for more than 10% of the revenue in the year ended March 31,2019 - NIL (Previous year - NIL)

45. Employees benefits :

The required disclosures of employees benefits as per Indian Accounting Standard (Ind AS) -19 are given hereunder :-

(i) Defined contribution plan :

Details of contribution to defined contribution plan to Regional Provident Commissioner and the Central Provident Fund recognised as expense during the period are as under :

(₹ in crores)

	2018-2019	2017-2018
Employer's Contribution to Provident Fund :	3.70	3.51
Employer's Contribution to Pension Fund :	3.36	3.33

(ii) Defined benefit plan :

(a) **In respect of non funded defined benefit scheme of gratuity (Based on actuarial valuation) :**

The gratuity plan is governed by the payment of Gratuity Act,1972. Under the said Act an employee who has completed five years of services is entitled to specific benefit. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Salary escalation risk : The present value of the defined benefit plan is calculated with the assumption of salary increase 0.50% per annum of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Actual mortality & disability : deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

The following tables summaries the components of net benefit expense recognised in the statement of Profit and Loss

(₹ in crores)

a) Details of Non funded post retirement plans are as follows:	2018-2019	2017-2018
I. Expenses recognised in the statement of profit and loss:		
Current service cost	1.60	1.53
Past service cost	-	0.44
Net interest on the net defined benefit liability	2.33	2.06
Curtailment/settlement	-	0.06
Expense recognised in the statement of profit and loss	**3.93**	**4.09**
II. Other comprehensive income		
Actuarial gain / (loss) arising from:		
. Change in financial assumptions	(0.23)	(0.54)
. Change in experience adjustments	0.24	1.18
Components of defined benefit costs recognised in other comprehensive income	**0.01**	**0.64**
The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit & loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.		
III. Change in present value of defined benefit obligation:		
Present value of defined benefit obligation at the beginning of the year	30.04	27.49
Interest expense/income	2.33	2.06
Past service cost	-	0.44
Current service cost	1.60	1.53
Benefits paid	(2.55)	(2.13)

Actuarial (gain)/ loss arising from:		
. Change in financial assumptions	0.22	(0.54)
. Change in experience adjustment	(0.24)	1.18
Present value of defined obligation at the end of the year	**31.41**	**30.04**
IV. Net liability recognised in the Balance Sheet as at the year end:		
Present value of defined benefit obligation	31.41	30.04
Funded status (surplus / (Deficit))	(31.41)	(30.04)
Net liability recoginsed in balance sheet	31.41	30.04
Current liability (Short term)	2.36	3.77
Non- current liability (long term)	29.05	26.27
V. Actuarial assumptions:		
Discount rate (per annum)%	7.65%	7.75%
Expected rate of salary increase %	5.00%	5.00%
Retirement / superannuation Age (year)	60	60
Mortality rates	100% of IALM (2006-08)	100% of IALM (2006-08)
VI. Maturity profile of defined benefit obligation:		
Expected cash flows (valued on undiscounted basis):		
With in 0 to 1 Year	2.36	3.64
With in 1 to 2 Year	0.75	2.06
With in 2 to 3 Year	1.63	1.24
With in 3 to 4 Year	1.09	1.36
With in 4 to 5 Year	1.29	1.24
With in 5 to 6 Year	1.02	1.42
6 Year onwards	23.27	16.94
Total expected payments	**31.41**	**27.90**
The average duration of the defined benefit plan obligation at the end of the balance sheet date (in years)	11.66	11.59
VII. Sensitivity analysis on present value of defined benefit obligations:		
a) Discount rates		
0.50% increases	(-3.83%)	(-3.90%)
0.50% decreases	(4.07%)	(4.16%)
b) Salary growth rate :		
0.50% increases	(4.16%)	(4.54%)
0.50% decreases	(-3.94%)	(-4.28%)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the balance sheet date.

All sensitives are calculated using the same actuarial method as for the disclosed present value of the defined benefits obligation at year end.

Notes forming part of the Consolidated Financial Statements

The history of experience adjustments for non-funded retirement plans are as follows : (₹ in crores)

Particulars	Gratuity (Non funded)				
	2018-19	2017-18	2016-17	2015-16	2014-15
Present value of obligation as at the end of the year	31.41	30.04	27.49	22.70	22.45
Fair value of plan assets as at the end of the year	0.00	0.00	0.00	-	0.00
Net asset/(liability) recognized in the balance sheet	(31.41)	(30.04)	(27.49)	(22.70)	(22.45)
Net actuarial (gain)/loss recognized	0.01	0.64	3.57	(1.27)	(1.27)

b) **In respect of funded defined contribution scheme of provident fund (Based on actuarial valuation) :**

The Company's contribution to defined benefit plan to the irrecoverable trust, set up by the Company aggregating to ₹6.23 Crore (P. Y. ₹5.47 Crore) has been recognised in statement of profit and loss account. The Company is under obligation to mark-up any short fall in the fund.

The following table sets out the status of Provident Fund as per the actuarial valuation by the independent Actuary appointed by the Company:

(₹ in Crore)

Particulars	2018-2019	2017-2018
A) Change in the present value of the defined contribution obligation:		
Opening defined contribution obligation at beginning of the year	63.92	59.73
Current service cost	2.28	2.39
Adjustment in defined contribution obligation in opening balance	0.02	-
Interest cost	4.95	4.48
Employee contribution	4.53	4.64
Actuarial (Gain)/loss	0.52	0.51
Benefits paid	9.29	7.84
Closing defined contribution obligation at end of the year	66.92	63.92
B) Change in plan assets:		
Opening fair value of plan assets as at beginning of the year	64.84	61.09
Adjustment in fair value of plan assets in opening balance	1.12	0.36
Expected return on plan assets	4.88	4.60
Contributions	6.81	7.03
Benefits paid	9.29	7.84
Actuarial gain/(loss) on plan assets	0.02	(0.40)
Closing fair value of plan assets as at end of the year"	68.38	64.84
C) Reconciliation of present value of the obligation and fair value of the plan assets:		
Present value of funded obligation at end of the year	66.92	63.92
Fair value of plan assets at end of the year	68.38	64.84
Deficit/(surplus)	(1.46)	(0.92)
Net asset not recognised in balance sheet	(1.46)	(0.92)

(₹ in Crore)

Particulars	2018-2019	2017-2018
D) Net cost recognised in the profit and loss account:		
Current service cost	2.28	2.39
Interest cost	4.95	4.48
Expected return on plan assets	4.95	4.60
Interest shortfall reversed	-	0.12
Total costs of defined benefit plans included in "Payments to and provisions for employees	2.28	2.39
E) Principal actuarial assumptions:		
(i) Economic assumptions		
(a) Expected statutory interest rate	8.65%	8.55%
(b) Expected short fall in interest earnings on the fund	0.05%	0.05%
(ii) Demographic assumptions		
(a) Mortality	IALM (2006-08)	IALM (2006-08)
(b) Disability	None	None
(c) Withdrawal rate (Age related)		
Up to 30 years	3.00%	3.00%
Between 31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
(d) Normal retirement age (in years)	60	60

The history of experience adjustments for funded retirement plans are as follows : (₹ in crores)

Particulars	Provident fund (Funded)				
	2018-19	2017-18	2016-17	2015-16	2014-15
Present value of obligation as at the end of the year	66.92	63.92	59.73	54.91	51.83
Fair value of plan assets as at the end of the year	68.38	64.84	61.09	55.64	52.98
Deficit/(Surplus)	(1.46)	(0.92)	(1.36)	(0.73)	(1.15)
Surplus not recognised in balance sheet	(1.46)	(0.92)	(1.36)	(0.73)	(1.15)

Notes forming part of the Consolidated Financial Statements

Note 46 : Financial Instruments - Accounting, classification and fair value measurements

Financial instruments by category

The criteria for recognition of financial instruments is explained in accounting policies of the Group.

(₹ in crores)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial asset						
Investments						
-Investments in equity instruments	-	-	3.58	-	-	1.94
-Investments in Fixed Bond	-	-	8.18	-	-	-
Trade receivables	391.25			245.16		
Loans	11.4	-	-	5.35	-	-
Cash and cash equivalents and bank balances	20.24	-	-	46.94	-	-
Others	1.14			2.26	-	-
Total financial assets	**424.03**	**-**	**11.76**	**299.71**	**-**	**1.94**
Financial liabilities						
Borrowings	1824.45	-	-	1,448.95	-	-
Trade payables	666.43	-	-	525.08	-	-
Other financial liabilities	47.36	-	-	40.69	-	-
Total financial liabilities	**2,538.24**	**-**	**-**	**2,014.72**	**-**	**-**

Note : The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

(i) Fair value hierarchy

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Method and assumptions used to estimate fair values:

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, loans and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables and other current financial liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

The following table provides the fair value measurement hierarchy of Group's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(₹ in Crore)

Particulars	Carrying value March 31, 2018	Fair value measurement using		
		(Level 1)	(Level 2)	(Level 3)
(A) Financial assets at fair value				
Investments				
-Investments in equity instruments	1.94	1.94	-	-
Total	**1.94**	**1.94**	-	-

(₹ in Crore)

Particulars	Carrying value March 31, 2019	Fair value measurement using		
		(Level 1)	(Level 2)	(Level 3)
(A) Financial assets at fair value				
Investments				
-Investments in equity instruments	3.58	3.58		
-Investments in Fixed Bond	8.18	8.18	-	-
Total	**11.76**	**11.76**	-	-

47. Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group principal financial asset includes loan , trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Group's activities are exposed to market risk, credit risk and liquidity risk.

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's borrowings obligations with floating interest rates.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group's exposure to the risk of changes in foreign exchange rates is limited to the Group's operating activities (when revenue or expense is denominated in a foreign currency), which are not material.

Notes forming part of the Consolidated Financial Statements

(₹ in Crore)

Foreign currency exposure as at March 31, 2019	INR equivalent to Foreign Currency		
	CNY	EURO	USD
Trade Receivables	-	-	0.27
Loan/Trade Payables	-	-	-
Hedged Portion	-	-	-
Net Exposure to foreign currency risk (assets/liabilities)	-	-	0.27
Foreign currency exposure as at March 31, 2018	**CNY**	**EURO**	**USD**
Trade Receivables	-	-	0.45
Loan Payables	0.25	-	-
Hedged Portion	-	-	-
Net Exposure to foreign currency risk (assets/liabilities)	(0.25)	-	0.45

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have no material impact on Profit.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Impact of Hedging Activities

(a) Disclosure of effects of Hedge Accounting on Financial Position

March 31, 2019 (₹ in Crore)

Type of Hedge Risks	Nominal Value of Hedged Instruments*		Carrying Amount of Hedging Instrument**		Hedge Maturity	Hedge Ratio	Changes in Fair Value of Hedging Instrument	Changes in Value of Hedged Item used as the basis for recognising hedge effectiveness
	Asset	Liabilities	Asset	Liabilities				
Cash Flow Hedge								
Foreign exchange risk								
(i) Foreign Exchange Forward Contracts	143.87	-	134.88	-	Oct-2018 to May-2019	1:1	(8.99)	8.99
March 31, 2018								
Cash Flow Hedge								
Foreign exchange risk								
(i) Foreign Exchange Forward Contracts	-	-	-	-	-	-	-	-

* Nominal value is the INR value of the instrument based on spot rate of the first hedge.

** Carrying value is the INR value of the instrument based on the spot rate of the reporting date

Notes forming part of the Consolidated Financial Statements

(b) Disclosure of effect of hedge accounting on financial performance

Movement in cash flow hedging reserve

(₹ in Crore)

Risk Category	Foreign Currency Risk
Derivative Insrument	Foreign Exchange Forward Contract
(i) Cash Flow Hedge Reserve	
As at April 1, 2018	-
Add :	
Change in spot element of foreign exchange forward contracts	3.82
Add/(Less) :	
Hedge ineffectiveness recognised in profit or loss	-
Less :	
Amount reclassified to profit or loss under the heading "Revenue From Operations - Sales "	0.16
Amount reclassified to profit or loss under " Other Income " as "Foreign exchange fluctuation difference"	3.78
Add/(Less) :	
Deferred tax relating to above (net)	0.04
As at March 31 , 2019	**(0.08)**

(c) **Regulatory risk**

Sugar industry is regulated both by Central Government as well as State Government. Central and State Governments policies and regulations affects the Sugar industry and the Group's operations and profitability. Distillery business is also dependent on the Government policy.

(d) **Commodity price risk**

Sugar industry being cyclical in nature, realisations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affects profitability. The Group has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

II. **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's sugar sales are mostly on cash. Power and ethanol are sold to state government entities, thereby the credit default risk is significantly mitigated.

The impairment for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on The Group's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

The Group major exposure of credit risk is from trade receivables, which are unsecured and derived from external customers.

Expected credit loss for trade receivable on simplified approach :

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

(₹ in Crore)

Particulars	Carrying Value	Less than 6 months	6- 12 months	More than 12 months	Total
As at March 31, 2018					
Gross Carrying Amount	245.16	239.67	5.49	-	245.16
Expected Credit Loss	-	-	-	-	-
Carrying Amount (net of impairment)	245.16	239.67	5.49	-	245.16
As at March 31, 2019					
Gross Carrying Amount	397.25	362.23	10.63	24.39	397.25
Expected Credit Loss	-	-	-	6.00	6.00
Carrying Amount (net of impairment)	397.25	362.23	10.63	18.39	391.25

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. In case of probability of non collection, default rate is 100%. However, there is no material expected credit loss based on the past experience.

There is no change in the loss allowances measured using expected credit loss model (ECL).

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

III. **Liquidity risk**

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities and short term loans.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in Crore)

As at March 31, 2019	Carrying Value	Less than 1 year	1 - 5 years	More than 5 year	Total
Borrowings including current maturities	1,824.45	1,293.41	466.96	64.08	1,824.45
Trade payables	666.43	666.43			666.43
Other Liabilities	47.36	47.36			47.36
Total	**2,538.24**	**2,007.20**	**466.96**	**64.08**	**2,538.24**
As at March 31, 2018	**Carrying Value**	**Less than 1 year**	**1 - 5 years**	**More than 5 year**	**Total**
Borrowings including current maturities	1,448.95	1,025.97	348.28	74.70	1,448.95
Trade payables	525.08	525.08	-	-	525.08
Other Liabilities	40.69	40.69	-	-	40.69
Total	**2,014.72**	**1,591.74**	**348.28**	**74.70**	**2,014.72**

Notes forming part of the Consolidated Financial Statements

48. Capital management

(a) Risk management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Group. The Group's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Group through the optimization of the debt and equity balance.

The Group manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Group has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

(B) Dividends

	Recognized in the year ending	
	March 31, 2019	March 31, 2018
(i) Dividends Recognized		
Final dividend for the year ended March 31, 2018 of NIL/- per equity share (March 31, 2017 ₹3.5/- per equity share)	-	23.24
Interim dividend for the year ended March 31, 2019 of ₹3.5/- per equity share (March 31, 2018 ₹3.0/- per equity share)	23.24	19.92
(ii) Dividend proposed but not recognised in the books of accounts*		
In addition to the above dividends, for the year ended March 31, 2019 the directors have recommended the payment of a final dividend of ₹3 /-equity share. (March 31, 2018- NIL per equity share)	19.92	-

49. Interest in Other Entities

The Group's subsidiaries at March 31, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration and principal place of business is mentioned as below:-

Particulars	Year	EHAAT Limited	DETS Limited	Dhampur International Pte. Limited
Principal Activities		e-commerce business	Sale of machinery and providing services related with these machineries.	Business of importers, exporters of white crystal sugar, ethyl acetate, ethyl alcohol and yellow soybeans.
Place of Business/Country of Incorporation		India	India	Singapore
Ownership interest held by the group	March 31, 2019	100%	51%	100%
	March 31, 2018	100%	51%	100%
Ownership interest held by non-controlling interest	March 31, 2019	0%	49%	0%
	March 31, 2018	0%	49%	0%

There is no significant impact of the subsidiaries having non-controlling interests on consolidated financial statement of the Company and accordingly, financial information of the subsidiaries has not been disclosed.

50. Additional Information as required under Schedule III to the Companies Act, 2013 :

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % of consolidated total comprehensive income	Amount (₹ in Crores)
As at March 31, 2019	100.00%	1,224.70	100.00%	250.92	100.00%	(0.01)	100.00%	250.91
Parent								
Dhampur Sugar Mills Limited	98.57%	1,207.23	101.61%	254.96	3400.00%	(0.34)	101.48%	254.62
Subsidiaries- Indian								
EHAAT Limited	-0.33%	(4.09)	-0.89%	(2.24)	0.00%	-	-0.89%	(2.24)
DETS Limited	0.28%	3.42	-0.08%	(0.20)	0.00%	-	-0.21%	(0.53)
Subsidiaries- Foreign								
Dhampur International Pte. Ltd.	1.57%	19.26	-0.46%	(1.16)	-3300.00%	0.33	-0.33%	(0.82)
Non- Controlling interest in subsidiary	-0.09%	(1.12)	-0.18%	(0.44)	0.00%	-	-0.05%	(0.12)
As at March 31, 2018	100.00%	1,001.30	100.00%	151.26	100.00%	(0.71)	100.00%	150.55
Parent								
Dhampur Sugar Mills Limited	97.92%	980.50	103.90%	157.16	60.56%	(0.43)	104.10%	156.73
Subsidiaries- Indian								
EHAAT Limited	-0.18%	(1.85)	-3.55%	(5.37)	0.00%	-	-3.57%	(5.37)
DETS Limited	0.38%	3.79	-0.68%	(1.03)	0.00%	-	-0.68%	(1.03)
Subsidiaries- Foreign								
Dhampur International Pte. Ltd.	2.01%	20.10	0.62%	0.94	39.44%	(0.28)	0.44%	0.66
Non- Controlling interest in subsidiary	-0.12%	(1.24)	-0.29%	(0.44)	0.00%	-	-0.29%	(0.44)

51. Previous year figures have been regrouped/restated wherever considered necessary except below noted cases. Below noted cases have been restated to rectify the mistake occurred in the classification of certain assets.

(₹ in Crore)

Sl. no.	Particulars	Original stated amount	Restated amount
1	Non-current assets		
	a) Biological assets*	0.42	#
	b) Other financial assets **	-	0.41
2	Current assets		
	a) Biological assets*	-	0.42
	b) Other financial assets **	2.26	1.85

* Standing cane crop has wrongly classified on Non-current assets in previous year instead of current assets.
** Non current amount of other recoverable has been wrongly classifed as current assets in previous year instead on non-current assets.
# Value is ₹37,771 not reflecting due to round off.

The accompanying notes form an integral part of the financial statements

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

For Atul Garg & Associates
Chartered Accountants
Firm Registration No.001544C

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.006711N/N500028

For and on behalf of the Board of Directors

Atul Garg
Partner
Membership No. 070757

Neena Goel
Partner
Membership No. 057986

V. K. Goel
Chairman

A. K. Goel
Vice Chairman

Gautam Goel
Managing Director

Gaurav Goel
Managing Director

Place: New Delhi
Date: May 20, 2019

M. P. Mehrotra
Director

A. K. Gupta
Director

Nalin Kumar Gupta
Chief Financial Officer

Aparna Goel
Company Secretary

NOTES

NOTES

NOTES

Corporate Information

Board of Directors

Shri Vijay Kumar Goel, *Chairman*

Shri Ashok Kumar Goel, *Vice Chairman*

Shri Gaurav Goel, *Managing Director*

Shri Gautam Goel, *Managing Director*

Shri Sandeep Sharma, *Whole Time Director*

Shri Mahesh Prasad Mehrotra, *Independent Director*

Shri Ashwani Kumar Gupta, *Independent Director*

Shri Priya Brat, *Independent Director*

Shri Harish Saluja, *Independent Director*

Shri Rahul Bedi, *Independent Director*

Ms Nandita Chaturvedi, *Independent Director*

Shri Mahendar, *Nomine Director (Punjab National Bank)*

Chief Financial Officer

Shri Nalin Kumar Gupta

Company Secretary

Ms Aparna Goel

Registrar and Share Transfer Agents

M/s Alankit Assignments Limited
Alankit House, 3E/7 Jhandewalan Extension,
New Delhi – 110055

Auditors

Joint Statutory Auditors :

M/s T R Chadha & Co LLP
Chartered Accountants, New Delhi

and

Atul Garg & Associates
Chartered Accountants, Kanpur

Internal Auditors

M/s D C Chhajed & Associates
Chartered Accountants, New Delhi

Cost Auditors

Shri S. R. Kapur, Cost Auditors
Khatauli (Muzaffarnagar)

Secretarial Auditors

GSK & Associates,

Company Secretaries, Kanpur

Bankers

Punjab National Bank

Bank of Baroda

Central Bank of India

Prathma Bank

UCO Bank

State Bank of India

UP Co-operative & District Co-operative Banks

Registered office

Dhampur Sugar Mills Limited
Dhampur (N.R.), District Bijnor – 246761 (U.P)

Corporate office

241, Okhla Industrial Estate, Phase–III,
New Delhi – 110020

Branch Office

1/125, Vijay Khand, Gomti Nagar,
Lucknow -226010

Website

www.dhampur.com

Corporate Identification Number

L15249UP1933PLC000511

Works

Dhampur, District Bijnor (U.P)

Asmoli, District Sambhal (U.P)

Mansurpur, District Muzaffarnagar (U.P)

Rajpura, District Sambhal (U.P)

Meerganj, District Bareilly (U.P)

A TRISYS PRODUCT
info@trisyscom.com

Dhampur Sugar Mills Limited
241, Okhla Industrial Estate, Phase III,
New Delhi 110 020, India
Tel: +91 11 3065 9400 Fax: +91 11 26935697
Email: investordesk@dhampur.com
www.dhampur.com